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## TERMS OF PERFORMANCE RIGHTS

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A summary of the terms and conditions of the Performance Rights is set out below:

- (i) **(Milestones):** The Performance Rights shall have the following milestones attached to them **(Milestones)**:
  - (A) **Class A Performance Rights:** if the 5 day volume weighted average price of fully paid ordinary shares in the capital of the Company **(Shares)** on the ASX is \$0.40 or higher;
  - (B) **Class B Performance Rights:** if the 5 day volume weighted average price of Shares on the ASX is \$0.60 or higher;
  - (C) **Class C Performance Rights:** if the Company obtains a granted patent in any jurisdiction over any claim of the patent applications in which the Company has an interest at the date the Company lodges its initial public offer prospectus with the ASIC; and
  - (D) **Class D Performance Rights:** if the Company enters into a licensing agreement (or similar arrangement) with respect to the intellectual property that is the subject of the patent application referred to in paragraph (C) above to commercialise or develop the intellectual property.
- (ii) **(Notification to holder):** The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
- (iii) **(Vesting):** The relevant Performance Rights shall vest on the later to occur of:
  - (A) the date that the Milestone relating to that Performance Right has been satisfied;
  - (B) two years from the date that Company lists on ASX; and
  - (C) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.
- (iv) **(Consideration):** The Performance Rights will be issued for \$0.0001 each and no consideration will be payable upon the vesting of the Performance Rights.
- (v) **(Conversion):** Upon satisfaction of the relevant Performance Rights vesting, each Performance Right will, at the election of the holder, vest and convert as follows:
  - (A) **Class A Performance Right:** into one Share and one Class B Performance Right;
  - (B) **Class B Performance Right:** into one Share;

- (C) **Class C Performance Right:** into one Share; and
  - (D) **Class D Performance Right:** into one Share.
- (vi) **(Lapse of a Performance Right):** If the Milestone attaching to a Performance Right has not been satisfied in the time periods set out below, it will automatically lapse:
- (A) **Class A Performance Rights:** 2 years from the date the Company is admitted to the Official List of the ASX (**Admission Date**);
  - (B) **Class B Performance Rights:** 3 years from the Admission Date;
  - (C) **Class C Performance Rights:** 3 years from the Admission Date; and
  - (D) **Class D Performance Rights:** 4 years from the Admission Date.

Otherwise, any Performance Right that has not been converted into a Share within 5 years of the Admission Date will automatically lapse.

- (vii) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (viii) **(Listing of Shares on ASX):** The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (ix) **(Transfer of Performance Rights):** A Performance Right is not transferable except with the prior written consent of the board of the Company.
- (x) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (xi) **(Adjustment for bonus issue):** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (xii) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the Vesting Conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (xiii) **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.