

Announcements

National Stock Exchange of Australia

1 Bligh St

Sydney NSW 2000

Market Announcement – Notice of Extraordinary General Meeting iQX Ltd (NSX:IQX) (the Company) provides notice of the Company's Extraordinary General Meeting to be held at PARKROYAL Darling Harbour, 150 Day Street, Sydney NSW 2000, at 10am (AEST) on Tuesday 14th July 2020.

For and on behalf of the Board,

A handwritten signature in black ink, appearing to read 'Gerardo Incollingo'.

Gerardo Incollingo
Company Secretary
10th June 2020

About iQX Limited (NSX:IQX)

iQX Limited is an NSX listed investment funds management company specialising in the bioscience sector that is committed to eradicating disease through capital investment. iQX Limited is a core member of The iQ Group Global, a consortium of companies that finds, funds and develops bioscience discoveries to create life-changing medical innovations.

Safe Harbor Statement

Any statements in this announcement that relate to the Company's expectations are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act. The Private Securities Litigation Reform Act of 1995 (PSLRA) implemented several significant substantive changes affecting certain cases brought under the federal securities laws, including changes related to pleading, discovery, liability, class representation and awards fees. Since this information may involve risks and uncertainties and are subject to change at any time, the Company's actual results may differ materially from expected results. Additional risks associated with iQX Ltd's business can be found in its periodic filings with the National Stock Exchange of Australia.



iQX Limited (ACN 155 518 380)

Address: Level 9, 85 Castlereagh Street, Sydney, NSW 2000

W: www.iqxinvestments.com

E: investor.relations@iqxinvestments.com

PH: +61 2 8239 5400

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (EGM) of iQX Limited will be held at ParkRoyal Darling Harbour at 10.00am (AEST) on Tuesday 14 July 2020.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be dispatching physical copies of the Notice. Instead the Notice of Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website www.iqxinvestments.com or at our share registry's website www.InvestorServe.com.au by logging in and selecting Company Announcements from the main menu.
- A complete copy of the Meeting Materials has been posted to the Company's NSX Market announcements page.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the proxy form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at www.InvestorServe.com.au. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Boardroom Pty Limited on enquiries@boardroomlimited.com.au or 1300 737 760 (within Australia) or +61 2 9290 9600 (Outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday, to arrange a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Company encourages all shareholders to lodge a directed proxy form prior to the meeting rather than planning on attending the meeting in person.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Gerardo Incollingo'.

Gerardo Incollingo
Company Secretary
10 June 2020



iQX Limited
(ACN 155 518 380)

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

An Extraordinary General Meeting of

IQX LIMITED
ACN 155 518 380

will be held on

Tuesday 14 July 2020 at 10:00am (AEST)

ParkRoyal Darling Harbour

150 Day Street, Sydney NSW 2000

Sydney, NSW, 2000

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety. If members eligible to vote are in doubt as to how they should vote, or how to consider any of the items raised in this document they should seek advice from their accountant, solicitor or other suitably qualified professional adviser.

iQX Limited
(ACN 155 518 380)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (**EGM**) of iQX Limited will be held at ParkRoyal Darling Harbour at 10.00am (AEST) on **Tuesday 14 July 2020**.

The Explanatory statement which accompanies this Notice of EGM describes the various matters to be considered.

The purpose of the Meeting is to consider, and if thought fit, pass the following resolutions.

ORDINARY BUSINESS

Resolution 1. Approval to Divide Ordinary Shares into Larger Number

To consider, and if thought fit, to pass the following resolution:

That, for the purpose of section 254H of the Corporations Act 2001, as well as Listing Rule 6.26 of the NSX and for all other purposes, approval is given to divide the current Ordinary Share allocation in the order of 3 shares per existing share, resulting in a total allocation of 426,472,263 shares, with the proposed allocation to take effect on Monday 20 July 2020 (as described in the Explanatory Notes).

Resolution 2. Approval of Additional Placement Capacity

To consider, and if thought fit, to pass the following resolution:

That, for the purpose of NSX Listing Rule 6.25(1) and for all other purposes, approval is to be given for the issue of up to 40,000,000 Shares on the terms set out in the Explanatory Memorandum.

Resolution 3. Approval to Issue Shares to Director pursuant to an Employee Incentive Scheme

To consider and, if thought fit, pass the following resolution:

That, for the purpose of NSX Listing Rule 10.14 as well as Listing Rule 7.2 Exception 14 and all other purposes, approval is to be given for the allotment of the following shares to George Symmalis, Director under the iQX Limited Benefits Plan dated 17th July 2013

Name	Entitlement	Period	Minimum Vesting Date	Maximum No of Ord Shares
George Symmalis	As per employment contract under the Employee Share Scheme	Employment for Year Ended 1 st April 2012	1 st April 2015	153,000
	As per employment contract under the Employee Share Scheme	Employment for Year Ended 1 st April 2013	1 st April 2016	153,000

	As per employment contract under the Employee Share Scheme	Employment for Year Ended 1 st April 2014	1 st April 2017	153,000
	As per employment contract under the Employee Share Scheme	Employment for Year Ended 1 st April 2015	1 st April 2018	153,000
	As per employment contract under the Employee Share Scheme	Employment for Year Ended 1 st April 2016	1 st April 2019	153,000
	As per employment contract under the Employee Share Scheme	Employment for Year Ended 1 st April 2017	1 st April 2020	153,000

The shares will be allotted after the successful passing of the resolution.

SPECIAL RESOLUTION

Resolution 4. Approval to Issue Shares to Directors by way of Special Resolution

To consider and, if thought fit, pass the following Special Resolution

That, for the purpose of NSX Listing Rule 6.44 and all other purposes, approval by special resolution is to be given for the allotment of the following shares to directors

Name	Entitlement	Minimum Vesting Date	Maximum No of Ord Shares
George Symalis	Executive Directors Bonus Entitlement declared by the Board 28 May 2020	Upon Approval by Members	250,000
John Stratilas	Non - Executive Directors Bonus Entitlement declared by the Board 28 May 2020	Upon Approval by Members	200,000
Peter Simpson	Non - Executive Directors Bonus Entitlement declared by the Board 28 May 2020	Upon Approval by Members	200,000
Total			650,000

The proposed allotments are as per the terms set out in the Explanatory Memorandum.

By Order of the Board

A handwritten signature in black ink, appearing to be 'G. Incollingo', written in a cursive style.

Gerardo Incollingo

Company Secretary

10 June 2020

EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of EGM dated 9 June 2020 and should be read in conjunction with that Notice as these Explanatory Notes contain important information on the proposed Resolutions.

ORDINARY BUSINESS

RESOLUTION 1

In order to effect Resolution 1 in the form proposed at this EGM, the Directors, by operation of section 254H of the Corporations Act 2001, unanimously recommend that members vote to approve the proposed division of the current share allocation in the order of resulting 3 shares per existing share, representing in a total allocation of 426,472,263 shares.

Under the terms of the proposed reorganisation of capital, all Shareholders will be issued and allotted an additional 2 new IQX ordinary shares for every 1 existing IQX ordinary share held as at **Friday 17 July 2020** (Record Date). For the avoidance of doubt, 1 existing share will receive an additional allotment of 2 ordinary shares resulting in a total of 3 ordinary shares being held. The proposed reorganisation of capital will take effect immediately after 10.30am (AEST) on Monday 20 July 2020.

The directors believe that the proposed reorganisation of capital will make the Company's shares more affordable to wider range of investors and will contribute to increasing the Company's marketability and liquidity in the market.

The Directors unanimously recommend that the Members vote in favour of Resolution 1.

RESOLUTION 2

Rules 6.25(1) of section IIC of the NSX Listing Rules, in conjunction with rule 3.1 of the Constitution, permit the Directors to issue Shares without shareholder approval if the Shares are issued within the Company's 15% annual placement capacity (**15% Placement Capacity**).

The Directors are of the view that the Company may require further general working capacity over the next 12-month period. The Directors propose to raise such capital by issuing additional Shares progressively over the next 12-month period.

Approval Under Listing Rules, Corporations Act and Constitution

Rule 6.25(1) of section IIC of the NSX Listing Rules, in conjunction with rule 2.1 of the Constitution, permit the Directors to issue Shares exceeding the 15% Placement Capacity if shareholder approval is obtained.

The Directors are seeking an additional placement capacity to permit up to 40,000,000 Shares to be issued progressively over the 12-month period after this EGM without obtaining specific shareholder approval (**Additional Placement Capacity**).

A maximum of 40,000,000 Shares would be issued at a minimum price of [\$0.30 per share currently or \$0.10 per share post share split referred to in Resolution 1] per Share. The Shares would be issued under section 708 of the Corporations Act without Chapter 6D disclosure.

The Shares would be issued on the same terms as, and rank equally with, all pre-existing Shares on issue. All Shares are intended to be quoted on the NSX.

None of the Shares would be issued to a related party within the meaning of the Corporations Act without further specific shareholder approval being obtained.

Shareholder Considerations

If the Shares are issued within the Additional Placement Capacity, shareholders are at risk of economic and voting dilution. In particular, there is a risk that the Shares may be issued at a price that is at a discount to the market price for those Shares on the issue date. The following table illustrates the potential dilution of shareholders if Shares are issued within the Additional Placement Capacity:

	If none of the additional placement capacity is used	If 50% of the additional placement capacity is used	If 100% of the additional placement capacity is used
Total number of shares quoted on the NSX if Item 3 is passed	426,472,263.00	446,472,263.00	466,472,263.00
Total funds raised if the issue price is the minimum price of additional placement, being \$0.10	-	\$ 2,000,000.00	\$ 4,000,000.00
Total funds raised if the issue price is \$0.12	-	\$ 2,333,333.33	\$ 4,666,666.67
Total funds raised if the issue price is \$0.24	-	\$ 4,666,666.67	\$ 9,333,333.33
Total funds raised if the issue price is \$0.36	-	\$ 7,000,000.00	\$ 14,000,000.00
Percentage interest of a non-participating Shareholder holding 100,000 shares	0.2345%	0.0224%	0.2144%
Percentage interest of a non-participating Shareholder holding 500,000 shares	0.1172%	0.1120%	0.1072%
Percentage interest of a non-participating Shareholder holding 1,000,000 shares	0.2345%	0.2240%	0.2144%

Shareholders should note, however, that the market price for Shares may be significantly lower on the issue date than on the date of this Meeting. Furthermore, the Directors may decide not to issue Shares within the Additional Placement Capacity.

By arrangement with the NSX, if Resolution 2 is passed, the Company will make announcements to the market as soon as practicable after 50%, 75% and 100% of the Additional Placement Capacity has been used. These announcements will be in addition to the usual NSX Quotation of Additional Securities announcements.

The Directors unanimously recommend that the Members vote in favour of Resolution 2.

RESOLUTION 3

The Company intends to issue Shares only to the Participating Directors.

The rights attaching to the Directors Shares which may be issued will be identical in all respects to the existing ordinary shares on issue in the Company. No funds will be raised by the issue of any Directors Shares and will be issued in lieu of fees owing from time to time to Participating Directors.

The Directors unanimously recommend that the Members vote in favour of Resolution 3.

RESOLUTION 4

The Company intends to issue Shares to Executive Director George Syrmalis by virtue of his employment contract as CEO under the IQX Limited Benefits Plan (attached) dated 13 July 2013. Dr Syrmalis has met his contractual criteria to qualify for the shares under the IQX Limited Benefits Plan

The rights attaching to the Dr Syrmalis which may be issued will be identical in all respects to the existing ordinary shares on issue in the Company. No funds will be raised by the issue of any Directors Shares and will be issued in lieu of fees owing from time to time to Participating Directors.

Dr Syrmalis' s current remuneration package consists of

- Base Salary of \$571,287.50 per annum plus superannuation at the SGC rate not subject to statutory limits
- Bonus Entitlement of 25 per annum subject to meeting agreed upon company and personal objectives being met
- Entitlement to 153,000 shares per annum subject to meeting agreed upon company and personal objectives being met. Shares will vest 3 years after the anniversary date

Details of any securities issued under the scheme will be published in the annual report of iQX Limited relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule [10.14](#).

The Directors unanimously recommend that the Members vote in favour of Resolution 4.

Voting Exclusion

A vote on Resolutions 3 & 4 must not be cast by or on behalf of the either of the following persons:

- (a) A person who will be the recipient of shares under Resolutions 3 or 4; or
- (b) If a person at (a) is appointed proxy where the proxy appointment does not specify the way the proxy is to vote on the resolution; or
- (c) A closely related party of such a person in described in subparagraphs (a) and (b);

However, a person described above may cast a vote on the resolution if:

- (d) The person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution;

(e) The vote is not cast on behalf of a person in described in subparagraphs (a), (b) and (c) above; or
(f) The vote is cast by the Chairman of the General Meeting and the appointment of the Chairman as proxy:

- I does not specify the way the Chairman is to vote on the resolution; and
- II. expresses the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the Resolutions 3 & 4, or if the Company is part of a consolidated group, for the group.

A closely related party means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or of the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls.

Entitlement to Vote

The Company has determined in accordance with Part 7.11 of the Corporations Regulations that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 10.00am (AEST) on **Sunday 12 July 2020**.

Corporate Representatives

For a corporate representative to vote, they will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act.

Voting

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.

Appointment of Proxies

Each Shareholder entitled to vote at the Meeting may appoint a proxy to attend and vote at the Meeting. A proxy need not be a Shareholder and can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise in accordance with the instructions on the Proxy Form. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half the Shareholder's votes.

Lodgement of Proxy Documents

For an appointment of a proxy for the Meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointer's attorney – the authority under which the appointment was signed (e.g. a power of attorney) or a certified copy of it,

must be received by the Company **by no later than 10.00am (AEST) on Sunday 12 July 2020**, using one of the following methods:

By Mail: Boardroom Pty Ltd
GPO Box 3993,
SYDNEY NSW 2001

By fax: + 61 2 9290 9655

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All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

Name & Address of Shareholder

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.00am (AEST) on Sunday 12 July 2020.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10.00am (AEST) on Sunday 12 July 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia



Name & Address of Shareholder

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **iQX Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below:

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at **ParkRoyal Darling Harbour, 150 Day Street Sydney NSW 2000 on Tuesday, 14 July, 2020 at 10.00am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 3 and 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 3 and 4 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 3 and 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval to Divide Ordinary Shares into Larger Number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Issue Shares to Director pursuant to an Employee Incentive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Issue Shares to Directors by way of Special Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020

OPTIONAL QUESTION FOR THE CHAIRMAN OR AUDITOR

We aim to provide securityholders with the best opportunity to ask questions about the Company. We will seek to respond to as many of the frequently asked questions as possible.

IQX Limited Benefits Plan

IQX Limited
(ACN 155 518 380)

Date: 17/07/2013



Level 20, 135 King St Sydney NSW 2000
Tel: (61 2) 9228 9200 Fax: (61 2) 9228 9299 DX 123 Sydney

Level 9, 469 La Trobe St Melbourne VIC 3000
Tel: (61 3) 9602 9444 Fax: (61 3) 9642 0382 DX 402 Melbourne

Level 40, Central Plaza 1, 345 Queen St Brisbane QLD 4000
Tel: (61 7) 3004 3500 Fax: (61 7) 3004 3599 DX 248 Brisbane

IQX Limited Benefits Plan

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1. General Nature of Plan

Name of Plan

- 1.1. This Plan is called the IQX Limited Benefits Plan.

Description

- 1.2. This is a plan under which directors, employees and contractors may become holders of Options and Performance Rights to acquire beneficial interests in the Shares of the Company.

Object of this Plan

- 1.3. The object of this Plan is to help the Company recruit, reward, retain and motivate its directors, employees and contractors.

Commencement of Plan

- 1.4. This Plan starts on the Starting Date.

2. Eligibility and Restrictions

Eligibility

- 2.1. A person is eligible (*Eligible Person*) to participate in this Plan if he or she:
- (a) is a director or secretary of;
 - (b) is an employee in permanent full-time or permanent part-time employment who is selected by the Board to participate in this Plan, and is employed by; or
 - (c) is a contractor who is selected by the Board to participate in this Plan and has provided services to,
- a Group company.

Maximum numbers

- 2.2. The Company must not grant any Option, Performance Right or other option under this Plan if, immediately after the grant, the sum of the total number of unissued Shares over

which Options, Performance Rights or other options (which remain outstanding) have been granted under this Plan and any other Group employee incentive scheme, but disregarding any offer made of Shares or Options issued by way of or as a result of:

- (a) an offer that did not need disclosure because of Section 708 of the Corporations Act; or
- (b) an offer made under a disclosure document,

would exceed 5% of the total number of Shares on issue at the time of the proposed issue or grant.

Voluntary participation

- 2.3. Participation in this Plan by Eligible Persons is voluntary and no Eligible Person is required to participate in this Plan.

Overriding restrictions on grant and exercise

- 2.4. No Option or Performance Right may be granted or exercised if to do so would contravene the Constitution of the Company, the Corporations Act or any other applicable law of a jurisdiction in which the Company is incorporated or a Participant resides and any purported grant or exercise in breach of the foregoing is invalid.

3. Invitations to Participate

Invitations to Participate

- 3.1. Subject to this rule, the Board may make Invitations to any Eligible Persons at any time.

Form of Invitation

- 3.2. An Invitation must be made in writing and must specify:
- (a) the name and address of the Eligible Person to whom the Invitation is made;
 - (b) the total number of Options or Performance Rights being made available to the Eligible Person;
 - (c) the closing date for applications and the last date for acceptances by the Company;

- (d) in the case of Options, the Exercise Period, the Exercise Price and the Exercise Conditions (if any) attaching to the Options;
- (e) in the case of Performance Rights, the Performance Criteria and the Performance Period in which those Performance Criteria must be satisfied;
- (f) an application form;
- (g) in respect of an initial Invitation made to an Eligible Person, a summary, or a copy of, these Rules;
- (h) any Restrictions on the Participant's rights to deal with the Shares issued upon exercise of the Options or the Performance Rights;
- (i) the procedure to be followed by an Eligible Person to apply to participate in this Plan and to apply for Options or Performance Rights; and
- (j) any other information or documents required to be included in the Invitation by law or the Listing Rules.

Right to reject applications

- 3.3. The Board is entitled to reject any application by an Eligible Person to participate in this Plan without assigning any reason.

Effect of acceptance of Invitation

- 3.4. If the Board resolves to accept an application by an Eligible Person to participate in this Plan and to be granted Options or Performance Rights, the Board must notify the Eligible Person accordingly.
- 3.5. Once notice is given, a contract is formed under which:
- (a) an Eligible Person:
 - (i) becomes bound by the terms and conditions of the Invitation and this Plan; and
 - (ii) agrees to the grant of the Options or Performance Rights made available to the Eligible Person in accordance with the terms and conditions of the Eligible Person's application which is accepted by the Board; and

- (b) the Company must, subject to this Plan, issue a certificate in the form determined by the Board to evidence the grant of the Options or Performance Rights to the Participant.

4. Risk Lies with Eligible Person

- 4.1. If an Eligible Person is granted Options or Performance Rights and participates in this Plan, the risk of loss to that Eligible Person as the holder of Options or Performance Rights arising for any reason whatsoever, including from the Options or underlying Shares falling in value, lies with the Eligible Person. Neither the Group, nor the Board, nor officer or employee of the Company represents that the Options, the Performance Rights or underlying Shares will maintain their value or increase in value. None of them is responsible to an Eligible Person if the Eligible Person suffers any loss.
- 4.2. Neither the Group nor any adviser to the Group nor the Board represents or warrants that this Plan will have any particular taxation consequences or that any Participant will gain any taxation advantage by participating in this Plan and they are not liable for, or as a consequence of, any taxes imposed upon or duties assessed against a Participant.

5. Option Terms

Entitlement to Shares

- 5.1. Subject to Rule 11, each Option confers an entitlement to subscribe for and be issued one Share, credited as fully paid, at the Exercise Price.

Obligation of the Company to issue Shares

- 5.2. Subject to these Rules, the Company must issue a Share on exercise of an Option.

Options subject to this Plan

- 5.3. Options will be governed by this Plan until the Options:
 - (a) lapse in accordance with Rule 10; or
 - (b) are exercised and Shares have been issued as a result of that exercise.

Options personal to Participant

- 5.4. Options are personal to the Participant and may not be transferred or exercised by any other person or body corporate except to the extent necessary to enable a Participant's Legal Personal Representative to exercise the Options in accordance with Rule 6.

6. Exercise of Options

Procedure for exercise

- 6.1. Subject to the satisfaction of the Exercise Conditions and these Rules, an Option which has not lapsed in accordance with Rule 10 may be exercised during the Exercise Period by the Participant if the Share price exceeds the Exercise Price and the requirements under clause 6.2 are satisfied.
- 6.2. The Participant must lodge with the share registry of the Company, as nominated by the Board:
- (a) a Notice of Exercise signed by the Participant;
 - (b) the relevant certificate and such other documentation as may be specified in the Invitation given to the Participant in accordance with Rule 3.2; and
 - (c) payment of the Exercise Price in respect of the Options exercised.

Form of payments

- 6.3. All payments made under Rule 6.2 must, unless otherwise determined by the Board, be made:
- (a) by cheque made out in favour of the Company; and
 - (b) denoted in Australian dollars,
- provided that Rule 6.2(c) will be deemed not to have been satisfied unless and until the cheque has been cleared.

Exercise in minimum parcels

- 6.4. A Participant may exercise some or all of the Options he or she holds, but must exercise Options in such minimum parcels as may be prescribed by the Board from time to time and notified to the Participants in writing.

Partial exercise - issue of new certificate

- 6.5. Where a Participant submits a Notice of Exercise in respect of only some of the Options covered by a certificate, the Company must either:

- (a) issue a certificate which evidences the remaining number of Options held by the Participant; or
- (b) endorse the existing certificate to reflect the remaining number of Options held by the Participant,

as the Company determines in its discretion.

Timing of issue of Shares

- 6.6. The Company must use its reasonable endeavours as soon as practicable to issue following the exercise of the Options, the number of Shares in respect of which Options have been validly exercised pursuant to this Rule 6.

7. Terms of Performance Rights

Offer of Performance Rights

- 7.1. The Board may offer Performance Rights to any Eligible Person at its sole discretion. Each Performance Right confers an entitlement to be provided with one Share, credited as fully paid, at no cost upon the full satisfaction of the Performance Criteria specified by the Board in relation to that Performance Right.

Board may add to or vary Performance Rights

- 7.2. The Board may add to or vary any Participant's Performance Rights, in a manner that increases the overall benefit to the Participant, if the Participant is promoted, receives an increase in remuneration, or if the Participant's professional circumstances change such that the Board considers the previous Performance Rights to be no longer appropriate.

Performance Rights subject to this Plan

- 7.3. Performance Rights will be governed by this Plan until the Performance Rights:
- (a) lapse in accordance with Rule 10; or
 - (b) the Performance Criteria to which the Performance Rights relate have been fully satisfied in accordance with these Rules and consequently Shares have been issued in respect of those Performance Rights.

Performance Rights not property

- 7.4. Performance Rights are personal contractual rights granted to the Participant only and do not constitute any form of property. Performance Rights cannot be transferred to or vest in any person or body corporate other than the Participant.

8. Performance Criteria

Board may determine Performance Criteria

- 8.1. The Board may at its sole discretion determine the Performance Criteria which will apply to any Performance Rights granted under this Plan. The Performance Criteria will specify the criteria which the Participant is required to meet in the specified Performance Period in order to become entitled to receive Shares under this Plan.
- 8.2. The Board will provide written notice of the Performance Criteria before the commencement of the Performance Period to which those Performance Criteria relate. However, if the Board grants Performance Rights after a Performance Period has already commenced, then the Board will provide such notice no later than the time at which it grants those Performance Rights.
- 8.3. In respect of a particular grant of Performance Rights, the Board may not vary the Performance Criteria or the Performance Period after the grant of those Performance Rights.
- 8.4. At the end of the Performance Period, the Board will determine whether (and, where applicable, to what extent) the Participant has satisfied the Performance Criteria applicable to the Performance Period. As soon as possible after making that determination the Board must inform the Participant of that determination, and of the number of Shares to be provided to the Participant in respect of the Performance Rights to which those Performance Criteria relate.
- 8.5. The number of Shares calculated in accordance with Rule 8.4 is to be provided to the Participant subject to the Restrictions. Where the number of Shares provided to the Participant in respect of a Performance Period is less than the number of Performance Rights granted to the Participant for that Performance Period, then any Performance Rights that have not vested will immediately lapse.

9. Quotation

- 9.1. The Company will not seek official quotation of any Options.

9.2. Subject to the Company being satisfied in all respects that there are no trading Restrictions on the holder of any Shares issued on exercise of Options or Performance rights under this Plan, which have been imposed under:

- (a) this Plan;
- (b) if the Company is listed on the NSX, the Listing Rules of NSX;
- (c) if the Company is listed on the ASX, the Listing Rules of ASX; or
- (d) the Corporations Act,

the Company must use all reasonable endeavours to obtain the grant of quotation of those Shares on the Exchange no later than 10 Business Days (or such shorter period as may be required by ASIC or the Exchange) after the later of either:

- (e) the date of issue and allotment of the Shares; or
- (f) the date that the Company is satisfied as to the absence of any trading restriction.

10. Lapse of Options and Performance Rights

When do Options and Performance Rights lapse

10.1. Subject to Rules 8.5 and 10.2, Options and Performance Rights will lapse on the earliest of:

- (a) (in the case of Options only) the Last Exercise Date;
- (b) (in the case of Performance Rights only) a determination by the Board that the Participant has not satisfied the Performance Criteria specified by the Board in respect of those Performance Rights (in which case all such Performance Rights will immediately lapse);
- (c) a determination of the Board that the Participant has, in the Board's opinion:
 - (i) been dismissed or removed from office for a reason which entitles a company in the Group to dismiss the Participant without notice or has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of that company (whether or not charged with an offence);
 - (ii) done any act which brings the Group into disrepute;

- (d) the date on which the Participant ceases to be employed by any member of the Group (other than due to the occurrence of a Special Circumstance); or
- (e) the receipt by the Company of notice from the Participant (after a Special Circumstance has arisen with respect to the Participant) that the Participant has elected to surrender the Option or Performance Right.

Discretion of Board

10.2. Rule 10.1 is subject to the Board, in its discretion, allowing a Participant to:

- (a) exercise any or all of his or her Options, whether or not the Exercise Conditions have been satisfied, and whether or not the Options would otherwise have lapsed, provided that no Options will be capable of exercise later than the Last Exercise Date; and
- (b) retain any Performance Rights regardless of:
 - (i) the expiry of the Performance Period to which those Performance Rights relate; or
 - (ii) any failure by the Participant to satisfy in part or in full the Performance Criteria specified by the Board in respect of those Performance Rights;

in which case, the Board may:

- (iii) determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Participant; or
- (iv) determine a new Performance Period for those retained Performance Rights and notify the Participant of that new Performance Period as soon as practicable.

Determination whether to exercise discretion

10.3. The discretion of the Board will only be exercised under Rule 10.2 if, within 30 days of a Participant ceasing to be an Eligible Person, that Participant requests the Board in writing to exercise such discretion, and the Board identifies exceptional circumstances under which it will exercise its discretion under Rule 10.2 in relation to that Participant, having regard to (among other matters) the following factors:

- (a) the reason for the cessation of employment within the Group;

- (b) (in the case of Options only) the length of time between the date of cessation of employment and the Last Exercise Date;
- (c) (in the case of Performance Rights only), the Participant's reasons for any failure to satisfy any Performance Criteria;
- (d) the total length of service of the person as an employee within the Group;
- (e) whether the person's performance warrants vesting despite the Performance Criteria not being met;
- (f) information provided by the person to the Board to support any claim to exercise the discretion in the person's favour; and
- (g) applicable law.

Effect of lapse

- 10.4. Subject to Rule 10.2, upon an Option or Performance Right lapsing, all rights of a Participant under this Plan in respect of the Option or Performance Right cease and no consideration or compensation will be payable for or in relation to that lapse.

11. Pro Rata Issues, Reconstructions of Capital and Takeovers

Participation in new issues

- 11.1. A Participant may participate in new issues of securities to holders of Shares only if:
- (a) the Option has been exercised or Performance Right has vested; and
 - (b) a Share has been issued in respect of the Option or Performance Right before the record date for determining entitlements to the new issue.

The Company must give notice to Participants of any new issue not less than 10 Business Days before the record date for determining entitlements to the new issue.

Adjustment for bonus issues of Shares

- 11.2. If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which will be issued on the exercise of the Option or vesting of the Performance Right will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Option or the Performance Right had vested before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

Adjustment for rights issue

- 11.3. If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of the Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N + 1}$$

- O = the old exercise price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = the average market price per Share (weighted by reference to volume) of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

Reconstructions

- 11.4. If there is any reconstruction of the issued share capital of the Company, then:
- (a) the number of Performance Rights which each Participant has been granted; and/or
 - (b) the number of Options to which each Participant is entitled and/or the Exercise Price,

must be reconstructed in a manner which will not result in any benefits being conferred on the Participants which are not conferred on Shareholders (subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital), but in all other respects, the terms of all Options and Performance Rights will remain unchanged.

Takeovers

- 11.5. If a takeover bid or other offer is made to acquire some or all of the issued Shares of the Company, the Board must give written notice to Participants of the takeover bid or other offer (*Takeover Notice*).

Compromise and arrangements

- 11.6. If, under Part 5.1 of the Corporations Act, the Court sanctions a compromise or arrangement proposed for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies which, if implemented, would result in a change in the Control of the Company, the Board must give written notice to Participants of the compromise or arrangement (*Reconstruction Notice*).
- 11.7. Upon receipt of a Takeover Notice or Reconstruction Notice, Participants will be entitled:
- (a) in the offer period referred to in the Takeover Notice or the notice period for the shareholders' meeting the subject of the Reconstruction Notice, to exercise all or any of their Options; and/or
 - (b) make a request to the Board to determine that all existing Performance Rights vest immediately and that Shares in respect of all such Performance Rights be provided to the Participant, in which case:
 - (i) the Board must process such a request as soon as possible (but no later than 30 days from receiving the request) with reference to the Performance Criteria relating to those Performance Rights; and
 - (ii) the Board may determine at its discretion the number (if any) of Performance Rights which shall vest in the Participant; and must provide that number of Shares to the Participant at soon as possible but not later than 30 days from making its determination under this sub-rule.
- 11.8. Upon receipt of a Takeover Notice or Reconstruction Notice, all Restrictions under this Plan are deemed to have been removed and the Participant shall be entitled to receive the consideration payable on acceptance of the takeover bid or offer.

Ability to exercise Options

11.9. The Participant may exercise all or any of their Options in accordance with Rule 11.7(a) regardless of whether or not:

- (a) the Exercise Conditions have been satisfied; or
- (b) the first Exercise Date has arrived,

provided that no Option will be capable of exercise later than the Last Exercise Date.

Aggregation

11.10. For the purposes of this Rule 11, if a number of Options are exercised simultaneously, the number of Shares or fractions of Shares which are to be issued as a consequence, may be aggregated. Any fraction in that aggregate number only will be disregarded in determining the total entitlement of a Participant.

Calculations and adjustments

11.11. Any calculations or adjustments which are required to be made under this Rule 11 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Participants.

Advice to Participants

11.12. The Board must give notice to each Participant of any adjustment to:

- (a) the number of Shares for which the Participant is entitled to subscribe upon exercise of an Option; and
- (b) the Exercise Price per Share under an Option.

12. Shares Issued Under the Plan

For the avoidance of doubt, Shares issued under this Plan, whether in relation to the exercise of Options or the vesting of Performance Rights, will rank equally with all existing Shares on and from the date of issue in respect of all securities issues, rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

13. Operation of Plan

- 13.1. This Plan is administered by the Board who has power to:
- (a) determine appropriate procedures for administration of this Plan consistent with the Rules;
 - (b) resolve conclusively all questions of fact or interpretation in connection with this Plan or these Rules;
 - (c) delegate to any persons for such period and on such terms as they see fit the exercise of any of their powers or discretions under this Plan; and
 - (d) take and rely on independent professional or expert advice in or in relation to the exercise of any of its powers or discretions under these Rules.
- 13.2. Where these Rules provide for a determination, decision, approval or opinion of the Board or the Company, that may be made or given by the Board or the Company in its absolute discretion.
- 13.3. Any power or discretion which is conferred on the Company by these Rules may be exercised by the Board in the interests, or for the benefit, of the Company and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

14. Amendments to this Plan

Board may amend Plan

- 14.1. Subject to Rules 14.2 and 14.3, the Board may at any time by written instrument amend all or any part of this Plan including this provision.

No reduction of existing rights

- 14.2. Any amendment to this Plan must not materially reduce the rights of any Eligible Person in respect of their Options or Performance Rights (or Shares held as a result of exercise of their Options or Performance Rights) held at the date of the amendment, unless the amendment is introduced primarily:
- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of this Plan or similar plans;

- (b) to correct any manifest error or mistake;
- (c) to enable a Group company to qualify for an income tax deduction for that Group company or another Group company;
- (d) to enable a Group company to reduce the amount of fringe benefits tax under the *Fringe Benefits Tax Assessment Act 1986* (Cth), the amount of tax under the Tax Act, or the amount of any other tax or impost that would otherwise be payable by a Group company in relation to this Plan;
- (e) for the purpose of enabling the Eligible Persons generally (but not necessarily each Eligible Person) to receive a more favourable taxation treatment in respect of their participation in this Plan; or
- (f) to enable this Plan or any Eligible Person of the Group to comply with the constitution of a Group company, the Corporations Act or the Listing Rules.

Retrospective amendment possible

- 14.3. Subject to Rule 14.2 any amendment may be given retrospective effect as specified in the written instrument by which the amendment is made.

15. Rights of Participants

15.1. This Plan:

- (a) does not confer on any Eligible Person the right to be offered or to receive any Shares, Options or Performance Rights;
- (b) does not confer on any Eligible Person the right to continue as a director, employee and contractor;
- (c) does not affect a Participant's terms of engagement by the Company;
- (d) does not affect any rights which the Company may have to terminate any terms of engagement or to remove the Participant from office as a director; and
- (e) may not be used to increase damages in any action brought against the Company in respect of the termination of any engagement or removal of the Participant as a director from office.

- 15.2. Notwithstanding anything else in this Plan, the entitlements of Participants under this Plan are subject to the Company's Constitution, the Listing Rules and the Corporations

Act. Notwithstanding anything in this Plan, no Shares may be acquired, assigned or dealt with in contravention of the Corporations Act, the Listing Rules or any other applicable law.

16. Termination and Suspension of this Plan

Board has discretion

- 16.1. The Board has the discretion to terminate or suspend the operation of this Plan. However, the Board must determine how any Share subject to a Restriction, or Option or Performance Right subject to a restriction on its disposal should be dealt with, where Subdivision 83A-C of the Tax Act applied to the Share, Option or Performance Right at the time the Eligible Person acquired it, so that the requirements of Section 83A-120 of the Tax Act are, and continue to be, satisfied.

Notice of termination or suspension

- 16.2. The Board must give written notice to any Eligible Person affected by termination or suspension of this Plan, as soon as reasonably practicable after such termination or suspension.

17. Connection with Other Schemes

Company may approve other schemes

- 17.1. The Board is not restricted to using this Plan as the only method of providing incentive rewards to employees. The Board may approve other incentive schemes.

Participation in other schemes

- 17.2. Participation in this Plan does not affect, and is not affected by participation in any other incentive or other scheme, unless the terms of that incentive or scheme provide otherwise.

18. General

Time of essence

- 18.1. Time is of the essence under this Plan.

Agreement to benefit and bind successors

- 18.2. This document continues for the benefit of, and binds, a successor in title of a Participant.

Waiver

- 18.3. The fact that the Company fails to do, or delays in doing, something the Company is entitled to do under this Plan, does not amount to a waiver of any obligation of, or breach of obligation by the Company. A waiver by the Company is only effective if it is in writing. A written waiver by the Company is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.

Governing law and jurisdiction

- 18.4. This document is governed by the law of Victoria. Each Participant and the Company submits to the non-exclusive jurisdiction of its courts and will not object to the exercise of jurisdiction by those courts, either for forum non-conveniens or on any other basis.

Cost and expenses

- 18.5. The Company must pay all expenses, costs and charges incurred in operating this Plan, except that the Company is not responsible for any taxes which may become payable in connection with the issue of Shares pursuant to an exercise of the Options or any other dealing with the Options of Shares.

19. Interpretation

In this Plan, unless the contrary intention appears:

- (a) headings are for ease of reference only and do not affect the meaning of this Plan;
- (b) the singular includes the plural and vice versa and words importing a gender include other genders;
- (c) other grammatical forms of defined words or expressions have corresponding meanings;
- (d) a reference to a rule, paragraph, schedule, annexure or attachment is a reference to a rule or paragraph of or schedule, annexure or attachment to this Plan, and a reference to this Plan includes its schedules, annexures and attachments;
- (e) a reference to a document or agreement, including this Plan, includes a reference to that document or agreement as novated, altered or replaced from time to time;

- (f) a reference to '**A\$**', '**\$A**', '**dollar**¹' or '\$' is a reference to Australian currency;
- (g) a reference to a specific time for the performance of an obligation is a reference to that time in Melbourne even if the obligation is to be performed elsewhere;
- (h) words and expressions importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies, and vice versa;
- (i) a reference to any legislation or statutory instrument or regulation is construed in accordance with the *Acts Interpretation Act 1901* (Cth) or the equivalent State legislation, as applicable;
- (j) if a day for the payment under this document falls on a day which is not a Business Day, payment is due on the next Business Day;
- (k) if a provision of this Plan binds two or more parties, that provision binds those parties jointly and severally; and
- (l) words and expressions used in this Plan and which are also used in the Corporations Act have the meaning given to them in the Corporations Act.

20. Definitions

- (a) **ASX** means ASX Limited (ACN 008 624 691);
- (b) **Board** means the board of directors of the Company from time to time;
- (c) **Business Day** means a day on which banks (as defined in the *Banking Act 1959* (Cth)) are open for general banking business in Melbourne, excluding Saturdays and Sundays;
- (d) **Control** has the same meaning as is given to that term in Section 50AA of the Corporations Act;
- (e) **Company** means IQX Limited (ACN 155 518 380);
- (f) **Corporations Act** means the *Corporations Act 2001* (Cth);
- (g) **Date of Grant** means, with respect to an Option, the date on which the Board grants the Option to an Eligible Person;
- (h) **Directors** means the directors of the Company from time to time;

- (i) *Eligible Person* means a person who is eligible to participate in this Plan under Rule 2.1;
- (j) *Exchange* means
 - (i) if the Company is listed on the NSX, the NSX; or
 - (ii) if the Company is listed on the ASX, the ASX;
- (k) *Exercise Conditions* means the performance, vesting or other conditions determined by the Board which are required to be satisfied before an Option can be exercised;
- (l) *Exercise Period* means the period commencing on the First Exercise Date and ending on the Last Exercise Date;
- (m) *Exercise Price* means the amount payable by the holder of an Option on the exercise of the Option;
- (n) *First Exercise Date* means, unless otherwise specified in the terms and conditions of grant of an Option, the earlier of:
 - (i) the date which is 2 years from the Date of Grant; and
 - (ii) the date on which Special Circumstances arise in respect of a Participant;
- (o) *Group* means the Company and any body corporate of which the Company is a holding company in terms of Section 9 and Division 6 of Part 1.2 of the Corporations Act;
- (p) *Invitation* means an invitation to participate in this Plan and to apply for Options or Performance Rights;
- (q) *Last Exercise Date* means, unless otherwise specified at the time of grant of an Option, the earlier of:
 - (i) the date which is 10 years from the Date of Grant or,
 - (ii) if Special Circumstances arise in respect of a Participant -12 months after such Special Circumstances arise;

- (r) *Legal Personal Representative* means the executor of the will or an administrator of the estate of a deceased person or the trustee of the estate of a person under a legal disability;
- (s) *Listing Rules* means
 - (i) if the Company is listed on the NSX, the official listing rules of the NSX; or
 - (ii) if the Company is listed on the ASX, the official listing rules of the ASX, except to the extent of any express waiver by the Exchange;
- (t) *Notice of Exercise* means a duly completed and executed notice of exercise of an Option by a Participant, in the form prescribed and otherwise as required by the Board from time to time;
- (u) *NSX* means the National Stock Exchange of Australia Limited (ACN 000 902 063);
- (v) *Option* means an option to subscribe for Shares granted to an Eligible Person under this Plan;
- (w) *Participant* means a person who holds Shares, Options or Performance Rights issued or granted under this Plan and includes, if the Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant;
- (x) *Performance Criteria* means the criteria determined by the Board from time to time for assessing the performance of the Company and/or a Participant in accordance with Rule 8.1;
- (y) *Performance Period* means the period in which a Participant is required to satisfy the Performance Criteria in order for Performance Rights in respect of those Performance Criteria to vest;
- (z) *Performance Rights* mean the conditional entitlements to Shares granted to Eligible Persons under this Plan;
- (aa) *Plan* means this IQX Limited Benefits Plan established and operated in accordance with these Rules;
- (bb) *Restrictions* means the restriction during the Restriction Period on Participant's dealings with Shares issued as a result of exercise of Options or Performance Rights issued under this Plan;

- (cc) *Restriction Period* means the period commencing on the date that the Shares are provided to the Participant and ending at the expiry of a specified period from that date (or any other such period as the Board may determine at its absolute discretion);
- (dd) *Rules* means the rules governing the operation of this Plan as set out in this document, as amended from time to time;
- (ee) *Shares* means ordinary shares in the capital of the Company;
- (ff) *Shareholder* means a holder of Shares;
- (gg) *Special Circumstances* means with respect to a Participant:
 - (i) Total and Permanent Disablement;
 - (ii) the death of the Participant;
 - (iii) the redundancy of the Participant; or
 - (iv) such other circumstances as the Board may at any time determine (whether before or after the Date of Grant);
- (hh) *Starting Date* means the date on which this Plan is first adopted by the Board;
- (ii) *Tax Act* means the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth);
- (jj) *Total and Permanent Disablement* means, in relation to a Participant, that the Participant has, in the reasonable opinion of the Board, become permanently incapacitated to such an extent as to render the Participant unlikely to engage in the Participant's usual occupation again; and
- (kk) *Transfer* includes sell, transfer, assign, encumber, dispose or otherwise deal with in any way.

Signing Page

Execution and date

Date: 17 July 2013

EXECUTED by **IQX LIMITED** (ACN 155 518 380) acting by the following persons or, if the seal is affixed, witnessed by the following persons:



Signature of Director

George Syrmalis

Name of Director (print)



Signature of Director/Secretary

John Stratilas

Name of Director/Secretary (print)