

LINQ MINERALS LIMITED
ACN 665 642 820
(Company)

INCENTIVE AWARDS PLAN

EMK Lawyers

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
1.1	Definitions	1
1.2	Interpretation	7
2.	PURPOSE.....	7
3.	COMMENCEMENT AND TERM.....	8
4.	INVITATION TO APPLY FOR AWARDS	8
4.1	Invitation.....	8
4.2	Invitation Document	8
4.3	Personal Invitation	8
4.4	Nominee.....	8
4.5	Contents of Invitation Document	9
4.6	Number of Awards	9
4.7	Option Exercise Price	10
4.8	Vesting Conditions	10
4.9	Restriction Conditions and Restriction Period	10
4.10	Deferred Taxation	10
4.11	Quotation of Awards	11
4.12	Limit on Invitations	11
4.13	Reliance on ESS Provisions	11
4.14	Salary Sacrifice	11
5.	ACCEPTANCE OF INVITATION.....	12
5.1	Acceptance of Invitation.....	12
5.2	Board's right to reject.....	12
5.3	Participant Agrees to be Bound	12
5.4	Lapse of Invitation.....	13
6.	ACQUISITION OF AWARDS	13
6.1	Acquisition of Awards	13
6.2	Award Certificate.....	13
6.3	Approvals	13
6.4	No Trade Period, Takeover Restrictions and Insider Trading	14
6.5	Withholding	14
6.6	Convertible Security Limitations	14
6.7	Rights attaching to Shares.....	15
6.8	Share ranking.....	15
6.9	Quotation on stock exchange	15
7.	VESTING AND EXERCISE OF CONVERTIBLE SECURITIES	15
7.1	Vesting Conditions	15
7.2	Waiver of Vesting Conditions.....	15
7.3	Exercise of vested Convertible Security	16
7.4	Automatic Exercise of Performance Right.....	16
7.5	Cashless Exercise Facility	16
7.6	One or Several Parcels.....	16
8.	ISSUE/TRANSFER OF SHARES OR CASH PAYMENT ON EXERCISE OF CONVERTIBLE SECURITY	17
8.1	Issue/transfer of Shares.....	17
8.2	Cash Payment Facility	17
9.	RESTRICTIONS ON AWARDS.....	17
9.1	Restrictions on Disposal of Convertible Securities.....	17

9.2	Hedging	18
9.3	Share Restriction Conditions	18
9.4	Share Restriction Period	18
9.5	No Disposal of Restricted Shares	18
9.6	Start-up Tax Requirements	18
9.7	Tax Exempt Shares	19
9.8	Stock exchange-imposed Disposal restrictions	19
9.9	Enforcement of Disposal Restriction	19
9.10	Waiver of Restriction Condition or Restriction Period	19
9.11	Unfulfilled Restriction Condition	20
9.12	On-sale of Shares	21
10.	CEASING TO BE AN ELIGIBLE PARTICIPANT	21
10.1	Effect on Convertible Securities	21
10.2	Effect on Shares subject to a Restriction Condition	22
10.3	Effect on Shares subject to a Restriction Period	22
11.	CHANGE OF CONTROL AND RECONSTRUCTION	22
12.	LAPSE OF CONVERTIBLE SECURITIES	23
13.	MISCONDUCT AND CLAWBACK	23
14.	PARTICIPATION RIGHTS AND REORGANISATION	25
14.1	Participation Rights	25
14.2	Adjustments for Reorganisation	26
14.3	Notice of Adjustments	26
14.4	Cumulative Adjustments	27
15.	OVERRIDING RESTRICTIONS ON ACQUISITION AND EXERCISE	27
15.1	General Compliance with Laws and stock exchange rules	27
15.2	KMP Benefits	27
16.	AMENDMENTS	27
16.1	Power to amend Plan	27
16.2	Adjustment to Award Terms	28
16.3	Notice of Amendment	28
17.	TRUST	28
17.1	Establishing Trust	28
17.2	Appointment	28
17.3	Transfer of Shares	29
17.4	Voting rights	29
17.5	Dividends	29
17.6	Unallocated Shares	29
18.	MISCELLANEOUS	29
18.1	Rights and obligations of Participant	29
18.2	Power of the Board	30
18.3	Dispute or disagreement	30
18.4	ASIC relief	30
18.5	Non-residents of Australia	31
18.6	Communication	31
18.7	Attorney	31
18.8	Costs and Expenses	32
18.9	Adverse Tax	32
18.10	Data protection	32
18.11	Error in Allocation	32
18.12	No fiduciary capacity	32

18.13	ASX Listing Rules	32
18.14	Inconsistency	32
18.15	Enforcement.....	33
18.16	Severance	33
18.17	Laws governing Plan.....	33
SCHEDULE 1 – INCENTIVE AWARDS PLAN – TEMPLATE INVITATION DOCUMENT		34
SCHEDULE 1 – VESTING CONDITIONS		39
SCHEDULE 2 – INCENTIVE AWARDS PLAN TEMPLATE APPLICATION FORM		41
SCHEDULE 3 – NOTICE OF EXERCISE OF CONVERTIBLE SECURITIES		44

LINQ MINERALS LIMITED
INCENTIVE AWARDS PLAN

The Directors are empowered to operate this Incentive Awards Plan (**Plan**) on the following terms.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of the Plan, the following words have the following meanings.

Acquisition Date means, in respect of an Award, the later of:

- (a) the date the Board resolves to accept an Application Form from an Eligible Participant or Nominee (as applicable) and to issue the Award to the applicant; and
- (b) the date any conditions precedent to the issue of the Award are satisfied or waived.

Acquisition Price means the price at which the Company offers to issue or transfer an Award in accordance with an Invitation made under this Plan.

Ancillary Documentation means any documentation in addition to an Application Form which the Board specifies in an Invitation that an Eligible Participant must enter into and/or provide in connection with an Application Form.

Application Form means the Application Form by which an Eligible Participant or Nominee (as applicable) applies for Awards in response to an Invitation for Awards, in substantially the same form as set out in Schedule 2, or as otherwise approved by the Company from time to time (which for clarity may be an online form).

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Award means an Option, Performance Right or Share, as the context requires, issued or acquired under this Plan.

Board means the board of Directors of the Company or committee appointed by the Board for the purposes of the Plan, or, in respect of a particular matter, any person who is provided with delegated authority by the board of Directors of the Company in respect of that particular matter from time to time.

Business Day means those days other than a Saturday, Sunday or public holiday in the State and, where the Company is listed on the ASX, any other day which the ASX shall declare and publish is not a business day.

Cash Payment means, in respect of a vested Convertible Security, except as otherwise provided for in the Invitation for that Convertible Security, a cash amount equal to the Market Value of a Share as at the date the Convertible Security is exercised less, in respect of an Option, any Option Exercise Price and any superannuation or other Taxes, duties or other amounts the Company is required to pay or withhold in respect of any Cash Payment.

Cash Payment Facility has the meaning given to it in Rule 8.2.

Cashless Exercise Facility has the meaning given to it in Rule 7.5.

Change of Control means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares; or
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement (other than a compromise or arrangement with the Company's creditors) for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, an entity obtains Voting Power in the Company of at least 50.1% other than as a result of a Reconstruction of the Company; or
- (d) a third party acquires a legal interest of at least 50.1% in the tenements that constitute the major undertaking of the Company, whether by way of sale, joint venture or other disposal.

Closing Date means the date on which an Invitation is stated to close.

Company means LinQ Minerals Limited (formerly XavierLinQ Pty Ltd) (ACN 665 642 820).

Constitution means the constitution of the Company from time to time.

Convertible Security means an Option, Performance Right or other right to be issued or transferred a Share (or paid a Cash Payment at the discretion of the Board if so provided for by an Invitation) upon and subject to the terms of these Rules and the terms of any applicable Invitation.

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

Director means any person occupying the position of a director of any Group Company (including an alternate director or managing director appointed in accordance with the relevant constitution).

Dispose means, in relation to an Award:

- (a) sell, assign, buy-back, redeem, transfer, convey, grant an option over, grant or allow a Security Interest over;
- (b) enter into any swap arrangement, any derivative arrangements or other similar arrangement; or
- (c) otherwise directly or indirectly dispose of a legal, beneficial or economic interest in the Award,

(and **Disposal** has a corresponding meaning).

Eligible Participant means:

- (a) an officer of any Group Company, including any executive or non-executive Director of any Group Company;
- (b) a full, part time or casual employee of any Group Company;
- (c) an individual who provides services to a Group Company;
- (d) a prospective participant who may become an Eligible Participant under Rules (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Awards under the Plan.

Engagement Arrangement means the terms under which a Group Company has employed or engaged an Eligible Participant.

ESS Provisions means Division 1A of Part 7.12 of the Corporations Act as replaced or modified from time to time.

Exemption Conditions means the exemption conditions set out in section 83A-35 of the Tax Act.

Expiry Date means, in respect of a Convertible Security, the date on which the Convertible Security lapses (if it has not already otherwise lapsed in accordance with the Plan), which must be a date no more than fifteen (15) years after the Acquisition Date of the Convertible Security.

For Cause means employment or engagement ceases as a result of:

- (a) fraud or dishonesty;
- (b) serious or wilful misconduct;
- (c) serious negligence in the performance of duties;
- (d) a serious or persistent breach of Engagement Arrangement;
- (e) an act, whether at work or otherwise, which brings the Company or a Group Company into disrepute;
- (f) being charged with an offence punishable by imprisonment;
- (g) disqualification from managing a corporation under the Corporations Act;
- (h) bankruptcy or otherwise becoming liable, to be dealt with under the law relating to bankruptcy; or
- (i) any other event that would justify summary dismissal or termination at law.

Group means the Company and each other Associated Body Corporate.

Group Company means the Company or any Associated Body Corporate.

Holding Lock has the meaning given to that term in the ASX Listing Rules.

Invitation means an invitation made to an Eligible Participant to apply for one or more Awards under the Plan as set out in an Invitation Document.

Invitation Document means an invitation document in substantially the same form as set out in Schedule 1 to this Plan, or such other form as approved by the Board from time to time consistent with applicable law (and the ESS Provisions to the extent they are being relied upon).

Issue Date means the date on which an Award is issued or transferred to a Participant (or is issued, transferred or allocated to or by the Trustee to hold on behalf of the Participant) under this Plan.

Market Value means:

- (a) for a Share:
 - (i) where the Company is listed on a stock exchange, the VWAP for Shares traded on the applicable stock exchange during the 5 most recent trading days on which Shares were traded up to but not including the day on which Market Value is to be determined, or such longer period as determined by the Board; or
 - (ii) otherwise, the most recent cash or cash equivalent price at which Shares were issued or sold for valuable consideration in a bona fide, arms' length transaction (not being Shares issued under this Plan) as determined by the Board acting reasonably and in good faith; and
- (b) for Convertible Securities, the fair market value of the Convertible Securities as determined by application of a valuation methodology approved by the Board, acting reasonably and in good faith, such valuation being no more than twelve (12) months old as at the date the Market Value is to be determined.

Marketable Parcel has the meaning given to that term in the ASX Listing Rules.

New Holding Entity means an entity in which equity securities are issued in exchange for Shares as part of a Reconstruction.

Nominee means a nominee of an Eligible Participant that is one of the following:

- (a) a spouse, parent, child or sibling of the Eligible Participant (**Immediate Family Member**); or
- (b) a company controlled by an Eligible Participant or Immediate Family Member.

No Trade Period means a period when the Participant is prohibited from trading in the Company's securities by the Company's written policies.

Notice of Exercise has the meaning given in Rule 7.3(b).

Option means an option to be issued or transferred a Share (or paid a Cash Payment at the discretion of the Board if so provided by an Invitation) upon and subject to the terms of these Rules and the terms of any applicable Invitation.

Option Exercise Price means the exercise price of an Option, as determined in accordance with Rule 4.7.

Participant means an Eligible Participant to whom an Award has been issued or transferred under the Plan or, if Rule 4.4 applies, a Nominee of the Eligible Participant to whom an Award has been issued or transferred under the Plan.

Performance Right means a right to be issued or transferred a Share (or paid a Cash Payment at the discretion of the Board if so provided by an Invitation), upon and subject to the terms of these Rules and the terms of any applicable Invitation.

Plan means the plan as set out in this document, subject to any amendments or additions made under Rule 16.

Reconstruction means the reconstruction of the Company involving holders of Shares exchanging those Shares for shares in a New Holding Entity such that the shareholders of the New Holding Entity are, or after the reconstruction become, the same or substantially the same as the former holders of Shares.

Redundancy means termination of the employment, office or engagement of a Relevant Person due to economic, technological, structural or other organisational change in or affecting the Company as a consequence of which:

- (a) no Group Company requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or
- (b) no Group Company requires the position held by the Relevant Person to be held by anyone.

Relevant Interest has the meaning given in the Corporations Act.

Relevant Person means:

- (a) where an Eligible Participant is a Participant, that Eligible Participant; and
- (b) where a Nominee of an Eligible Participant is a Participant, the Eligible Participant.

Remuneration means salary, wages, fees or any other monetary amount (including a bonus).

Restricted Shares means Shares acquired under this Plan that are subject to a Restriction Condition or Restriction Period.

Restriction Condition means a condition set out in an Invitation that must be satisfied (unless waived in accordance with the Plan) before the Share to which the Restriction Condition applies can be Disposed.

Restriction Period means a period set out in an Invitation or imposed by this Plan in accordance with Rule 9 during which a Share acquired in accordance with this Plan cannot be Disposed.

Retirement means where a Relevant Person intends to permanently cease all gainful employment in circumstances where the Relevant Person provides, in good faith, a written statutory declaration to the Board to that effect.

Rules means the rules of the Plan set out in this document.

Salary Sacrifice means where the Eligible Participant agrees to contractually cancel part of their future pre-tax or post tax Remuneration that they would otherwise receive in return for a benefit of similar value.

Securities Trading Policy means any Company's securities trading policy, as amended from time to time.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to:

- (c) any agreement to grant or create any of the above; and
- (d) a security interest within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth).

Severe Financial Hardship means that the Relevant Person is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

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

Shareholder means a holder of Shares.

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to death or Total or Permanent Disability, Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship; or
- (c) any other circumstance as determined by the Board to constitute "Special Circumstances" or stated to be "Special Circumstances" in the terms of the relevant Invitation made to and accepted by the Participant.

State means the State of Western Australia.

Takeover Bid means a takeover bid (as defined in the Corporations Act) to acquire Shares.

Tax or Taxes means a tax, levy, impost, charge, deduction, withholding or duty of any nature (including stamp and transaction duty) imposed or levied by any government agency or required to be remitted to, or collected, withheld or assessed by, any government agency, together with any related interest, penalty, fine, expense or other charge on those amounts.

Tax Act means the *Income Tax Assessment Act 1997* (Cth).

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which he or she is reasonably qualified by education, training or experience.

Trust means a trust established by the Trust Deed.

Trust Deed means any trust deed entered into by the Trustee for the purpose of holding money, Awards or other property on trust for Participants and other persons.

Trustee means a trustee appointed under Rule 17.

Vesting Condition means, in respect of a Convertible Security, any condition set out in the Invitation which must be satisfied (unless waived in accordance with the Plan) before that Convertible Security is treated as vested such that the Convertible Security can be exercised.

Voting Power has the meaning given to that term in Section 610 of the Corporations Act.

VWAP means volume weighted average market price as defined in the ASX Listing Rules.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Plan;
- (b) any reference in the Plan to any enactment of applicable stock exchange rules includes a reference to that enactment or those applicable stock exchange rules as from time to time amended, consolidated, re-enacted or replaced;
- (c) the singular includes the plural and vice versa;
- (d) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (e) a reference to:
 - (i) a person includes a natural person, the estate or legal personal representative of an individual, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a document includes all amendments or supplements to that document;
 - (iii) a Rule is a reference to a Rule of this Plan;
 - (iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (v) an agreement other than this Plan includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (vi) a monetary amount is in Australian dollars; and
- (f) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

2. PURPOSE

The purpose of the Plan includes to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to performance and the creation of Shareholder value;
- (c) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants or their Nominees to receive Awards with the intention that such Awards be held for the long term;
- (d) provide Eligible Participants with the opportunity to share in any future growth in value of the Company;
- (e) provide greater incentive for Eligible Participants to focus on the Company's

longer term goals;

- (f) allow selected Eligible Participants to acquire Awards under the Exemption Conditions and by way of salary sacrifice in accordance with the Tax Act; and
- (g) allow Directors to acquire Awards in lieu of payment of Director fees.

3. COMMENCEMENT AND TERM

- (a) This Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.
- (b) The Board may terminate the Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Awards shall survive termination of the Plan until fully satisfied and discharged.

4. INVITATION TO APPLY FOR AWARDS

4.1 Invitation

- (a) The Board may, from time to time, in its discretion, make a written invitation (which may be made by email) to any Eligible Participant (including an Eligible Participant who has previously received an Invitation) to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Invitation**).
- (b) In exercising that discretion as to whether to make an Invitation, the Board may have regard to any matter the Board considers relevant.
- (c) For the avoidance of doubt, nothing in this Plan obliges the Company at any time to make an Invitation, or further Invitation, to any Eligible Participant.
- (d) To the extent this Plan is used to make Invitations that are intended to satisfy the Exemption Conditions, the Plan will be operated on a non-discriminatory basis as that expression is defined in section 83A-35(6) of the Tax Act.

4.2 Invitation Document

An Invitation must be made using an Invitation Document.

4.3 Personal Invitation

Subject to Rule 4.4, an Invitation is personal and is not assignable.

4.4 Nominee

- (a) Upon receipt of an Invitation, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the Invitation.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Invitation in favour of a Nominee without giving any reason for that decision.
- (c) If the Board resolves to allow a renunciation of an Invitation in favour of a Nominee:
 - (i) the Eligible Participant must procure the permitted Nominee accepts the Invitation made to the Eligible Participant and is bound by and complies with the Rules; and

- (ii) the Nominee, by executing an Application Form, is deemed to be bound by the Rules of this Plan.

4.5 Contents of Invitation Document

An Invitation Document may be made on such terms and conditions as the Board determines from time to time, including as to:

- (a) the type of Awards that the Eligible Participant (or their Nominee) may apply for;
- (b) the Acquisition Price of the Awards, if any, or how such amount is calculated;
- (c) the terms and conditions of any Salary Sacrifice relating to the Awards;
- (d) the maximum number of each type of Award that the Eligible Participant (or their Nominee) may apply for, or the formula for determining the maximum number of each type of Award that may be applied for;
- (e) where an invitation is made to apply for Convertible Securities, the maximum number of Shares that the Participant (or their Nominee) is entitled to acquire on the exercise of each Convertible Security or the formula for determining the maximum number of Shares;

Comment

ASX treats performance rights as options. Therefore, ASX Listing Rule 6.18 prohibits a performance right being exercisable into shares comprising a percentage of the Company's issued capital.

- (f) where an invitation is made to apply for Options, the Option Exercise Price of any Options, or the formula for determining the Option Exercise Price;
- (g) where an invitation is made to apply for Convertible Securities, any Vesting Conditions;
- (h) any Restriction Condition or Restriction Period the Board has resolved to apply to Shares acquired in accordance with this Plan;
- (i) the Expiry Date of any Convertible Securities;
- (j) whether the Cashless Exercise Facility is available for any Options;
- (k) whether a Cash Payment Facility is available for any Awards;
- (l) any applicable Ancillary Documentation;
- (m) any other terms and conditions applicable to the Awards;
- (n) the date by which an Invitation must be accepted (**Closing Date**); and
- (o) any other information required by law or, where the Company is listed on a stock exchange, the stock exchange rules, or considered by the Board to be relevant to the Awards or Shares to be acquired on the exercise of Convertible Securities.

4.6 Number of Awards

Subject to Rule 4.12, the number of Awards an Eligible Participant may be invited to apply for from time to time will be determined by the Board in its discretion and in accordance with applicable law and, if applicable, stock exchange rules.

4.7 Option Exercise Price

In respect of any Invitation, the Board may determine the Option Exercise Price (if any) for an Option offered under that Invitation in its discretion.

4.8 Vesting Conditions

- (a) Any Convertible Security may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Invitation for the Convertible Security.
- (b) Subject to applicable law and stock exchange rules, the Board may, in its discretion, in accordance with this Plan, amend any Vesting Conditions in whole or in part, which the Board may do at any time, including after the time specified for satisfaction of any Vesting Condition has passed, and subject to any conditions considered appropriate, and must notify a Participant in writing as soon as reasonably practicable after it has amended in whole or in part any Vesting Condition.

Comment

Where the Company is listed on the ASX, legal advice should be sought before the Board seeks to exercise its discretion to amend a Vesting Condition as ASX policy is that such discretion will usually require a waiver of ASX Listing Rule 6.23.3, which waiver, if available, will typically be conditional on shareholder approval.

4.9 Restriction Conditions and Restriction Period

- (a) A Share acquired in accordance with this Plan may be subject to a Restriction Condition and/or a Restriction Period as determined in accordance with Rule 9 of this Plan.
- (b) Subject to applicable law and stock exchange rules, the Board may, in its discretion, in accordance with this Plan, amend any Restriction Condition and/or a Restriction Period in whole or in part, which the Board may do at any time, including after the time specified for satisfaction of any Restriction Condition has passed, and subject to any conditions considered appropriate, and must notify a Participant in writing as soon as reasonably practicable after it has amended in whole or in part any Restriction Condition or Restriction Period.

4.10 Deferred Taxation

Subdivision 83A-C of the Tax Act applies to the Plan and any Convertible Securities acquired under the Plan except to the extent an Invitation provides otherwise.

EMK Comment

The following comments are general only. EMK Lawyers are not tax lawyers and we recommend tax advice on the Plan and specific invitations is obtained from suitably qualified tax advisors.

Under this subdivision, in general terms and subject to the exception below and an Invitation otherwise providing, the taxing point on a Convertible Security is deferred beyond the Acquisition Date, regardless of whether there are Vesting Conditions, so long as the Award has a genuine disposal restriction on it (Rule 9.1 below is intended to achieve this) and tax deferral wording is stated to apply (as set out in this Rule 4.10). Tax can therefore be deferred to the later of:

- the date the Convertible Security is exercised and a Share acquired; and

- the date a genuine disposal restriction on the Share is lifted. Rule 9 allows the Board to impose a Restriction Period on Shares to enable this deferral to apply. The Share transfer restriction must be imposed at the time the Convertible Security is granted.

If a proposed Participant and its associates holds, or will hold as a result of the grant/exercise of the Convertible Security, 10% or more of the Company's Shares on issue when the Convertible Security is granted, tax deferral under these employee tax rules may not be available.

There are circumstances where a Participant does not want tax to be deferred – eg for premium exercise price options. In such cases, the specific Invitation in such situations should state that tax deferral does not apply (the template Invitation allows for this).

4.11 Quotation of Awards

Awards will not be quoted on a stock exchange, except (where the Company is listed on a stock exchange) to the extent provided for by this Plan or unless the Invitation provides otherwise.

4.12 Limit on Invitations

Where an Invitation is to be made that involves an Applicant or the Participant paying monies to the Company on the issue or exercise of Awards offered under the Invitation (eg an Invitation for Options with an Exercise Price), the Invitation is not made in reliance on Section 708 of the Corporations Act and the Company wishes to rely on the ESS Provisions in respect of the Invitation, the Board must reasonably believe, when making that Invitation, that:

- the number of Shares to be issued under the Invitation, or issued on exercise of Convertible Securities offered under the Invitation, when aggregated with;
- the number of Shares issued or that may be issued as a result of Invitations made under the Plan or any other employee share scheme during the 3 year period prior to the date of the Invitation;

will not exceed 5% of the total number of Shares on issue at the date of the Invitation or such other percentage as specified in the Company's Constitution.

Comment

Under the ESS Provisions, the cap only applies to Awards where payment is required from the applicant or holder on their issue or exercise (eg Options with an Exercise Price) and s708 of the Corporations Act is not being relied on to make the offer. Performance rights, where issued and exercised for nil cash consideration, can be issued without complying with the cap.

4.13 Reliance on ESS Provisions

Where the Company relies on the ESS Provisions to make an Invitation under this Plan, this Plan is intended to be an 'employee share scheme' for the purposes of the ESS Provisions, and each Invitation and Invitation Document are intended to qualify for the disclosure and other relief provided for in the ESS Provisions, as applicable, and accordingly this Plan and each Invitation and Invitation Document are to be varied, read and construed consistent with such intention.

4.14 Salary Sacrifice

- The Board may determine that an Invitation will involve a Salary Sacrifice and, if so, determine the terms and conditions of the Salary Sacrifice for the Plan and, in respect of any Invitation, any minimum and/or maximum percentage or

amount of future Remuneration (before Tax) for which Awards are allocated in lieu of that Remuneration.

- (b) Where an Invitation is made which will involve a Salary Sacrifice by an Eligible Participant, the Invitation is conditional on the Eligible Participant and the Group Company which employs or engages the Eligible Participant entering into an agreement setting out the terms and conditions of the Salary Sacrifice.
- (c) The Board may, from time to time, determine that a Group Company must pay to the Company specified amounts under the Plan in respect of an Invitation. The Company:
 - (i) must apply such amounts towards the acquisition of Awards (and to meet any costs associated with any such acquisition) to the relevant Participant, unless the Company or the Trustee has already procured the acquisition of Awards in advance of receiving such amounts, in which case the Company may apply those amounts to reimburse itself or the Trustee for the acquisition of the Awards and any costs associated with the acquisition; and
 - (ii) may apply any surplus amounts paid by a Group Company in accordance with this Rule towards the cost of administering the Plan or transfer that surplus amount to the Trustee for the purposes of the Trust.
- (d) The Board may, from time to time, determine that the Company will provide additional benefits in the form of Awards based on the level of participation of a Participant in the Plan on such terms as the Board determines.

5. ACCEPTANCE OF INVITATION

5.1 Acceptance of Invitation

An Eligible Participant (or permitted Nominee) may accept the invitation in an Invitation, in whole or in part, by completing and returning an Application Form to the Company (which may be done by email or online in accordance with the Invitation), together with, subject to any Salary Sacrifice arrangement, the Acquisition Price for the Awards (if applicable) and any necessary Ancillary Documentation, no later than the Closing Date.

5.2 Board's right to reject

- (a) The Board may accept or reject any Application Form in its discretion.
- (b) Before accepting or rejecting the Application Form, the Board may require the applicant to provide any information that the Board requests concerning the person's entitlement to lodge an Application Form under this Plan.
- (c) The Board must promptly notify an applicant if an Application Form has been rejected, in whole or in part.
- (d) For clarity, the Company will not be bound to issue or transfer any Awards to an Eligible Participant (or Nominee) unless and until the Board determines to accept an Application Form and subject to the satisfaction or waiver by the Board of any conditions precedent or conditions subsequent imposed by the Board.

5.3 Participant Agrees to be Bound

- (a) An Eligible Participant, by submitting an Application Form, agrees to be bound by the terms and conditions of the Invitation and the Application Form, the Plan and the Constitution of the Company, and the Securities Trading Policy, as amended from time to time.

- (b) If the Board resolves to allow a renunciation of an Invitation in favour of a Nominee:
 - (i) the Eligible Participant will procure that the permitted Nominee accepts the Invitation made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the terms and conditions of the Invitation and Application Form, the Plan and the Constitution of the Company, as amended from time to time; and
 - (ii) the Eligible Participant is strictly liable for any failure of its Nominee to comply with the terms and conditions of the Invitation and Application Form, the Plan and the Constitution of the Company, as amended from time to time.

5.4 Lapse of Invitation

To the extent an Invitation is not accepted in accordance with Rule 5.1, the Invitation will lapse on the date following the Closing Date, unless the Board determines otherwise.

6. ACQUISITION OF AWARDS

6.1 Acquisition of Awards

Subject to this Plan, once the Board has received and resolved to accept a duly completed Application Form for Awards, the Company must, provided the Eligible Participant to whom the Invitation was made remains an Eligible Participant at that time (and in the case of a prospective Participant, has become an Eligible Participant under (a), (b) or (c) of the definition of this term in Rule 1.1), promptly issue or transfer Awards to the applicant (or, where applicable, issue to the Trustee or procure the Trustee to allocate to the Participant Awards already held on trust by the Trustee on an unallocated basis), upon the terms set out in the Plan, the Invitation, the Application Form and any Ancillary Documentation and upon such additional terms and conditions as the Board determines.

6.2 Award Certificate

Subject to this Plan, the Company will, within a reasonable period after the Issue Date of the Awards, issue the applicant with a certificate evidencing the issue or transfer of the Awards or provide evidence that the applicant has been registered by the Company as the holder of the Awards or if applicable that the Awards are held by the Trustee on behalf of the applicant in accordance with this Plan and the Trust Deed.

6.3 Approvals

The Company's obligation to issue or transfer Awards is subject to the following conditions (which are conditions precedent unless otherwise advised by the Board):

- (a) the issue or transfer of the Award complying with all applicable legislation, applicable stock exchange rules and the Constitution; and
- (b) all necessary approvals required under any applicable legislation and regulation, applicable stock exchange rules, contractual agreements and the Constitution being obtained prior to the issue or transfer of the Awards.

Comment

Where premium exercise price options (PEPOs) are being offered, with the exercise premium determined before shareholder approval is obtained, the Invitation should state that shareholder approval is a condition subsequent and not a condition precedent. We understand this is to ensure the Acquisition Date of the PEPOs is when the Board resolves to grant the PEPOs, not when shareholder approval is obtained. This is necessary to

ensure the PEPOs have nil value. Tax advice on this should be sought to confirm this approach.

6.4 No Trade Period, Takeover Restrictions and Insider Trading

If the issue or transfer of Awards under this Plan (including the issue or transfer of Shares on exercise of a Convertible Security acquired under this Plan) would otherwise fall within a No Trade Period, or breach the insider trading or takeover provisions of the Corporations Act (if applicable) or other applicable law, the Company may delay the issue or transfer of the Awards until the expiration, as applicable, of the No Trade Period or the day on which the insider trading or takeover provisions, no longer prevent the issue or transfer of the Awards.

6.5 Withholding

If a Participant is liable for Taxes or other amounts in respect of their Awards (including the issue or transfer of Shares on exercise of a Convertible Security acquired under this Plan), and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company may:

- (a) deduct from any Cash Payment due the payment the Company is required to pay to the appropriate authorities;
- (b) issue to the Participant and arrange (as the Participant's attorney) for a nominee to sell at the current Market Value such number of Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale (after allowing for reasonable sale costs) equals the payment the Company is required to pay to the appropriate authorities. The Company is entitled to apply such net sale proceeds to pay the appropriate authorities, with any excess net sale proceeds to be remitted to the Participant; and/or
- (c) require the Participant to reimburse the Group Company for any Taxes which the Group Company is required to withhold.

6.6 Convertible Security Limitations

- (a) Prior to a Convertible Security being exercised in accordance with Rules 7.3 or 7.4, a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject to the Convertible Security other than those expressly set out in these Rules.
- (b) A Convertible Security does not entitle the Participant to:
 - (i) other than as required by law, be given notice of, or to vote or attend at, a meeting of Shareholders;
 - (ii) receive any dividends of the Company, whether fixed or at the Directors' discretion;
 - (iii) any right to a return of capital, whether in a winding up, upon a reduction of capital, or otherwise;
 - (iv) any right to participate in the surplus profits or assets of the Company upon a winding up; or
 - (v) participate in new issues of Securities such as bonus issues or entitlement issues.

6.7 Rights attaching to Shares

Subject to this Plan, and any Ancillary Documentation, a Participant will, from the date it is issued or transferred Shares under this Plan, except to the extent the Trustee holds legal title, be the legal and beneficial owner of the Shares issued in respect of them and will be entitled to dividends and to exercise voting rights attached to the Shares.

6.8 Share ranking

All Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

6.9 Quotation on stock exchange

If Shares of the same class as those issued under the Plan are quoted on a stock exchange, and the Shares issued under the Plan are not already quoted, the Company will, subject to any Disposal restriction in respect of those Shares ending, apply for those Shares to be quoted on the stock exchange in accordance with the stock exchange rules.

7. VESTING AND EXERCISE OF CONVERTIBLE SECURITIES

7.1 Vesting Conditions

- (a) Subject to Rule 7.2, a Convertible Security acquired under the Plan will not vest and be exercisable unless the Vesting Conditions (if any) attaching to that Convertible Security have been satisfied, as determined by the Board acting reasonably, and the Board has notified the Participant of that fact.
- (b) For clarity, if a Convertible Security is issued without being subject to any Vesting Conditions, that Convertible Security is immediately exercisable.
- (c) The Board must notify a Participant in writing as soon as reasonably practicable after becoming aware that any Vesting Condition attaching to a Convertible Security has been satisfied.

7.2 Waiver of Vesting Conditions

Notwithstanding Rule 7.1, but subject to applicable law and stock exchange rules:

- (a) an Invitation may provide for Vesting Conditions to be automatically waived in specified circumstances; and
- (b) the Board may in its discretion (except to the extent otherwise provided by an Invitation), by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to a Convertible Security in whole or in part, which the Board may do at any time, including after the time specified for satisfaction of the Vesting Condition has passed, and subject to any conditions considered appropriate, and must notify a Participant in writing as soon as reasonably practicable after it has waived in whole or in part any Vesting Condition.

Comment

Where the Company is listed on the ASX, legal advice should be sought before the Board seeks to exercise its discretion to waive a Vesting Condition as ASX policy is that such discretion will usually require a waiver of ASX Listing Rule 6.23.3, which waiver, if available, will typically be conditional on shareholder approval.

A waiver and approval are not required where unvested Convertible Securities automatically vest in whole or part as this does not involve the Board using a general

discretion to waive Vesting Conditions. If desired, this should be provided for in specific Invitations.

7.3 Exercise of vested Convertible Security

Subject to Rule 7.4, a Participant (or their personal legal representative where applicable) may, subject to the terms of this Plan and any Invitation, exercise any vested Convertible Security at any time after the Convertible Security has vested, but before the Convertible Security lapses by providing the Company with:

- (a) the certificate for the Convertible Security (if any) or, if the certificate for the Convertible Security (if any) has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (b) a notice in the form of Schedule 3 (or such other notice, which may be online, as required by the Company) completed by the Participant stating that the Participant exercises the Convertible Security and specifying the number of Convertible Securities which are exercised (**Notice of Exercise**); and
- (c) where the Award to be exercised is an Option, except to the extent the Board approves the use of the Cashless Exercise Facility, or the Cash Payment Facility (where available), payment to the Company in cleared funds of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised.

7.4 Automatic Exercise of Performance Right

Notwithstanding any other provision of this Plan, an Invitation may provide that a Performance Right is automatically exercised upon vesting or on a date or event after vesting but before the Expiry Date, as specified by the Board, in which case Rule 7.3 does not apply.

7.5 Cashless Exercise Facility

- (a) Except as otherwise provided for by an Invitation if, at the time of exercise of vested Options, subject to Board approval at that time and Rule 7.5(b), the Participant may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will issue or transfer to the Participant that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share) (**Cashless Exercise Facility**).
- (b) Notwithstanding any other provision of this Plan, if the Option Exercise Price otherwise payable in respect of an Option being exercised is the same or higher than the applicable Market Value of a Share at the time of exercise, then a Participant will not be entitled to use the Cashless Exercise Facility.

7.6 One or Several Parcels

Convertible Securities may be exercised in one or more parcels of any size, provided that the number of Shares issued or transferred upon exercise of the number of Convertible Securities in any parcel is not less than a Marketable Parcel.

8. ISSUE/TRANSFER OF SHARES OR CASH PAYMENT ON EXERCISE OF CONVERTIBLE SECURITY

8.1 Issue/transfer of Shares

Subject to compliance with Rules 7.3 or 7.4 (as applicable), and provided the Board has not determined that a Cash Payment (where available) applies, the Company will, subject to the Plan, an applicable Invitation, the Corporations Act and other applicable law, any applicable stock exchange rules and the Constitution:

- (a) within 5 Business Days of satisfaction of Rules 7.3 or 7.4 (as applicable) and Rule 7.5 if the Cashless Exercise Facility applies), issue or transfer to the Participant the applicable number of Shares in respect of which vested Convertible Securities have been exercised, together with any additional Shares an entitlement to which has arisen under Rule 14 in consequence of the exercise of the Convertible Securities (rounded down to the nearest Share);
- (b) despatch a share certificate or enter the Shares in the Participant's uncertificated holding, as the case may be, upon the terms set out in the Invitation, the Application Form and the Plan; and
- (c) cancel the certificate (if any) delivered pursuant to Rule 7.3 and, if any Convertible Securities which have not lapsed remain unexercised, deliver to the Participant either a replacement certificate reflecting the number of those Convertible Securities which remain unexercised or other evidence of the Participant's remaining Convertible Securities.

8.2 Cash Payment Facility

- (a) Subject to applicable law, any applicable stock exchange rules, this Plan and the terms of any Invitation, where all Vesting Conditions in respect of a Convertible Security have been satisfied or waived and the Invitation for that Convertible Security provided for a Cash Payment alternative, the Board may, in its discretion, within 20 Business Days of receipt of a valid Notice of Exercise for the vested Convertible Security or automatic exercise under Rule 7.4, in lieu of issuing or transferring a Share to the Participant on exercise of the Convertible Security under Rule 8.1, pay the Participant or his or her personal representative (as the case may be) a Cash Payment for the Convertible Security exercised (which will be nil if the Cash Payment is a negative amount).
- (b) A vested Convertible Security automatically lapses upon payment of a Cash Payment in respect of the vested Convertible Security.

Comment

The Cash Payment Facility allows the Board, on exercise of a Convertible Security, to pay a Participant the market value of a Share in cash instead of issuing or transferring a Share. The Payment Facility will only apply where provided for in an Invitation. The template Invitation allows for this to be selected. Tax advice on the effect of including the Cash Payment alternative should be sought as it may have payroll tax consequences.

9. RESTRICTIONS ON AWARDS

9.1 Restrictions on Disposal of Convertible Securities

Subject to the applicable rules of any stock exchange, and except as otherwise provided for by this Plan, an Invitation or required by law, a Convertible Security acquired under the Plan may only be Disposed:

- (a) in Special Circumstances with the consent of the Board (which may be withheld in its discretion); or

- (b) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy or under the law relating to mental health.

9.2 Hedging

Except as otherwise provided for by an Invitation or agreed by the Board in its discretion, a Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Awards.

9.3 Share Restriction Conditions

A Share acquired in accordance with this Plan may be made subject to a Restriction Condition as determined by the Board in its discretion and as specified in an Invitation or as otherwise imposed by this Plan or any Ancillary Documentation.

9.4 Share Restriction Period

A Share acquired in accordance with this Plan may be made subject to a Restriction Period as determined by the Board in its discretion and as specified in an Invitation or as otherwise imposed by this Plan or Ancillary Documentation.

Comment

The Plan provides for both Share Restriction Conditions and Share Restriction Periods. A Share Restriction Condition should be used where the Company wishes to be able to buyback and cancel, or sell, the Share if the condition is not met. A Share Restriction Period should be used where the only condition is that the Share is not disposed within the specified period – such a Share is not at risk of being bought back and cancelled or sold.

Tax deferral under Australian law is currently a maximum of 15 years. Note that the restriction must be agreed at the Acquisition Date of the Awards for tax on the Awards (including any Shares issued on exercise of Convertible Securities) to be deferred to the time that the restriction is lifted. Tax advice on this point should be sought as appropriate.

9.5 No Disposal of Restricted Shares

A Participant must not Dispose of any Shares acquired by them under the Plan while they are Restricted Shares (being Shares subject to a Restriction Condition or a Restriction Period).

9.6 Start-up Tax Requirements

Notwithstanding any other provision of this Plan, where an Award is acquired in reliance on the Company satisfying the start-up company requirements in section 83A-33 of the Tax Act (**Start-up Tax Requirements**), a legal or a beneficial interest in the Award (and any Share acquired on exercise of the Award, if applicable) may not be Disposed of (other than by a Trustee to an Eligible Participant) until the earlier of:

- (a) the Relevant Person in respect of those Awards ceasing to be an Eligible Participant;
- (b) three (3) years after the Acquisition Date of the Award;
- (c) a Disposal under an arrangement which meets the requirements in section 83A-130 of the Tax Act; and
- (d) such time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act.

9.7 Tax Exempt Shares

Notwithstanding any other provision of this Plan, where a Share is acquired in reliance on the Company satisfying the Exemption Conditions, the Share is subject to a Restriction Period until the earlier of:

- (a) three (3) years after the Acquisition Date of the Share or such date as may be determined by the Board in its discretion so as to satisfy the Exemption Conditions; or
- (b) the day the Relevant Person ceases to be an Eligible Participant.

9.8 Stock exchange-imposed Disposal restrictions

Where the Company is listed on a stock exchange, Awards acquired under this Plan are deemed to be subject to a Restriction Period to the extent necessary to comply with any Disposal restrictions imposed by the stock exchange rules on those Awards.

9.9 Enforcement of Disposal Restriction

- (a) The Company may implement any procedure it considers appropriate to ensure a Participant complies with any Disposal restrictions applying to any Convertible Securities or Shares under this Plan or an Invitation.
- (b) The Participant agrees to:
 - (i) execute a restriction agreement in relation to any Convertible Securities or Shares subject to Disposal restrictions under this Plan or an Invitation as required by the Board or, where the Company becomes or is listed on a stock exchange, any Disposal restriction imposed by applicable stock exchange rules;
 - (ii) the Company lodging the certificates (if any) for the Convertible Securities or Shares subject to Disposal restrictions under this Plan or an Invitation with a bank or recognised trustee to hold until the satisfaction or waiver of those Disposal restrictions at which time the Company shall arrange for the certificates to be provided to the Participant;
 - (iii) where the Company becomes or is listed on a stock exchange, the application of a Holding Lock over the Convertible Securities or Shares subject to Disposal restrictions until the satisfaction or waiver of those Disposal restrictions, at which time the Company shall arrange for the Holding Lock to be removed; and
 - (iv) the Company being entitled to refuse to acknowledge a Disposal (including registering a transfer) of an Award and, if the Award is a Share, the holder of the Restricted Share has no rights to any dividends or distributions, and no voting rights, where:
 - (A) the Award is Disposed in contravention of this Plan, a restriction agreement or the rules of an applicable stock exchange; or
 - (B) the holder breaches the terms of a restriction agreement, or the rules of an applicable stock exchange, applying to the Award.

9.10 Waiver of Restriction Condition or Restriction Period

- (a) Subject to applicable law and stock exchange rules, this Plan and an applicable

Invitation and Ancillary Documentation and the Constitution, the Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Condition or a Restriction Period in whole or in part, which the Board may do at any time, including after the time specified for satisfaction of any Restriction Condition has passed, and subject to any conditions considered appropriate, and must notify a Participant in writing as soon as reasonably practicable after it has waived in whole or in part any Restriction Condition or Restriction Period.

- (b) Notwithstanding Rule 9.10(a), the Board may not waive a Restriction Period imposed by Rule 9.6 of this Plan.

Comment

If the Company has imposed a Restriction Period to defer tax, or meet Tax Act requirements, the Board should only exercise its discretion following receipt of tax advice.

9.11 Unfulfilled Restriction Condition

Subject to applicable law and stock exchange rules, the Plan, an applicable Invitation and Ancillary Documentation and the Constitution, where a Restriction Condition in relation to a Share is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, or as otherwise provided for by this Plan, the Company may, without limiting its other remedies, unless the Restriction Condition is waived by the Board:

- (a) buy back and cancel the relevant Share under Part 2J.1 of the Corporations Act for such consideration as determined by the Board (which may be nil), and the Participant must vote in favour of any Shareholder resolution required to give effect to the buy-back;

Comment

Shares can be bought back and cancelled if the buyback does not materially prejudice the Company's ability to pay its creditors and the Plan has been approved by Shareholders (see section 257B of the Corporations Act). Shareholder approval for the buyback itself is only required if the number of Shares bought back exceeds the 10/12 rule in that section. Tax advice should be sought on the consideration for any buy-back.

- (b) declare the Shares to be forfeited and the Participant must vote in favour of any Shareholder resolution required to give effect to the forfeiture, and where the Shares are held by the Trustee, the Participant's rights to the Shares will be extinguished for no consideration and the Board may, at any time in the future, request the Trustee to hold the Shares for the benefit of a different or new Participant and, pending implementation of that request, the Shares shall comprise general trust property; or

Comment

Shares that have been forfeited under the terms on which they were issued can be cancelled if the Shareholders approve the cancellation (see s258D of the Corporations Act). Tax advice should be sought before any buy-back occurs.

- (c) appoint a nominee as agent of the Participant to sell the Share as soon as reasonably practicable provided that the sale must be at a price that is no less than the 80% of the Market Value of the Share up to the sale date, and apply the sale proceeds (**Sale Proceeds**) in the following priority:
 - (i) first, to pay the Company's reasonable costs in selling the Share; and
 - (ii) then, to the Company to cover its costs of managing the Plan.

9.12 On-sale of Shares

- (a) If a disclosure document (as that term is defined in the Corporations Act) is required for the on-sale of Shares acquired under this Plan, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the on-sale of the relevant Shares in a manner that would require a disclosure document to be prepared.
- (b) Where the ASX Listing Rules apply, the Company will issue, if it is eligible to do so, where required to enable Shares to be freely tradeable on the ASX (subject to any Restriction Condition or Restriction Period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will, if it is eligible to do so and listed on the ASX, lodge a cleansing prospectus in relation to the Shares with ASIC which complies with the requirements of the Corporations Act and allows the Shares to be freely tradeable on the ASX (subject to any Restriction Condition or Restriction Period).

Comment

If the Company is listed on the ASX, a cleansing notice or prospectus is not required for Shares issued on exercise of Awards where the Awards were offered in reliance on the ESS Provisions.

- (c) A Participant must not Dispose of any Shares acquired by them in contravention of the Corporations Act, including the insider trading and on-sale provisions.

10. CEASING TO BE AN ELIGIBLE PARTICIPANT

10.1 Effect on Convertible Securities

Subject to applicable law and stock exchange rules, the Plan, an applicable Invitation and the Constitution, where a Relevant Person ceases to be an Eligible Participant:

- (a) the Board may, in its discretion, resolve that any unvested Convertible Security acquired by the Relevant Person or their Nominee under this Plan lapses, or vests, or remains on foot and subject to applicable Vesting Conditions (unless waived) after the Relevant Person ceases to be an Eligible Participant (which resolution may be made before or after the Relevant Person ceases to be an Eligible Participant);

Comment

Where the Company is listed on the ASX, legal advice should be sought before the Board seeks to exercise its discretion to waive a Vesting Condition as ASX policy is that such discretion will usually require a waiver of ASX Listing Rule 6.23.3, which waiver, if available, will typically be conditional on shareholder approval.

A waiver and approval are typically not required where unvested Convertible Securities automatically vest in whole or part (eg pro rata for time) as this does not involve the Board using a general discretion to waive Vesting Conditions. If desired, this can be provided for in specific Invitations.

- (b) the Board may, in its discretion, resolve that any vested Convertible Securities acquired by the Relevant Person or their Nominee under this Plan must be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant. If the Convertible Security is not exercised within that period, the Board may resolve, in its discretion, that the Convertible Security lapses as a result.

Comment

A time limit on exercise can be included to avoid an overhang of vested but unexercised Convertible Securities held by ex Participants. A longer period to exercise could be agreed by the Board (eg in Special Circumstances).

10.2 Effect on Shares subject to a Restriction Condition

Subject to applicable law and stock exchange rules, this Plan, an applicable Invitation and Ancillary Documentation and the Constitution, where a Relevant Person ceases to be an Eligible Participant and, at that time, there is a Restriction Condition in relation to Shares acquired by that Relevant Person or their Nominee under this Plan that is unsatisfied or is incapable of satisfaction in the opinion of the Board (and it is not waived by the Board in accordance with this Plan), the Company may buy back and cancel or sell the Shares, or declare the Share to be forfeited, in accordance with Rule 9.11 of this Plan and the Relevant Person must take, and ensure any Nominee takes, all steps required to give effect to this, including providing any necessary Shareholder approval or signed transfer, to effect the buy-back and cancellation, sale or forfeiture.

10.3 Effect on Shares subject to a Restriction Period

For the avoidance of doubt:

- (a) unless otherwise specified in an Invitation, a Restriction Period applicable to Shares may continue after a Relevant Person ceases to be an Eligible Participant and
- (b) a Share that is only subject to a Restriction Period is not at risk of buyback/sale/forfeiture, it is just unable to be disposed of during the Restriction Period.

11. CHANGE OF CONTROL AND RECONSTRUCTION

- (a) Notwithstanding any other provisions of the Rules, but subject to the applicable law and stock exchange rules, and any Invitation, if a Change of Control occurs, or the Board determines that such an event will occur, the Board may, in its discretion, determine the manner in which any or all of a Participant's Awards will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control, provided that, for clarity, the Board may not use this discretion to lapse or cancel any Award or otherwise reduce the value of an Award without the written consent of the holder of the Award.

Comment

Where the Company is listed on the ASX, legal advice should be sought before the Board seeks to exercise its discretion to waive any Vesting Condition on a Change of Control as ASX policy is that such discretion may require a waiver of ASX Listing Rule 6.23.3, which waiver, if available, may be conditional on shareholder approval.

A waiver and approval are not required where unvested Convertible Securities automatically vest in whole or part (eg pro rata for time) as this does not involve the Board using a general discretion to waive Vesting Conditions. If desired, this should be provided for in specific Invitations.

- (b) If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control and both the Company, the Acquiring Company and the Participant agree, a Participant may, in respect of any vested Convertible

Securities that are exercised or Restricted Shares, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Awards.

- (c) The Board may, in its absolute discretion, where there is a Reconstruction of the Company, provide for the grant of new Awards in substitution for some or all of the Awards on a like for like basis, by the New Holding Entity or any Related Body Corporate of the New Holding Entity.

12. LAPSE OF CONVERTIBLE SECURITIES

Except as otherwise provided for in an Invitation, a Convertible Security acquired under this Plan will lapse upon the earlier to occur of:

- (a) the Board, in its discretion, resolving a Convertible Security lapses as a result of an unauthorised Disposal of, or hedging of, the Convertible Security, as governed by Rules 9.1 or 9.2;
- (b) a Vesting Condition in relation to the Convertible Security is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board acting reasonably, unless the Vesting Condition is waived or the unvested Convertible Security continues in force in accordance with this Plan or an Invitation;
- (c) in respect of an unvested Convertible Security, in accordance with Rule 10.1(a) where a Relevant Person ceases to be an Eligible Participant;
- (d) in respect of a vested Convertible Security:
 - (i) upon payment of a Cash Payment in respect of the vested Convertible Security under Rule 8.2; or
 - (ii) if it is not exercised where and when required by the Board where a Relevant Person ceases to be an Eligible Participant;
- (e) the Board deems that a Convertible Security lapses under Rule 13 (Misconduct and Clawback);
- (f) in respect of an unvested Convertible Security, a winding up resolution or order is made in respect of the Company, and the Convertible Security does not vest in accordance with Rule 7.2;
- (g) the Participant and the Company agreeing that the Convertible Security is voluntarily forfeited or cancelled;
- (h) as otherwise provided for by an Invitation; and
- (i) the Expiry Date of the Convertible Security.

Comment

We understand that tax law currently allows deferral of tax for up to 15 years, up from 7 years, so the expiry date can be up to 15 years from the Acquisition Date. However, ASX Guidance Note 19 currently provides that ASX policy is for a maximum 5 year expiry date.

13. MISCONDUCT AND CLAWBACK

Notwithstanding any other provision of this Plan, where, in the opinion of the Board:

- (a) a Relevant Person or a Participant:
 - (i) acts fraudulently or dishonestly, or is grossly negligent, with respect to the Group;
 - (ii) is in material breach of their obligations or duties owed to any Group Company;
 - (iii) demonstrates serious or wilful misconduct as an employee or officer of a Group Company;
 - (iv) has caused or materially contributed to a false or misleading statement or omission being made that was relied on by the Board in making any decision under this Plan including assessing whether:
 - (A) any Awards should be granted, vest or lapse under this Plan; or
 - (B) any Cash Payment should be made under this Plan;
 - (v) causes a material adverse effect on the reputation or financial position or performance of any Group Company;
 - (vi) commits some other act or omission that creates a reasonable basis for the Board exercising its rights under this Rule;
 - (vii) has his or her employment, office or engagement with any Group Company terminated due to serious or wilful misconduct or otherwise For Cause without notice; or
 - (viii) deals with or disposes of Awards or Restricted Shares contrary to the provisions of this Plan or any applicable Invitation; or
 - (ix) becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act;
- (b) a Participant has retained an Award, or a Participant's Award has been treated in a particular manner, upon the Participant ceasing to be employed within the Group, and the Board subsequently becomes aware of circumstances in existence at the time that the Participant's employment within the Group ceased which, had the circumstances been known at that time would, in the opinion of the Board, have fallen within clause 13(a) and resulted in the Award being forfeited or the Award being treated in a different manner;
- (c) there is a material misstatement in, or omission from, the Company's financial statements, or a misstatement concerning the satisfaction of a Vesting Condition or Restriction Condition applicable to an Award (in each case whether intentional or inadvertent), which results in a Participant obtaining an Award, an Award vesting or a Disposal restriction in relation to an Award granted under the Plan being lifted, where, in the opinion of the Board, such Award would not have been obtained or vested, or such restriction would not have been lifted (as applicable) but for that misstatement or omission; or
- (d) all or part of the initial Award is no longer justified having regard to information or circumstances which have come to light after a grant of an Award under the Plan was made,

the Board may, without any liability to the Relevant Person or a Participant that holds Awards or Shares as a Nominee of the Relevant Person, by written notice to the Relevant Person or Nominee (as applicable), in respect of any Awards the benefit of which was

acquired as a result of, in connection with, or following, any of the circumstances set out above:

- (e) deem any applicable unvested, or vested but unexercised, Convertible Securities acquired by the Relevant Person and its Nominee (if applicable) under this Plan to have lapsed or else remain on foot but subject to conditions;
- (f) adjust any applicable Vesting Conditions or Restriction Condition or Restriction Period;
- (g) require the Relevant Person and its Nominee (if applicable) to do all such things necessary to cancel or forfeit any applicable Shares acquired under this Plan (including on exercise of any Convertible Securities) for nil consideration, including voting in favour of any Shareholder resolution to approve the cancellation of those Shares;
- (h) prohibit the applicable Participant from Disposing of any applicable Awards acquired under this Plan, including on exercise of Convertible Securities granted under the Plan, until those Awards have lapsed or been cancelled, sold or forfeited;
- (i) impose a Holding Lock on applicable Awards and Shares to give effect to this Rule;
- (j) require the Relevant Person (or applicable Participant) to pay back as a debt due any cash amounts (net of Tax) paid to them under this Plan or realised from the Disposal of any applicable Awards acquired by them under this Plan;
- (k) require that the Relevant Person (or applicable Participant) repay to the Company as a debt:
 - (i) the value of all or some of an applicable Award received under the Plan;
 - (ii) all or part of the net proceeds of sale where applicable Shares acquired under the Plan have been sold; and/or
 - (iii) any dividends (or dividend equivalent payments) received in respect of applicable Awards acquired under the Plan; and/or
- (l) adjust the Relevant Person (or applicable Participant) incentive entitlements or participation in this Plan in the current year or any future year.

Comment

Legal advice should be sought before the Board takes action under this Rule. There is a risk a court could invalidate or read down the Rule (as a penalty) if the Board uses it to take action that is out of proportion to the harm suffered by the Company.

14. PARTICIPATION RIGHTS AND REORGANISATION

14.1 Participation Rights

- (a) There are no participation rights or entitlements inherent in Convertible Securities and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Convertible Securities without exercising the Convertible Securities, except to the extent an Invitation otherwise provides subject to any applicable stock exchange rules.

- (b) An Option does not confer the right to a change in Option Exercise Price except, subject to the rules of an applicable stock exchange, to the extent this Plan or an Invitation otherwise provide.

Comment

If the Company wants the Option Exercise Price for particular Options to be adjusted for the effect of a pro rata rights issue of Shares, the Invitation for those Options should include the following clause:

“in the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) after the date of issue of the Options, the exercise price of the Options will be reduced in accordance with the formula in respect of Options set out in the applicable stock exchange rules.”.

- (c) A Convertible Security does not confer the right to a change in the number of underlying Shares over which the Convertible Security can be exercised except, subject to the rules of an applicable stock exchange, to the extent this Plan or an Invitation otherwise provide.

Comment

If the Company wants the number of Shares issued on exercise of particular Convertible Securities to be adjusted for the effect of a bonus issue of Shares, the Invitation for those Convertible Securities should include the following clause:

“in the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), after the date of issue of the Convertible Securities, the number of Shares issued on exercise of each Convertible Security will include the number of bonus Shares that would have been issued if the Convertible Security had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of an Option.”

These Rules are included to comply with ASX LR 6.21.

14.2 Adjustments for Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and any applicable stock exchange rules at the time of the reorganisation which for clarity may include the Company varying Vesting Conditions and Restriction Conditions in respect of an Award so that the holder of the Award is not disadvantaged.

Comment

This Rule is included to comply with ASX Listing Rule 6.16. Note that ASX policy is that the Board cannot use its discretion to vary a Vesting Condition without a waiver of ASX Listing Rule 6.23.3, which waiver, if available, will typically be conditional on shareholder approval.

14.3 Notice of Adjustments

Whenever the Option Exercise Price of an Option or the number of Shares to be issued on the exercise of a Convertible Security is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant together with calculations on which the adjustment is based.

14.4 Cumulative Adjustments

Effect will be given to this Rule 14 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.

15. OVERRIDING RESTRICTIONS ON ACQUISITION AND EXERCISE

15.1 General Compliance with Laws and stock exchange rules

Notwithstanding the Rules or the terms of any Awards, no Award may be offered, issued, granted or exercised and no Share may be issued or transferred under the Plan, and the Company may not exercise any right or power under the Plan, to the extent to do so:

- (a) would contravene the Corporations Act, the Constitution, any applicable stock exchange rules or any other applicable law; or
- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are, in the discretion of the Board, impractical.

15.2 KMP Benefits

- (a) This Rule 15.2 applies to all benefits subject to Part 2D.2 Division 2 of the Corporations Act and ASX Listing Rule 10.19 (if applicable).
- (b) Notwithstanding any other provision of these Rules or an Invitation, in the absence of shareholder approval, the Company is not required to provide, or procure the provision, of any benefit under these Rules which is not permitted by Part 2D.2 Division 2 of the Corporations Act or ASX Listing Rule 10.19 (if applicable).
- (c) Any benefits required to be provided to a Participant in accordance with these Rules will, by operation of this Rule, be reduced to ensure compliance with Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 (if applicable) and the provision of such reduced benefit shall constitute full satisfaction of the obligations of each member of the Group.
- (d) In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 (if applicable).
- (e) Where this Rule applies, the Company may seek or not seek shareholder approval in its discretion.

16. AMENDMENTS

16.1 Power to amend Plan

Subject to Rule 16.2, the Corporations Act and other applicable laws and any applicable stock exchange rules:

- (a) the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, an Invitation or the terms or conditions of any Award issued under the Plan; and
- (b) any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

16.2 Adjustment to Award Terms

No adjustment or variation of the terms of an Award will be made by the Board without the consent of the Participant who holds the relevant Award if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Awards), other than an adjustment or variation introduced primarily:

- (a) for the purpose of complying with or conforming to present or future applicable law or stock exchange rules governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to allow the implementation of a trust arrangement in relation to the holding of Shares granted under the Plan;
- (d) to enable a member of the Group to comply with applicable law or stock exchange rules, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
- (e) to take into consideration possible adverse taxation implications in respect of the Plan, including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

16.3 Notice of Amendment

As soon as reasonably practicable after making any amendment under Rule 16.1, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

17. TRUST

17.1 Establishing Trust

- (a) The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Awards in respect of this Plan, including for the purpose of enforcing the disposal restrictions and appoint a Trustee to act as trustee of the trust.
- (b) The Trustee will hold Awards as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust.
- (c) The Board may at any time amend all or any of the provisions of this Plan to effect the establishment of a trust and the appointment of a Trustee as detailed in this Rule.

17.2 Appointment

- (a) Notwithstanding any other provision of this Plan, the Company may, in its discretion, determine that Awards to be issued to an Eligible Participant must be held by a Trustee on trust for the benefit of a Participant.
- (b) The Trustee must hold the Awards on trust for the benefit of the Participant in accordance with this Plan (including any Restriction Condition or Restriction Period) and the Invitation and any trust deed entered into for the purposes of the Plan.

17.3 Transfer of Shares

The Trustee may only transfer the Shares to the Participant (or a third party at the direction of the Participant where permitted by the Company) after the Shares have ceased to be Restricted Shares.

17.4 Voting rights

Each Participant may direct the Trustee by notice in writing as to how to exercise the voting rights attaching to Shares standing to the credit of the account of that Participant either generally or in respect of a particular resolution. In the absence of such a direction those voting rights shall not be exercised by the Trustee.

17.5 Dividends

A Participant shall have an absolutely vested and indefeasible entitlement to dividends declared and paid by the Company on the Shares which, at the books closing date for determining entitlement to those dividends, are standing to the account of the Participant.

17.6 Unallocated Shares

The Company may, in its discretion, determine that Shares may be issued or transferred to the Trustee to hold on trust for Participants generally on an unallocated basis in accordance with this Plan and any trust deed entered into for the purposes of the Plan.

18. MISCELLANEOUS

18.1 Rights and obligations of Participant

- (a) The rights and obligations of an Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. This Plan will not form part of, and is not incorporated into, any contract of any Eligible Participant (whether or not they are an employee of a Group Company).
- (b) No Participant will have any rights to compensation or damages in consequence of:
 - (i) the termination, for any reason, of the office, employment or other contract with a Group Company of the Participant (or, where the Participant is a Nominee of the Eligible Participant, that Eligible Participant) where those rights arise, or may arise, as a result of the Participant ceasing to have rights under the Plan as a result of such termination; or
 - (ii) the lapsing of Convertible Securities, or forfeiture, buy-back and cancellation or sale of Awards in accordance with this Plan.
- (c) Nothing in this Plan, participation in the Plan or the terms of any Award:
 - (i) 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);
 - (ii) affects the rights and obligations of any Eligible Participant or Participant under the terms of their employment, engagement or office with any Group Company;
 - (iii) 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;

- (iv) 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
 - (v) 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.
- (d) If a Vesting Condition or Restriction Condition attached to an Award requires a Relevant Person to remain an employee of a Group Company, where relevant the Relevant Person will be treated as having ceased to be an employee of a Group Company at such time as:
- (i) the Relevant Person's employer ceases to be a Group Company; or
 - (ii) upon the Relevant Person commencing a notice period at the end of which they will cease to be an employee of a Group Company.
- (e) A Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation will be treated for those purposes as not having ceased to be such an employee.

18.2 Power of the Board

- (a) The Plan is administered by the Board which has power to:
- (i) determine appropriate procedures for administration of the Plan consistent with this Plan; and
 - (ii) delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan or any Awards under the Plan and in the exercise of any power or discretion under the Plan.

18.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Awards issued under it, the decision of the Board (acting reasonably) is final and binding.

18.4 ASIC relief

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act being an exemption or modification on which the Company wishes to rely 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 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

18.5 Non-residents of Australia

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights. Any additional rule must conform to the basic principles of the Plan.
- (b) When an Award is offered under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulation or similar factors which may apply to the Participant or to any Group Company in relation to the Award.

18.6 Communication

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post, facsimile or email:
 - (i) in the case of a company, to its registered office;
 - (ii) in the case of an individual, to the individual's last notified address; or
 - (iii) where a Participant is a Director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission. Where a notice is given by electronic transmission, the notice is taken to have been received at the time the electronic transmission is sent unless the sender receives a message that the electronic message has not been delivered.
- (c) Despite Rule 18.6(b) if any communication is received, or taken to be received under Rule 18.6(b), after 5.00pm in the place of receipt or on a non-Business Day, it is taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

18.7 Attorney

Each Participant:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an attorney), severally, as the Participant's attorney to complete and execute any documents, including without limitation applications for Shares, Share transfers and Shareholder voting proxy forms, to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of enforcing a Participant's obligations, or exercising the Company's rights, under this Plan or any Invitation;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) except in respect of any liability caused by the Company's reckless or wilful misconduct, releases each Group Company and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and

- (d) except in respect of any losses caused by the Company's reckless or wilful misconduct, indemnifies and holds harmless each Group Company and the attorney in respect thereof.

18.8 Costs and Expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Shares for the purposes of the Plan.

18.9 Adverse Tax

Where a Participant may suffer an adverse taxation consequence as a direct result of participating in the Plan that was not apparent to the Participant or the Company at the time the Participant was issued or transferred Awards under the Plan, the Board may, in its discretion, agree to compensate the Participant in whole or in part.

18.10 Data protection

By lodging an Application Form, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

18.11 Error in Allocation

If any Awards are provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in those Awards and those Awards will immediately lapse or be forfeited.

18.12 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by this Plan in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

18.13 ASX Listing Rules

If, and for so long as, the Company is admitted to the ASX, the provisions of the ASX Listing Rules of the ASX will apply to the Plan, and to the extent that the Plan and the ASX Listing Rules are inconsistent, the provisions of the ASX Listing Rules will prevail.

18.14 Inconsistency

In the event of an inconsistency between:

- (a) the Plan and an Invitation, the terms of the Invitation will take precedence except the extent otherwise provided for in the Invitation;

- (b) the Plan or an Invitation with the Constitution, the terms of the Constitution will take precedence except the extent otherwise expressly provided for in the Plan or Invitation; or
- (c) the Plan or an Invitation with any Engagement Arrangement, the terms of the Plan and Invitation will prevail.

18.15 Enforcement

This Plan, any determination of the Board made pursuant to this Plan, and the terms of any Awards issued under the Plan, will be deemed to form a contract between the Company and the Participant.

18.16 Severance

If any provision of this Plan is invalid and not enforceable in accordance with its terms, all other provisions, which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.

18.17 Laws governing Plan

- (a) This Plan, and any Awards issued under it, are governed by the laws of the State and the Commonwealth of Australia.
- (b) The Company and the Participants submit to the non-exclusive jurisdiction of the courts of the State.

SCHEDULE 1 – INCENTIVE AWARDS PLAN – TEMPLATE INVITATION DOCUMENT

Comment

This is a template to be adapted to reflect the Awards being offered in particular cases. It is drafted for use with Performance Rights that are subject to Vesting Conditions and where there is Cash Payment alternative. If the Company wishes to rely on the ESS Provisions to offer Awards to invitees who do not fall within section 708 of the Corporations Act and where monies are payable for the acquisition or exercise of the Award, legal advice should be sought, including what additional information will need to be included in the Invitation Document and additional legal requirements.

[insert date]

[Name and address of Eligible Participant]

Dear [insert]

LINQ MINERALS LIMITED – INCENTIVE AWARDS PLAN INVITATION

The board of directors of LinQ Minerals Limited (**Company**) is pleased to invite you to apply, under the Company's Incentive Awards Plan (**Plan**), for the following Performance Rights.

Please ensure you read this invitation (**Invitation**) and the enclosed documentation carefully.

You are not obliged to apply for Performance Rights or participate in the Plan, and there will be no advantages or disadvantages to your employment or engagement whatever your decision.

Any Performance Rights granted in accordance with this Invitation will be subject to the terms and conditions of the Plan (a copy of which is provided with this Invitation). Terms used in this Invitation have the same meaning as used in the Plan unless the context otherwise provides.

The issue of the Performance Rights is subject to the Company obtaining any necessary Shareholder, regulatory and contractual approvals and you being an Eligible Participant (and not serving any notice period) at the time the Performance Rights are to be issued [which is a condition subsequent to the issue of the Performance Rights].

If you wish to apply for the Performance Rights, please complete and return the Application Form included with this Invitation to the Company Secretary at [insert email address] by no later than [insert].

You may nominate a Nominee (as defined in the Plan) to receive the Performance Rights issued under the Plan. In order to do so, you will need to include the Nominee's details in the attached Application Form.

Key terms and conditions of the Performance Rights

- (a) **Number:** [insert].
- (b) **Nature:** Each Performance Right gives the holder, subject to the Vesting Conditions (if any) being satisfied (or waived in accordance with the Plan or this Invitation), the right:
 - (i) to subscribe for one fully paid, ordinary share in the capital of the Company (**Share**) (subject to any adjustments under the Plan); or
 - (ii) at the discretion of the Board, to a cash amount equal to the Market Value of a Share (**Cash Payment**).

Comment

For the above paragraph, obtain tax advice on whether a Cash Payment alternative should be provided as it may have payroll tax consequences.

- (c) **Acquisition Price:** Nil
- (d) **Exercise Price:** Nil.
- (e) **Expiry Date:** [insert].
- (f) **Vesting Conditions:** Subject to the Plan, the Performance Rights do not vest and become exercisable except to the extent the Vesting Conditions set out in Schedule 1 (if any) are satisfied (or waived).
- (g) **[Ceasing to be an Eligible Participant:** Notwithstanding the Plan, but subject to applicable laws and stock exchange rules, and except and to the extent otherwise resolved by the Board in its sole and absolute discretion, if you cease to be an Eligible Participant (eg by ceasing employment or engagement by the Company):
 - (i) For Cause (as defined in the Plan) or through resignation, all unvested Performance Rights will lapse; or
 - (ii) other than For Cause or through resignation:
 - (A) [any unvested Performance Rights will automatically lapse]: OR
 - (B) [any Vesting Conditions in respect of unvested Performance Rights will be deemed to be automatically waived [in full/[pro rata to time based on the proportion of the performance period of [insert] that has elapsed at the time of ceasing to be an Eligible Participant]; OR
 - (C) [all/a pro-rata number of unvested Performance Rights based on the proportion of time that you remained an Eligible Participant during the performance period of [insert] will continue subject to applicable Vesting Conditions with the remaining unvested Performance Rights lapsing].

For clarity, the Board may resolve (without limitation) that none, some or all of the Performance Rights vest in whole or in part, or lapse, or remain unvested and do not lapse.

Comment

The Plan (see Rule 10.1) provides that unvested Performance Rights lapse on an Eligible Participant leaving unless an Invitation otherwise provides or the Board otherwise resolves. The above clauses provide a number of alternative ways unvested Performance Rights can be treated.

The Company should seek legal advice before the Board uses its discretion to waive Vesting Conditions on a person leaving, as ASX policy is that such discretion will usually require a waiver of ASX Listing Rule 6.23.3, which waiver, if available, will typically be conditional on shareholder approval.

The above wording can be used to allow good leavers to so that all or a pro rata number of unvested Performance Rights either automatically vest or continue on foot subject to the Vesting Conditions, except to the extent the Board otherwise resolves.

Any accelerated waiver of a vesting condition may be treated as a termination benefit that may require shareholder approval under s200B of the Corporations Act or Listing Rule 10.19.

- (h) **[Change of Control:** Notwithstanding the Plan, but subject to applicable laws and stock exchange rules, in the event a Change of Control occurs or the Board reasonably determines will occur, any Vesting Conditions in respect of unvested Performance Rights will be deemed to be automatically waived [in full/pro rata for time and performance as assessed by the Board acting reasonably] [except and to the extent otherwise resolved by the Board in its discretion]. For clarity, the Board means the Directors immediately prior to the Change of Control completing, and the Board may resolve (without limitation) that none, some or all of the Performance Rights vest in whole or in part, or lapse, or remain unvested and do not lapse]

Comment

The default position under the Plan (see Rule 11(a)) is that the Board has discretion to waive Vesting Conditions for unvested Performance Rights on a Change of Control.

The Company should seek legal advice before the Board uses its discretion to waive Vesting Conditions on a Change of Control, as ASX policy is that such discretion may require a waiver of ASX Listing Rule 6.23.3, which waiver, if available, may be conditional on shareholder approval.

The above wording can be used to vary this so that Vesting Conditions on unvested Performance Rights are automatically waived in full, or pro rata for time and performance, on a Change of Control, unless the Board resolves otherwise.

- (i) **Exercise of vested Performance Rights:** [A holder may exercise vested Performance Rights by lodging with the Company, before the Expiry Date, a written notice of exercise specifying the number of vested Performance Rights being exercised (**Exercise Notice**).] **OR** [A vested Performance Right will be automatically exercised on [the date the Performance Right vests/[insert date] or such later date or event prior to the Expiry Date as determined by the Board in its discretion.]

Comment

This clause includes an alternative in case the Performance Rights are to be automatically exercised on or post vesting.

- (j) **Timing of issue of Shares [or Cash Payment] on exercise:** On receipt of a valid Exercise Notice or automatic exercise of the Performance Rights, the Company will, in compliance with applicable law and the Plan, issue or transfer a Share (or, if the Cashless Exercise Facility is used, the number of Shares determined under that facility) to the holder [or, in the Board's discretion, make a Cash Payment to the holder,] for each vested Performance Right validly exercised.
- (k) **Disposal Restrictions:** Performance Rights, and Shares issued or transferred on exercise of Performance Rights, can only be Disposed in certain circumstances as set out in the Plan and this Invitation. [Shares acquired on exercise of Performance Rights will be subject to a Restriction Period of [insert].]
- (l) **Takeover Limitations:** If the conversion of the Performance Rights into the Shares would result in contravention of section 606(1) of the Corporations Act, then the conversion of Performance Rights shall be into such number of Shares that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach. The holder shall give notification to the Company in writing if the conversion of Performance Rights may result in the contravention of section 606(1) failing which the Company shall assume that the conversion of Performance Rights will not result in any person being in contravention of section 606(1).
- (m) **Tax:** Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth), which enables tax deferral on Performance Rights, will [not] apply (subject to the conditions in that Act) to Performance Rights issued in response to this Invitation.

Comment

For the above paragraph, choose “will apply” if the Company wants the taxing point on Performance Rights deferred. Choose “will not apply” if tax is intended to be paid on issue and not deferred. The Company should obtain tax advice to confirm that deferral/upfront taxation will be available as intended.

- (n) **ESS Provisions:** This Invitation in respect of the Performance Rights is being made under Division 1A of Part 7.12 of the Corporations Act as replaced or modified from time to time.
- (o) **[Exempt Investor:** This Invitation in respect of the Performance Rights is subject to you being a person to whom the Invitation may lawfully be made under section 708 of the Corporations Act without a prospectus or other disclosure document.]

The Performance Rights are subject to additional terms and conditions as set out in the Plan, which you should review carefully and in full.

Taxation

There may be taxation implication for you in applying for Performance Rights in response to an Invitation, exercising any Performance Rights or selling any resultant Shares.

You are advised to seek independent professional advice, before deciding whether to apply for Performance Rights under the Invitation, regarding the Australian tax consequences of the acquisition of Performance Rights and the acquiring and disposing of any Shares that are issued on exercise of Performance Rights the Plan, or the making of a Cash Payment (if applicable), according to your own particular circumstances.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of the acquisition of Performance Rights under the Plan or the issue or transfer of Shares or making of a Cash Payment (if applicable) upon exercise of Performance Rights.

Risk Factors

Acquiring and holding Performance Rights under the Plan, and Shares issued or transferred upon exercise of Performance Rights, are subject to certain risks including but not limited to the risk factors set out below.

You should be aware that the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company, including Performance Rights offered under the Plan, and Shares issued on exercise of the Performance Rights.

The Performance Rights may not have any value and the value of the Performance Rights will depend on future events that may not occur.

Performance Rights issued under the Plan will not be listed on the ASX and carry no voting rights or dividend rights. Performance Rights are generally non-transferable and therefore cannot be sold.

There are or may be restrictions on the Disposal of Performance Rights under the Plan, this Invitation or in the Company's Constitution, and Shares issued upon exercise of the Performance Rights.

The price of the Shares may rise or fall and there is no guarantee in respect of profitability, dividends, return of capital, or the price at which the Shares may be saleable.

The value of the Shares will be subject to a range of factors beyond the control of the Company, and the Directors and officers of the Company. Such factors may include, but are not limited to:

- the demand for and availability of Shares;
- movements in domestic interest rates;
- exchange rates;
- general and domestic economic activity;
- fluctuations in the Australian and international stock markets;
- the success or otherwise of the Company's commercial activities; and
- whether there are any persons willing to purchase Shares.

There can be no guarantee that there will be an active market in the Shares. There may be relatively few potential buyers or sellers of the Shares on any stock market the Shares are listed on. This may increase the volatility of the price of the Shares. It may also affect the prevailing market price at which shareholders are able to sell their Shares. This may result in a market price being received which is less than the price that shareholders paid to acquire their Shares.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by an applicant subscribing for securities in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Performance Rights issued under the Plan or Shares issued upon exercise of Performance Rights.

Potential applicants should consider that an investment in the Company is speculative.

Disclaimer

This Invitation and all other documents provided to you at the time of this Invitation contain general advice only and you should obtain independent advice from your legal, financial or taxation advisers before deciding whether to apply for Performance Rights under the Plan or to exercise any Performance Rights acquired under the Plan, including obtaining your own personal financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.

Please confirm your (or your Nominee's) interest in the Invitation set out in this letter by completing the Application Form below and returning it to the Company Secretary on [insert email address] **by no later than [insert].**

Yours faithfully

[insert name]
Director
For and on behalf of
LINQ MINERALS LIMITED

Encl.

SCHEDULE 1 – VESTING CONDITIONS

Comment

The following are example vesting conditions that should be replaced or adapted to suit the particular invitation.

Tranche 1 Performance Rights

None of the Tranche 1 Performance Rights will vest unless the Board (or its delegate) determines, in its discretion, that you have achieved a satisfactory level of performance in your role with the Company over the performance period commencing [insert] and ending [insert] (the **Tranche 1 Performance Period**).

Subject to satisfaction of the above Vesting Condition, Tranche 1 Performance Rights will be subject to the following Vesting Conditions. The Board (or its delegate) will assess performance against the Vesting Condition following the release of, and based on, the Company's audited accounts for the financial year ending [insert], and you will be notified of any Tranche 1 Performance Rights that have vested.

Vesting Condition	Target ³	Stretch Target ³	Weighting ⁴
You remain an Eligible Participant of the Company Group until [insert]	N/A	N/A	[insert]%
Absolute Total Shareholder Return (TSR) over the Tranche 1 Performance Period ¹	[insert]% CAGR	[insert]% CAGR	[insert]%
Earnings per Share (EPS) over the Tranche 1 Performance Period ²	[insert]% CAGR	[insert]% CAGR	[insert]%

Notes:

1. Absolute TSR = (20 day VWAP of Shares up to and including [insert] less 20 day VWAP of Shares up to and including [insert]) + Dividends paid during Tranche 1 Performance Period, all divided by 20 day VWAP of Shares up to and including [insert], converted to a compound annual growth rate (**CAGR**).
2. EPS = [insert], converted to a CAGR.
3. The percentage of Performance Rights that may vest will be calculated on the following basis.

Performance	Percentage achievement
Below Target	0%
Target achieved	50%
Performance between Target and Stretch	Straight-line formula applies
Stretch target achieved	100%

4. The percentage of Performance Rights subject to the applicable Vesting Condition.

OR

[The actual number of Performance Rights that will vest and be able to be exercised into Shares will depend on the level of achievement against the following Vesting Conditions. The weighting allocated to each Vesting Condition, and the level of achievement, will be determined by the Board or its delegate in its discretion.]

[insert Vesting Conditions]

The Board or its delegate will assess performance against the Vesting Conditions [following the end of FY[insert]/after release of the Company's FY[insert] audited accounts] and determine the percentage of Performance Rights that will vest. Any Performance Rights that do not vest will automatically lapse (unless the Board resolves otherwise).

For example, if you are assessed as achieving a percentage score of 75% against your Vesting Conditions, 75% of your Performance Rights will vest.]

Subject to applicable law and stock exchange rules, the Board may:

- (a) have regard to any matters it considers relevant (including any adjustments that the Board or its delegate considers appropriate to address external factors, such as external stakeholder expectations), and its decision will be final and binding; and
- (b) adjust the Vesting Conditions to take into account any significant non-cash items (for example impairment losses), acquisitions or divestments, revenue received in the form of government grants, rebates or other payments, and one-off events/non-recurring items where appropriate.

SCHEDULE 2 – INCENTIVE AWARDS PLAN TEMPLATE APPLICATION FORM

Comment

This template Application Form is drafted for use with Performance Rights and will need to be adapted to reflect the Awards being offered in particular cases.

LinQ Minerals Limited (ACN 665 642 820) (**Company**) has invited you, by an invitation dated on or about [insert] (**Invitation**), to apply for the issue of certain Performance Rights under the Company's Incentive Awards Plan (**Plan**).

If you wish to apply for the Performance Rights, please complete this Application Form, sign below (with any Nominee whom you wish the Performance Rights to be issued to also signing) and return to the Company no later than [insert].

Insert below the details of the entity to whom the Performance Rights are to be issued (being either you or your Nominee). If using a Nominee, please discuss first with the Company Secretary as the Company will only allow certain types of Nominees.

Full Name(s) of proposed holder(s)			
ACN (if applicable)			
Address:			
Ph:		Email:	
Tax file number(s) or exemption:			
SRN/HIN (if any)			

By completing this Application Form, the undersigned agrees and acknowledges:

- (a) that, in accordance with the Plan, the Board may, in its discretion, reject this Application Form and not issue the Performance Rights;
- (b) that it (or its Nominee if applicable) will be entered on the register of Performance Rights holders of the Company as the holder of the Performance Rights applied for, and any Shares acquired on the exercise of the Performance Rights (if applicable);
- (c) the Performance Rights will be issued pursuant to the Plan and it (and its Nominee, if applicable) agrees to be bound by the Plan and the terms of the Invitation as a Participant in the Plan and agrees to be a member of the Company and be bound by the terms of the Constitution of the Company;
- (d) a copy of the full terms of the Plan has been provided to it;
- (e) participation in the Plan does not create a right to employment or interfere with the ability to terminate any employment or service relationship (if any), subject to applicable law;

- (f) the future value of the Performance Rights and any Shares is uncertain and the value may increase or decrease in value from time to time;
- (g) any Performance Rights acquired under the Plan are an extraordinary item of compensation, which is outside the scope of any employment agreement, if any, and are not part of ordinary compensation or salary for any purpose;
- (h) no claim or entitlement to compensation or damages shall arise from forfeiture of Performance Rights under the Plan resulting from service to the Company coming to an end for any reason;
- (i) the ultimate liability for all Taxes payable in respect of any participation in the Plan and the acquisition and disposal of Performance Rights, Shares issued on exercise of Performance Rights, and any Cash Payment (if applicable), is and remains its (and its Nominee's if applicable) responsibility;
- (j) the Company may be required by law to provide information about it (or its Nominee, if applicable) to Tax authorities and it (and its Nominee, if applicable) will allow the Company to provide such information;
- (k) that, by completing this Application Form, it (and its Nominee, if applicable) agrees to appoint the Company Secretary as its attorney to complete and execute any documents and do all acts on its behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan and the Invitation;
- (l) to the extent required by the terms of the Plan, to enter into (and cause its Nominee, if applicable, to enter into) any necessary restriction agreement in relation to any Performance Rights and to the placing of a Holding Lock on those Performance Rights (and any Shares acquired on exercise of those Performance Rights, as applicable); and
- (m) the Invitation provided to it is not financial product advice and it (and its Nominee, if applicable) have been advised to consult an independent investment or taxation advisor prior to applying for any Performance Rights if it (or its Nominee, if applicable) has any concerns.

Executed as a deed poll in favour of the Company:

Dated:

SIGNED by [INSERT NAME OF INDIVIDUAL] in the presence of:

Signature

Signature of witness

Name of witness

If a Nominee is nominated, the Nominee must also execute below in the appropriate execution panel

SIGNED by [INSERT NAME OF
INDIVIDUAL] in the presence of:

)
)

Signature

Signature of witness

Name of witness

EXECUTED by [INSERT COMPANY
NAME]
ACN [INSERT ACN]
in accordance with section 127 of the
Corporations Act 2001 (Cth):

)
)
)
)

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

SCHEDULE 3 – NOTICE OF EXERCISE OF CONVERTIBLE SECURITIES

To: The Directors
LinQ Minerals Limited
(Company)

I/We _____

of _____

being registered holder(s) of [insert] [Options/Performance Rights] granted on [insert date] by the Company hereby exercise _____ of the [Options/Performance Rights].

[In respect of any Options exercised, I/We: [Delete whichever of (1) or (2) is not applicable]

1. except where the Option Exercise Price is nil, confirm the Option Exercise Price due in respect of those Options has been paid to the Company; or
2. subject to Board approval, elect to pay for the exercise of the Options using a Cashless Exercise Facility.]

Accompanying this notice is the certificate issued in respect of the [Options/Performance Rights] (or if not provided, I/we declare that either a certificate was not issued or the certificate issued has been lost or destroyed and will, if required by the Company, provide a statutory declaration to that effect).

I/ We authorise and direct the Company to register me/us as the holder(s) of any Shares to be issued or transferred to me/us on exercise of the [Options/Performance Rights] and I/we agree to accept such Shares subject to the provisions of the Constitution of the Company.

Dated: _____

Signature of Holder (or its authorised representative)

Name of Signatory (and title if holder is a corporation)