

Employee Share and Option Plan

North Stawell Minerals Ltd ACN 633 461 453

Table of Contents

1.	Name of Plan.....	1
2.	Objectives.....	1
3.	Definitions and interpretation	1
	3.1 Definitions	1
	3.2 Interpretation	5
4.	Operation of Plan	6
	4.1 Operation of Plan	6
	4.2 Plan limit.....	6
	4.3 Compliance with ASIC Class Order 14/1000.....	7
5.	Offer of Shares	7
	5.1 Offer of Shares.....	7
	5.2 Offer Document.....	8
	5.3 Requirements for Offer for Shares.....	8
	5.4 Acceptance Form with Offer of Shares.....	8
	5.5 Ability to renounce Offer	8
6.	Offer of Options.....	8
	6.1 Offer of Options.....	8
	6.2 Offer Document.....	9
	6.3 Requirements for Offer for Options.....	9
	6.4 Nominal Consideration.....	9
	6.5 Acceptance Form with Offer of Options.....	9
	6.6 Ability to renounce Offer	9
7.	Current Market Price	10
	7.1 Undertake to provide Current Market Price	10
	7.2 Current Market Price on ASX	10
8.	Trusts, Contribution Plans and loans	10
	8.1 Trusts	10
	8.2 Contribution Plan	10
	8.3 Loans	10
9.	Acceptance of Offer	11
	9.1 Acceptance of Offer	11
	9.2 Unaccepted Offer will lapse	11
	9.3 No brokerage, commission or stamp duty	11
	9.4 Terms of Securities	11
	9.5 Participant agrees to be bound.....	11
10.	Issue of Shares and Options.....	11
	10.1 Issue of Shares and Options	11
	10.2 Approvals	12
11.	Lapse of Options	12
12.	Cessation of employment or engagement - Uncontrollable Event.....	12
13.	Cessation of employment or engagement - Controllable Event	12
	13.1 Cessation of employment or engagement – Controllable Event	12
	13.2 Application of Part 2D.2 Division of the Corporations Act	13
14.	Breach, fraud or dishonesty	13
15.	Exercise of Options	13
	15.1 Exercise Conditions	13
	15.2 Vesting Conditions	14
	15.3 Exercise of Options.....	14
	15.4 Exercise and allotment of marketable parcel.....	15
	15.5 Allotment upon receipt of Option Exercise Notice	15
	15.6 Quotation on the ASX	15
16.	Disposal of Securities.....	15
	16.1 Share Trading Policy.....	15
	16.2 Enforcement of restriction.....	15
	16.3 Holding Lock	16
17.	Additional issues of Securities and dividends	16
	17.1 No entitlement to new securities	16

Table of Contents

17.2	No entitlement to dividends.....	16
18.	Bonus issue.....	16
19.	Adjustment for rights issue.....	16
20.	Rights of Participants.....	17
21.	Eligibility and Acknowledgement for Securities.....	17
21.1	Board discretion.....	17
21.2	Misconduct of Eligible Person.....	18
21.3	Issue subject to Acknowledgement.....	18
21.4	Approved form.....	18
21.5	Fresh Acknowledgement for future participation in Plan.....	18
22.	Statement of allotment, interest in Securities.....	18
22.1	Statement of allotment.....	18
22.2	Interest in Securities.....	18
23.	Certificates: non-certification.....	18
23.1	Share certificates.....	18
23.2	Restriction from dealing procedure.....	18
24.	Restriction on disposal of Shares.....	19
25.	Unrestricted Shares.....	19
25.1	Removal of restrictions.....	19
25.2	Subsequent actions.....	19
26.	Restriction on disposal of Options.....	19
27.	Unrestricted Options.....	20
27.1	Removal of restrictions.....	20
27.2	Subsequent actions.....	20
27.3	Listing of Options.....	20
28.	Exercise of Restricted Option.....	20
28.1	Restricted Options convert to Relevant Restricted Shares.....	20
28.2	Restriction periods for Relevant Restricted Shares.....	20
28.3	Removal on restriction on Relevant Restricted Shares.....	20
29.	Taxation.....	21
29.1	Offer to specify whether tax deferral applies.....	21
29.2	Compliance with section 83A-105(6) of the Tax Law.....	21
29.3	Company not liable.....	21
30.	Administration of Plan.....	21
30.1	Administered by the Board.....	21
30.2	Board's unfettered discretion.....	21
30.3	Waiver of Terms of Allotment.....	21
30.4	Dispute.....	21
30.5	Termination or suspension.....	22
31.	Amendments to this Plan.....	22
31.1	Board may amend.....	22
31.2	Must not materially prejudice.....	22
31.3	Retrospective effect.....	22
31.4	Notification of Participants.....	22
32.	Terms of employment or engagement not affected.....	23
32.1	Employment or engagement unaffected.....	23
32.2	Terms of Allotment unaffected.....	23
32.3	No right to compensation.....	23
32.4	Rights of Participants.....	23
33.	Notices.....	24
33.1	General.....	24
33.2	Pre-paid mail, facsimile or email.....	24
33.3	Delivery.....	24
33.4	Notice to deceased.....	24
33.5	Treatment of notice.....	25
34.	Constitution and Applicable Law.....	25
34.1	Subject to Constitution and Applicable Law.....	25

Table of Contents

34.2 Contravention of law25
34.3 Governing law25
Schedule 1 - Summary of terms and conditions of the Plan 26

Employee Share and Option Plan

1. Name of Plan

This document sets out the rules of the **North Stawell Employee Share and Option Plan**.

2. Objectives

The Employee Share and Option Plan is a long term incentive aimed at creating a stronger link between an Eligible Person's performance and reward, while increasing shareholder value in the Company.

3. Definitions and interpretation

3.1 Definitions

In this Plan:

Acceptance Date has the meaning ascribed to that term in clause 5.3(e).

Acceptance Form means a form for the acceptance of offers made to an Eligible Person or Eligible Associate in such form as the Board may approve from time to time.

Acknowledgement means the form of acknowledgement from time to time approved by the Board for the purposes of clause 22.

Applicable Law means one or more, as the context requires of:

- (a) the Corporations Act;
- (b) regulations made under the Corporations Act;
- (c) the Listing Rules;
- (d) the operating rules of ASX Settlement Pty Limited ACN 008 504 532;
- (e) the Tax Law 1997, Tax Law 1936 and the *Tax Administration Act 1953* (Cth);
- (f) any other applicable practice note, policy statement, class order, declaration, guideline, policy, procedure, ruling or guidance note made to clarify or expand any of (a) to (e) the above;
- (g) the Constitution; or
- (h) the Trading Policy.

ASIC means the Australian Securities and Investments Commission.

ASIC Class Order 14/1000 means ASIC Class Order [CO 14/1000] as amended or replaced from time to time.

Associated Body Corporate in relation to the Company means:

- (a) a Related Body Corporate of the Company;
- (b) a body corporate that has voting power in the Company of not less than 20%; or

Employee Share and Option Plan

(c) a body corporate in which the Company has voting power of not less than 20%.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of directors of the Company.

Business Day means a day on which ASX is open for business.

Casual Employee in relation to the Company or an Associated Body Corporate, means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full-time position with the Company or an Associated Body Corporate.

Company means North Stawell Minerals Ltd ACN 633 461 453.

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

Contractor in relation to the Company or an Associated Body Corporate means:

- (a) an individual with whom the body has entered into a contract for the provision of services under which the individual performs work for the body; or
- (b) a company with whom the body has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for the body,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the body.

Contribution Plan has the meaning given to that term by ASIC Class Order 14/1000.

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Current Market Price means the closing market price as that term is defined in the ASX Listing Rules.

Director means a director of the Company from time to time.

Dispose or **Disposal** means, in respect of a Security, to assign, transfer, sell, novate, lease, grant an Encumbrance over or otherwise directly or indirectly dispose of a legal, beneficial or economic interest in the Security, but does not include the exercise of Participant Options in accordance with the terms of this Plan.

Eligible Associate means:

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

Employee Share and Option Plan

Eligible Person means a Director, Employee, Contractor or Prospective Participant.

Employee means a full-time or part-time employee of the Company or an Associated Body Corporate of the Company or a Casual Employee.

Encumbrance in relation to any property means an interest or power:

- (a) reserved in or over any interest in any asset including any retention of title; or
- (a) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, and whether existing or agreeing to be granted or created.

Exercise Conditions means in relation to an Option, any conditions (in addition to any Vesting Conditions) specified in the Offer that are required to be satisfied before the Option can be exercised.

Exercise Price means the price to be determined by the Board at its sole discretion.

Financial Year means the financial year adopted by the Company for the purpose of making up the profit and loss account and balance sheet of the Company pursuant to the Corporations Act.

Government Body means:

- (a) any person, body or other thing exercising an executive, legislative, judicial or other governmental function of any country or political subdivision of any country;
- (b) any public authority constituted by or under a law of any country or political subdivision of any country; and
- (c) any person deriving a power directly or indirectly from any other Government Body.

Holding Lock has the meaning given to it in Listing Rule 19.12.

Holding Lock Period means the period of time during which the Holding Lock is to apply as specified in the Offer Document, or such lesser period determined by the Board.

Issue Date means the date on which the Securities are issued to Participants.

Issue Price means the price payable by a Participant per Security which shall at the time of issue be determined by the Board at its sole discretion.

Law means any statute, rule, regulation, proclamation, order in council, ordinance, local law or by-law, whether:

- (a) present or future; or
- (b) State, federal or otherwise,

applicable to the operation of the Plan from time to time, including the Applicable Law.

Listed means admitted to the official list of the ASX.

Listing Rules means the Listing Rules of the ASX as amended from time to time.

Marketable Parcel has the meaning given to it in the Listing Rules.

Employee Share and Option Plan

Notice of Reliance has the meaning given to it in ASIC Class Order 14/1000.

Offer means an offer to take up Securities pursuant to clauses 5 and 6.

Offer Document has the meaning given to it in ASIC Class Order 14/1000, and is in substantially the same form as is set out on Schedule 4.

Official List means the official list of ASX.

Option means an option to subscribe for a Share.

Option Commencement Date means the date on which the Option Period commences to be determined by the Board and specified in the Offer.

Option Period means in respect of an Option, the period commencing on the Option Commencement Date and (unless the Board determines otherwise) expiring on the date nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than two years after grant, subject to clauses 12, 13 and 14.

Participant means an Eligible Person or an Eligible Associate who accepts an offer from the Board to participate in this Plan.

Participant Option means an Option that is issued to a Participant under this Plan.

Participant Share means a Share that is issued to a Participant under this Plan.

Performance Hurdle means criterion, condition or other requirement that must be satisfied.

Plan means this employee share and option plan.

Prospective Participant means in relation to this Plan, a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Person.

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

Relevant Restricted Shares has the meaning given to that term in clause 29.1.

Restricted Option means a Participant Option issued pursuant to this Plan that is subject to the restrictions contemplated in clause 27.

Restricted Share means a Participant Share issued pursuant to this Plan that is subject to the restrictions contemplated in clause 25.

Securities means collectively a Share and Option and **Security** has a corresponding meaning.

Security Interest means:

- (a) a mortgage, charge, assignment by way of security, pledge, lien, hypothecation, title retention arrangement, encumbrance or other third party interest of any nature;
- (b) any arrangement having a commercial effect equivalent to anything in (a); and
- (c) any agreement to create an interest described in (a) or an arrangement described in (b).

Share means fully paid ordinary shares in the capital of the Company.

Employee Share and Option Plan

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

Tax Law 1936 means the *Income Tax Assessment Act 1936* (Cth).

Terms of Allotment means, in relation to a Security:

- (a) the terms and conditions of this Plan;
- (b) the terms and conditions of the Offer to a Participant;
- (c) the Acknowledgement required under clause 22;
- (d) each restriction and other condition prescribed by the Board in relation to the Security; and
- (e) each statement setting out particulars in relation to the Security under clause 23.

Trading Policy means the securities trading policy set and adopted by the Company from time to time (if any).

Uncontrollable Event means:

- (a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
- (b) forced early retirement, retrenchment or redundancy; or
- (c) such other circumstances which results in an Eligible Person leaving the employment of, or ceasing their engagement with, the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

Unrestricted Option means a Participant Option that is no longer subject to the restrictions imposed by the Board pursuant to clause 27.

Unrestricted Share means a Participant Share that is no longer subject to the restriction imposed by the Board pursuant to clause 25.

Vesting Conditions means one or more conditions as determined by the Board from time to time to apply to an Option and advised to a Participant in the Offer under clause 15.2(a).

Vested Option has the meaning given to that term in clause 15.2(d).

3.2 Interpretation

- (a) Unless the contrary intention appears, a reference in these Rules to:
 - (1) these Rules or another document includes any variation or replacement of it despite any change in the identity of the parties;
 - (2) one gender includes the others;
 - (3) the singular includes the plural and the plural includes the singular;
 - (4) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;

Employee Share and Option Plan

- (5) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, these Rules and a reference to these Rules includes any schedule or attachment;
 - (6) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
 - (7) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
 - (8) money is to Australian dollars, unless otherwise stated; and
 - (9) a time is a reference to Melbourne time unless otherwise specified.
- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

4. Operation of Plan

4.1 Operation of Plan

Subject to clauses 4.2, 4.3 and 4.4, the Board may at any time decide that this Plan should be operated in respect of any Financial Year and the Board may determine at its discretion the total number of Securities to be offered to each Eligible Person (or Eligible Associate, as the case may be) and the Issue Price, terms, conditions and restrictions on which the Securities are offered.

4.2 Plan limit

If clause 4.4(a)(1) applies, the Company must have reasonable grounds to believe, when making an Offer, that the total number of Shares which may be offered by the Company under this Plan shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (a) an employee incentive scheme covered by ASIC Class Order 14/1000; or
- (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

For the purposes of calculating this 5% limit, include:

- (a) unissued Shares over which Options or other rights (which remain outstanding) have been granted pursuant to Offers made under this Plan in the last 3 years; and
- (b) the number of Shares issued as a result of Offers made during the previous 3 years pursuant to an employee incentive scheme,

but exclude from the 5% limit:

- (c) any Offers which are received outside of Australia;
- (d) Offers made under a disclosure document or product disclosure statement;

Employee Share and Option Plan

- (e) Offers that do not require disclosure under section 708 of the Corporations Act; and
- (f) Options over Shares where the relevant Option has lapsed.

4.3 Participant Limit

- (a) The Company is only permitted to make an Offer of Securities to an Eligible Person if immediately after accepting that offer, that Eligible Person:
 - (1) would not hold a beneficial interest in more than 10% of the shares in the Company;
 - (2) is not in a position to cast, or control the casting of, more than 10% of the voting rights in the Company.
- (b) For the purposes of this clause 4.3, an eligible Person who holds an Option is taken to:
 - (1) hold a beneficial interest in any Shares that can be acquired by exercising such an Option; and
 - (2) be in a position to cast votes as a result of holding that Option to acquire those Shares.

4.4 Compliance with ASIC Class Order 14/1000

- (a) The Board may determine to make an Offer:
 - (1) in compliance with ASIC Class Order 14/1000;
 - (2) by issuing a prospectus under Chapter 6D of the Corporations Act; or
 - (3) if the Company is authorised or permitted to do so pursuant to section 708 of the Corporations Act.
- (b) The Board may only make an Offer to issue Securities pursuant to paragraph 4.4(a)(1) if:
 - (1) the Company has provided ASIC with notice that it is relying upon ASIC Class Order 14/1000 with respect to this Plan in the form of a Notice of Reliance;
 - (2) the Company has issued an Offer Document pursuant to which the Company offers to issue Securities pursuant to this Plan;
 - (3) if the Company has complied with clause 4.2; and
 - (4) if the Company has complied with any other requirements imposed upon the Company by ASIC Class Order 14/1000.

5. Offer of Shares

5.1 Offer of Shares

- (a) The Board may from time to time in its absolute discretion make a written Offer of such number of Shares to such Eligible Persons or Eligible Associates (where applicable) as determined in accordance with clause 4, and upon the terms and conditions set out in this Plan and upon such additional terms and conditions as the Board determines.

Employee Share and Option Plan

- (b) For the avoidance of doubt, nothing in this Plan obliges the Company at any time to make an Offer of Shares to any Eligible Participant.

5.2 Offer Document

An Offer of Shares must be made using an Offer Document.

5.3 Requirements for Offer for Shares

An Offer of Shares must be in writing and specify:

- (a) the name and address of the Eligible Person or Eligible Associate (where applicable) to whom the Offer is made;
- (b) the number of Shares being offered;
- (c) the Issue Price of the Shares on offer;
- (d) the date of the Offer;
- (e) the date, being not more than 45 days after the date of the Offer by which the Offer must be accepted (**Acceptance Date**);
- (f) any Performance Hurdle applying to the Offer (and when those Performance Hurdles will expire);
- (g) any other terms and conditions attaching to the Offer including, without limitation, whether any restrictions contemplated in clause 25 of this Plan will be imposed on the Shares being offered;
- (h) whether deferral of any taxation in accordance with Division 83A-C of the Tax Law is to apply to the Offer; and
- (i) if the Company is relying on ASIC Class Order 14/1000, any other information required by ASIC Class Order 14/1000 or Applicable Law.

5.4 Acceptance Form with Offer of Shares

The Offer of Shares will be accompanied by an Acceptance Form, the terms and conditions of this Plan and a summary of this Plan as set out in Schedule 1.

5.5 Ability to renounce Offer

- (a) An Eligible Person who receives an Offer of Shares pursuant to this Plan may renounce the Offer in favour of the Offer being made to an Eligible Associate, by giving written notice to the Board.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Offer of Shares in favour of an Eligible Associate without giving any reason for that decision.

6. Offer of Options

6.1 Offer of Options

- (a) The Board may from time to time in its absolute discretion make a written Offer of such number of Options to such Eligible Persons or Eligible Associates (where applicable)

Employee Share and Option Plan

as determined in accordance with clause 4, and upon the terms and conditions set out in this Plan and upon such additional terms and conditions as the Board determines.

- (b) For the avoidance of doubt, nothing in this Plan obliges the Company at any time to make an Offer of Options to any Eligible Participant.

6.2 Offer Document

An Offer of Options must be made using an Offer Document.

6.3 Requirements for Offer for Options

An Offer of Options must be in writing and specify:

- (a) the name and address of the Eligible Person or Eligible Associate (where applicable) to whom the Offer is made;
- (b) the number of Options being offered;
- (c) the Option Period;
- (d) the Exercise Price;
- (e) the date of the Offer;
- (f) the date, being not more than 45 days after the date of the Offer by which the Offer must be accepted (**Acceptance Date**);
- (g) any Performance Hurdle or Vesting Conditions applying to the Offer or the Options;
- (h) the date when unvested Options will expire;
- (i) any other terms and conditions attaching to the Offer or the Options including, without limitation, whether any restrictions contemplated in clause 27 of this Plan will be imposed on the Options being offered;
- (j) whether deferral of any taxation in accordance with Division 83A-C of the Tax Law is to apply to the Offer; and
- (k) if the Company is relying on ASIC Class Order 14/1000, any other information required by ASIC Class Order 14/1000 or Applicable Law.

6.4 Nominal Consideration

Unless otherwise provided by the Offer, Options granted under this Plan will be issued for nominal consideration, as determined by the Board in its absolute discretion.

6.5 Acceptance Form with Offer of Options

The Offer of Options will be accompanied by an Acceptance Form, the terms and conditions of this Plan and a summary of this Plan as set out in Schedule 1.

6.6 Ability to renounce Offer

- (a) An Eligible Person who receives an Offer of Options pursuant to this Plan may renounce the Offer in favour of the Offer being made to an Eligible Associate, by giving written notice to the Board.

Employee Share and Option Plan

- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Offer of Options in favour of an Eligible Associate without giving any reason for that decision.

7. Current Market Price

7.1 Undertake to provide Current Market Price

If the Company is Listed, at any time from the date of an Offer until the Acceptance Date of that Offer, the Company undertakes, within three Business Days of a written request to the Company from a Participant to do so, to provide information as to:

- (a) the Current Market Price of Shares; or
- (b) where the Issue Price is to be worked out in the future under a formula, the price were that formula applied at the date of the Offer,

to the Participant in writing.

7.2 Current Market Price on ASX

If the Company is Listed, notwithstanding clause 7.1, a Participant may, at any time, independently access the Current Market Price of the Shares from the ASX website at www.asx.com.au.

8. Trusts, Contribution Plans and loans

8.1 Trusts

A Company or an Associated Body Corporate that makes an offer of Securities under this Plan in relation to which a trustee holds or will hold the Securities, must ensure that the Company, the relevant trust and relevant trustee comply with ASIC Class Order 14/1000 with respect to the obligations imposed for issues of such Securities to trustees.

8.2 Contribution Plan

If the Company or an Associated Body Corporate has a Contribution Plan for use by an Eligible Person in conjunction with this Plan, the Company or Associated Body Corporate must ensure that any use of the Contribution Plan by the Company, Associated Body Corporate or Eligible Person complies with the obligations imposed by ASIC Class Order 14/1000.

8.3 Loans

A Company or an Associated Body Corporate that makes an offer of Securities under this Plan that involves a loan from the Company or Associated Body Corporate to the Participant must ensure that the Company or Associated Body Corporate making the loan complies with the obligations imposed by ASIC Class Order 14/1000.

Employee Share and Option Plan

9. Acceptance of Offer

9.1 Acceptance of Offer

An Eligible Person or Eligible Associate (if applicable) may accept the Offer in whole or in part, by:

- (a) signing and delivering to the Company the completed Acceptance Form no later than the Acceptance Date; and
- (b) paying the Issue Price (if any) applicable to the Offer in cleared funds.

9.2 Unaccepted Offer will lapse

An Offer which is not accepted by the Participant by 5:00pm (Brisbane time) on the Acceptance Date will lapse.

9.3 No brokerage, commission or stamp duty

No brokerage, commission, stamp duty or other transaction costs will be payable by Eligible Persons or Eligible Associates in respect of any allotment of Securities under this Plan.

9.4 Terms of Securities

- (a) All Securities allotted under this Plan will rank pari passu in all respects with the Securities of the same class for the time being on issue with the exception of:
 - (1) any rights attaching to other Securities by virtue of entitlements arising from a record date prior to the date of the allotment in respect of those Securities; and
 - (2) the restrictions applying by virtue of clauses 25 and 27.

9.5 Participant agrees to be bound

- (a) An Eligible Person or Eligible Associate who submits an Acceptance Form agrees to be bound by the terms and conditions of the Offer, the Plan, the Constitution and Trading Policy, as those documents are amended from time to time.
- (b) If the Board resolves to allow a renunciation of an Offer in favour of an Eligible Associate, the Eligible Person will procure that the Eligible Associate accepts the Offer made to that Eligible Person and that both the Eligible Person and the Eligible Associate agree to be bound by the terms and conditions of the Offer, the Plan and the Constitution of the Company, as those documents are amended from time to time

10. Issue of Shares and Options

10.1 Issue of Shares and Options

Subject to clause 10.2, once the Board has received and accepted a duly signed and completed Acceptance Form for Shares or Options (as applicable), the Company must (provided the Eligible Person to whom the Offer was made remains an Eligible Person) promptly issue the Shares or Options to the Eligible Person or Eligible Associate (as the case may be), upon the terms set out in the Offer and the Plan, and upon such additional terms and conditions as the Board determines.

Employee Share and Option Plan

10.2 Approvals

The Company's obligation to issue Shares and Options (as applicable) conditional on:

- (a) the issue of the Shares and Options (as applicable) complying with all Applicable Law, including but not limited to the ASX Listing Rules; and
- (b) all necessary approvals required under any Applicable Law, including but not limited to the ASX Listing Rules being obtained prior to the issue of the Shares and Options (as applicable).

11. Lapse of Options

A Participant Option lapses, to the extent it has not been exercised, on the earlier of:

- (a) the expiry of the Option Period;
- (b) if an Eligible Person's employment or engagement with the Company ceases because of an Uncontrollable Event, the last day of any period specified in clause 12(b); and
- (c) if an Eligible Person's employment or engagement with the Company ceases because of a Controllable Event, the last day of any period specified in clause 13.1(b), subject to clause 13.1(a).

12. Cessation of employment or engagement - Uncontrollable Event

If an Eligible Person's employment or engagement with the Company ceases because of an Uncontrollable Event:

- (a) the Board in its absolute discretion may determine to reduce, vary or waive any Performance Hurdle that has not been satisfied as at the date of the Uncontrollable Event so that the Participant Options subject to the Performance Hurdle may be exercised;
- (b) the Participant may at any time prior to the earlier of:
 - (1) the expiry of the Option Period; or
 - (2) six months (or such other period as the Board will in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement,exercise any Participant Options capable of being exercised; and
- (c) all of the Participant Options held by the Participant that have not been exercised in accordance with clause 12(b) or are not capable of being exercised will automatically lapse.

13. Cessation of employment or engagement - Controllable Event

13.1 Cessation of employment or engagement – Controllable Event

If an Eligible Person's employment or engagement with the Company ceases because of a Controllable Event:

Employee Share and Option Plan

- (a) unless otherwise determined by the Board, all Participant Options subject to Performance Hurdles that have not been satisfied as at the date of the Controllable Event will lapse;
- (b) the Participant may, at any time prior to the earlier of:
 - (1) the expiry of the Option Period; and
 - (2) three months (or such other period as the Board will in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement,exercise all Participant Options not subject to Performance Hurdles (including any Participant Options that have vested under clause 13.1(a)); and
- (c) all of the Participant Options held by the Participant that have not been exercised in accordance with clause 13.1(b) will automatically lapse.

13.2 Application of Part 2D.2 Division of the Corporations Act

- (a) This clause 13 applies to all termination benefits to which Part 2D.2 Division 2 of the Corporations Act (**Termination Benefit Provisions**) applies.
- (b) Notwithstanding any other provision of this Plan, in the absence of the requisite shareholder approval, under the Termination Benefit Provisions, the Company is not required to provide, or procure the provision, of any benefit under this Plan which is not permitted by the Termination Benefit Provisions.
- (c) Any benefits required to be provided to a Participant in accordance with this Plan will by operation of this clause, be reduced to ensure compliance with the Termination Benefit Provisions and the provision of such reduced benefits shall constitute full satisfaction of the obligations to a Participant. 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 the Termination Benefit Provisions.
- (d) Where clause 13.2(b) applies, the Company may seek or not seek shareholder approval, for the purposes of the Termination Benefit Provisions, in its sole discretion.

14. Breach, fraud or dishonesty

If in the opinion of the Board a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company or an Associated Body Corporate, then the Board may in its absolute discretion determine that all of the Participant Options issued to the Participant will lapse and the Board's decision will be final and binding.

15. Exercise of Options

15.1 Exercise Conditions

- (a) The Board may impose such Exercise Conditions in respect of Options as it considers appropriate. Different Exercise Conditions may be imposed in respect of different Options or different Participants.
- (b) Without in any way limiting the Board's discretion under clause 15.1(a), Exercise Conditions may include conditions that:

Employee Share and Option Plan

- (1) specify time periods during which Options may not be exercised;
 - (2) limit the number or proportion of Options that may be exercised in any one or more time periods; or
 - (3) impose disposal restrictions on the Shares issued as a result of the exercise of the Options.
- (c) Notice of all applicable Exercise Conditions must be included in the Offer Document, or accompany, the Offer in respect of the Options.

15.2 Vesting Conditions

- (a) The Board may impose such Vesting Conditions in respect of Options as it considers appropriate. Different Vesting Conditions may be imposed in respect of different Options or different Participants.
- (b) Without in any way limiting the Board's discretion under clause 15.2(a), Vesting Conditions may include conditions relating to:
- (1) the profitability of the Company;
 - (2) the achievement of an Eligible Person's employment objectives (as determined and agreed between the Eligible Person and the Company); or
 - (3) the return on investment on a Share.
- (c) Notice of all Vesting Conditions imposed by the Board must be included in the Offer Document, or accompany the Offer in respect of the Options.
- (d) An Option will become a Vested Option once each of the Vesting Conditions (if any) imposed by the Board in respect of the Options have been satisfied or waived by the Board in its discretion.
- (e) Subject to any relevant Exercise Conditions, an Option subject to a Vesting Condition may only be exercised if it has become a Vested Option.
- (f) The Board will advise a Participant in writing as soon as practicable after the Vesting Conditions relating to the Options held by the Participant have been satisfied or waived by the Board in its discretion.

15.3 Exercise of Options

Subject to any Performance Hurdle or Vesting Condition being satisfied or waived in accordance with this Plan and the Offer, a Participant may at any time during the Option Period (but not after a Participant Option has lapsed and subject to clause 15.4) exercise all or any of the Participant Options held by him or her by lodging with the Company:

- (a) a written notice of exercise of option specifying the number of Shares in respect of which Participant Options are being exercised in the form prescribed in Schedule 3 (**Option Exercise Notice**); and
- (b) payment to the Company by way of a cheque, electronic transfer or such other method of payment approved by the Board for the Exercise Price multiplied by the number of Shares in respect of which Participant Options are being exercised on a Business Day within the earlier of 30 days of delivery of the Option Exercise Notice or the Business Day prior to the expiry of the Option Period.

Employee Share and Option Plan

15.4 Exercise and allotment of marketable parcel

If the Company is Listed, Participant Options must be exercised so as to result in the allotment of a Marketable Parcel within the meaning of the Listing Rules provided that where the number of Participant Options held by a Participant has been adjusted from time to time in accordance with the terms and conditions of this Plan, the Participant Options will be exercised by the Participant so as to result in as near as possible a Marketable Parcel of Shares being created.

15.5 Allotment upon receipt of Option Exercise Notice

- (a) Upon receipt of the Option Exercise Notice and the payment referred to in clause 15.1, the Board shall, subject to clause 15.5(b) and Applicable Law, allot to the Participant the Shares to which the Participant is entitled, together with any additional Shares an entitlement to which has arisen under clause 21. .
- (b) If the issue of Shares on exercise of a Participant Option would otherwise fall within a Closed Period (as that term is defined in the Company's Trading Policy), or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 Business Days following the expiration of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Shares (as the case may be).

15.6 Quotation on the ASX

Upon allotment of Shares pursuant to the exercise of Options, the Company will, if Listed, use its best endeavours to have such Shares quoted and listed on the Official List of the ASX.

16. Overriding restriction on issue of Shares, and issue, transfer and exercise of Options

Notwithstanding the Plan or the terms of any Option or Share, no Options or Shares may be offered, granted or exercised under the Plan if to do so:

- (a) would contravene the Corporations Act, the ASX Listing Rules or any other Applicable Law; or
- (b) would contravene the local laws or customs of an Eligible Person's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

17. Disposal of Securities

17.1 Trading Policy

The Participant must comply with the Trading Policy at all times, including for Shares issued upon exercise of a Participant Option.

17.2 Enforcement of restriction

Without limitation to anything else in the Plan, the Board may implement any procedure it considers appropriate (including without limitation refusing to register a transfer) to restrict a Participant from Disposing of any Securities acquired by a Participant under the Plan as required by the terms of the Plan and the Offer.

Employee Share and Option Plan

17.3 Holding Lock

- (a) The Board may at its discretion, when making an Offer, specify that a Holding Lock will be applied to Shares.
- (b) If a Holding Lock applies:
 - (1) for the duration of the Holding Lock Period:
 - (A) Shares issued under the Plan or upon exercise of Options will not be transferable; and
 - (B) Participants may not encumber the Shares by creating any Security Interest (other than a Security Interest in favour of the Company); and
 - (2) the Company may implement any procedure it considers appropriate to restrict the Participant from dealing with the Shares while the Holding Lock is in place.

18. Additional issues of Securities and dividends

18.1 No entitlement to new securities

Option holders (including holders of Participant Options) do not have any right to participate in new issues of Securities in the Company made to shareholders generally. If the Company is Listed, the Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the record date (to determine entitlements to any new issue of Securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.

18.2 No entitlement to dividends

The Option holder (including holders of Participant Options) does not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.

19. Bonus issue

If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which an Option (including Participant Options) is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

20. Adjustment for rights issue

If, during the life of any Option (including a Participant Option), there is a pro rata issue (except a bonus issue) then the subscription price applicable to each Share then comprised in the Option may be reduced according to the following formula:

$$O' = \frac{O - E [P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the Option.

Employee Share and Option Plan

- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is exercisable.
- P = if the Company is Listed, the average market price per Share (weighted by reference to volume) of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlements date, or if the Company is not Listed, the value determined by the Board in its absolute discretion to be a fair and equitable price.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

21. Rights of Participants

21.1 Rights of Participants

In addition to the rights set out in clauses 19 and 20, the Board may, subject to and in accordance with any relevant Listing Rule (if the Company is Listed), vary:

- (a) the number of Shares or Options to which a Participant is entitled under this Plan;
- (b) the Exercise Price of any Option; or
- (c) both the number of Options and the Exercise Price,

to make such adjustments to the entitlements of Participants as the Board may regard as appropriate following any reduction or restructuring of the capital of the Company **provided always** that:

- (d) in the event of a reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, if the Company is Listed, the rights of an Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of a reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on Participants which are not conferred on holders of Shares; and
- (e) subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of the holders of Shares approving the reorganisation of capital, in all other respects the terms for the exercise of Options shall remain unchanged.

21.2 Notice of Variation

As soon as reasonably practicable after making any adjustment under subclause 21.1, the Board will give notice in writing of the adjustment to any Participant affected by it and, to the extent required, to the ASX.

22. Eligibility and Acknowledgement for Securities

22.1 Board discretion

The Board may in its absolute discretion determine that an Eligible Person who otherwise would be eligible to acquire Securities under this Plan is nonetheless not eligible.

Employee Share and Option Plan

22.2 Misconduct of Eligible Person

An Eligible Person will not be eligible to acquire Securities under this Plan at any time if he or she has been given notice of dismissal or termination for misconduct from the employment or engagement by virtue of which he or she would, but for this clause 22.2, be eligible to acquire Securities (or has given notice of resignation from employment or engagement in order to avoid such dismissal).

22.3 Issue subject to Acknowledgement

The Board may, at such time as it determines, issue Securities under this Plan to each Participant, subject to the Participant providing, or having provided to the Company, a valid Acknowledgement that the Participant agrees to be bound by the Terms of Allotment and by the constitution of the Company.

22.4 Approved form

An Acknowledgment required under this clause 22 must be in the form from time to time approved by the Board and must state any restrictions or other conditions relating to the Securities as determined by the Board.

22.5 Fresh Acknowledgement for future participation in Plan

The Board may at any time in its absolute discretion determine that an existing Acknowledgment provided by a Participant under this clause 22 ceases to be of effect and that a new Acknowledgment must be provided by the Participant if that Participant wishes to participate in any future issue under this Plan.

23. Statement of allotment, interest in Securities

23.1 Statement of allotment

As soon as reasonably practicable after the allotment of Securities, the Company shall cause a statement to be provided to each Participant setting out particulars of the Securities allotted to that Participant.

23.2 Interest in Securities

Each Participant has full legal and beneficial ownership of the Securities allotted to that Participant but any dealings with those Securities by the Participant are restricted as provided in this Plan.

24. Certificates: non-certification

24.1 Share certificates

The Company is not required to issue Share certificates or Option certificates, and is entitled to retain custody of any Share certificates or Option certificates issued, in respect of Participant Shares or Participant Options as long as those Shares are Restricted Shares or those Options are Restricted Options.

24.2 Restriction from dealing procedure

If any Participant Shares or Participant Options are uncertificated, the Company is authorised to implement any procedure it deems appropriate to restrict the Participant from dealing with

Employee Share and Option Plan

the Participant Shares or Participant Options (as the case may be) for as long as those Shares are Restricted Shares or Options are Restricted Options.

25. Restriction on disposal of Shares

The Board, at its discretion may offer and issue Restricted Shares under this Plan upon the terms and conditions it sees fit, including without limitation, the length of and any exceptions to such restriction imposed. If the Board offers and issues Restricted Shares the following provisions will apply:

- (a) Shares allotted under this Plan may not be Disposed of by a Participant at any time whilst those Shares are so restricted;
- (b) if the Company is Listed, the Company will not apply for listing of Restricted Shares on ASX; and
- (c) if the Participant Disposes of or attempts to Dispose of a Participant Share in breach of clause 25(a), to the extent permitted by law, the Board shall be entitled to refuse to register any transfer of a Restricted Share.

26. Unrestricted Shares

26.1 Removal of restrictions

Upon a Participant Share becoming an Unrestricted Share, all restrictions on dealing with the Share provided or pursuant to this Plan will lapse.

26.2 Subsequent actions

As soon as practicable after a Share becomes an Unrestricted Share, the Company shall:

- (a) cause the removal of any restriction imposed on dealing with the Share under clause 25(a);
- (b) cause a statement of holding to be sent to the Participant to whom the Share is allotted; and
- (c) if the Company is Listed, at the expense of the Company, forthwith apply to ASX for quoting of the Unrestricted Share on ASX.

27. Restriction on disposal of Options

The Board, at its discretion, may offer and issue Restricted Options under this Plan upon the terms and conditions it sees fit, including, without limitation, the length of and any exceptions to such restriction imposed. If the Board offers and issues Restricted Options the following provisions will apply:

- (a) Options allotted under this Plan may not be Disposed of by a Participant at any time until they become Unrestricted Options;
- (b) if the Company is Listed, the Company will not apply for listing of Restricted Options on ASX; and

Employee Share and Option Plan

- (c) if the Participant Disposes or attempts to Dispose of a Participant Option in breach of clause 27(a) to the extent permitted by law, the Board shall be entitled to refuse to register any transfer of a Restricted Option.

28. Unrestricted Options

28.1 Removal of restrictions

Upon a Participant Option becoming an Unrestricted Option, all restrictions on dealing with the Option provided or pursuant to this Plan will lapse.

28.2 Subsequent actions

As soon as practical after an Option becomes an Unrestricted Option, the Company will:

- (a) cause the removal of any restriction imposed on dealing with the Option under clause 27(a); and
- (b) cause a statement of holding to be sent to the Participant to whom the Option is allotted.

28.3 Listing of Options

If the Company is Listed, following an Option becoming an Unrestricted Option the Board may, if provided for in the terms and conditions attaching to the Option, at the expense of the Company, apply for those Unrestricted Options to be quoted on ASX if the Board forms the view, acting reasonably, that the Unrestricted Options meet the quotation requirements set out in the Listing Rules.

29. Exercise of Restricted Option

29.1 Restricted Options convert to Relevant Restricted Shares

For the avoidance of doubt, in the event that a Participant exercises a Restricted Option in accordance with this Plan, the resulting Shares allotted as a consequence of exercise of the relevant Option shall be deemed to be Restricted Shares pursuant to clause 25 (**Relevant Restricted Shares**).

29.2 Restriction periods for Relevant Restricted Shares

The Relevant Restricted Shares shall remain Restricted Shares for the purpose of this Plan until the expiration of the remainder of the restriction period originally imposed on the exercised Restricted Option.

29.3 Removal on restriction on Relevant Restricted Shares

Upon the Relevant Restricted Shares becoming Unrestricted Shares in accordance with clause 29.2, the provisions of clause 26.1 and clause 26.2 shall apply.

Employee Share and Option Plan

30. Taxation

30.1 Offer to specify whether tax deferral applies

Any Offer made pursuant to this Plan will specify whether subdivision 83A-C of the Tax Law applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.

30.2 Compliance with section 83A-105(6) of the Tax Law

In order to avoid any ambiguity, this clause is intended to comply with section 83A-105(6) of the Tax Law such that subdivision 83A-C applies to any Offers made pursuant to this Plan where the terms of the Offer comply with the requirements of that subdivision and the Offer expressly states that subdivision 83A-C is to apply to the Offer.

30.3 Company not liable

Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Eligible Persons or Eligible Associates.

31. Administration of Plan

31.1 Administered by the Board

- (a) The Board administers this Plan and may:
- (1) determine appropriate procedures for the administration of this Plan consistent with the Terms of Allotment; and
 - (2) 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 this Plan.
- (b) Without limitation to the above, the Board may implement an employee share trust in relation to the Plan.

31.2 Board's unfettered discretion

Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion in the exercise of any of its powers or discretions pursuant to this Plan and to act or refrain from acting under or in connection with this Plan.

31.3 Waiver of Terms of Allotment

The Board may, in relation to any Participant Share or Participant Option, waive in whole or in part, on terms it considers appropriate, any of the Terms of Allotment.

31.4 Dispute

If there is any dispute or disagreement as to the interpretation of this Plan or the Terms of Allotment of any Security, the decision of the Board is final and binding upon all persons.

Employee Share and Option Plan

31.5 Termination or suspension

The Plan may be terminated or suspended at any time by resolution of the Directors and if the Company is Listed, notification to the ASX in accordance with the Listing Rules.

32. Amendments to this Plan

32.1 Board may amend

Subject to clause 32.2 and, if the Company is Listed, the Listing Rules, the Board may by resolution amend (meaning, for the purposes of this clause 32, amend, add to, revoke or replace) this Plan (including this clause 32) or any of the Terms of Allotment of a Participant Share or a Participant Option.

32.2 Must not materially prejudice

The Board may not amend this Plan if the amendment would have a material adverse effect on the rights of a Participant in respect of a Participant Share or a Participant Option allotted before the date of the amendment, unless the amendment is introduced primarily:

- (a) for the purpose of complying with any State or Commonwealth legislation that affects this Plan;
- (b) to correct a manifest error;
- (c) to address possible adverse tax implications in respect of this Plan arising from, amongst others:
 - (1) a ruling of any relevant taxation authority;
 - (2) a change to tax legislation (including an official announcement by any relevant taxation authority); or
 - (3) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction; or
- (d) to enable the Company to comply with its Constitution, the Corporations Act, other legislation or the Listing Rules.

32.3 Retrospective effect

Subject to clause 32.2, any amendments made under clause 32.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

32.4 Notification of Participants

As soon as reasonably practicable after making any amendment under clause 32, the Board, by written notice, will inform each Participant affected.

Employee Share and Option Plan

33. Terms of employment or engagement not affected

33.1 Employment or engagement unaffected

The Terms of Allotment of this Plan do not:

- (a) form part of any contract of employment, engagement or any arrangement in respect of any such employment or engagement, between an Eligible Person and Eligible Associate (when applicable) and the Company; or
- (b) constitute a related condition or collateral arrangement to any such contract of employment or engagement,

and participation in this Plan does not in any way affect the rights and obligations of a Participant under the terms of his or her employment or engagement.

33.2 Terms of Allotment unaffected

The terms of a Participant's employment or engagement with the Company do not in any way affect the rights and obligations of a Participant under this Plan.

33.3 No right to compensation

A Participant has no right to compensation or damages from the Company in respect of any loss of future rights under this Plan as a consequence of termination of the Participant's employment or engagement.

33.4 Rights of Participants

Nothing in this Plan or participation in the Plan:

- (a) confers on any Eligible Person the right to continue as a Director, Employee or Contractor;
- (b) confers on any Eligible Person the right to become or remain a Director, Employee or Contractor or to participate under the Plan;
- (c) will be taken into account in determining an Eligible Person's salary or remuneration for the purposes of superannuation or other pension arrangements (where applicable);
- (d) affects the rights and obligations of any Eligible Person under the terms of their office, employment with the Company or Associated Body Corporate;
- (e) affects any rights which the Company may have to terminate the office, employment or engagement of an Eligible Person or will be taken into account in determining an Eligible Person's termination or severance pay;
- (f) may be used to increase damages in any action brought against the Company or an Associated Body Corporate in respect of any such termination; or
- (g) confers any responsibility or liability on the Company or Associated Body Corporate or their directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person.

Employee Share and Option Plan

34. No advice or representation

- (a) There are legal and tax consequences associated with participation in the Plan. Eligible Persons (and if applicable, Eligible Associates) must ensure that they understand these consequences before submitting an Acceptance Form.
- (b) Each person who completes and returns an Acceptance Form to the Company acknowledges and agrees that each of the Company and its officers and employees make no representation or warranty concerning the financial consequences or benefits, or taxation consequences, of participating in the Plan.
- (c) Participants are advised that any advice given by the Company and its officers, employees and representatives is general advice only. Participants should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give such advice.

35. Notices

35.1 General

A notice (meaning for the purposes of this clause 34, notice, application, permission or other communication) under this Plan may be given in writing, addressed to the person to whom it is given, and is taken to be given and received if sent in accordance with clauses 35.2, 35.3 and 35.4.

35.2 Pre-paid mail, facsimile or email

For the purposes of clause 35.1, a notice is duly given and received by the Company if sent to the Company by pre-paid mail or by facsimile or other electronic communication, to an address at which it is actually received by:

- (a) the person who is, from time to time, designated by the Board as the person to whom the notice should be sent or by whom it should be received, and whose name or title and address are notified to the sender; or
- (b) if no other person is designated by the Board for this purpose, the secretary of the Company.

35.3 Delivery

For the purposes of clause 35.1, a notice is duly given and received by a natural person (other than a person designated as the person to whom the notice should be sent in order to be received by the Company) if sent to:

- (a) the person's last known mailing address or the person's last known facsimile or other electronic communication address; or
- (b) in the case of an Eligible Employee or a Participant, to the last known mailing, facsimile or other electronic communication address of the place of business at which the person performs the whole or substantially the whole of his or her office or employment or engagement.

35.4 Notice to deceased

A notice given under clause 35.1 to a person being a natural person, is duly given even if the person is then deceased (and whether or not the Company has notice of his or her death),

Employee Share and Option Plan

unless the legal personal representative of the person has established title to the satisfaction of the Company and supplied to the Company an address to which documents should be sent.

35.5 Treatment of notice

A notice sent in accordance with clause 35.1 is treated as given and received in the case of:

- (a) a notice sent to the Company, at the time it is actually received by the secretary or other person designated by the Board as the person to whom it should be sent or by whom it should be received;
- (b) any other notice sent by prepaid mail, 48 hours after it was put into the post properly stamped; and
- (c) any other notice sent by facsimile or other electronic communication, at the time of transmission.

36. Constitution and Applicable Law

36.1 Subject to Constitution and Applicable Law

This Plan and any Terms of Allotment are subject to the Applicable Laws. If there is any inconsistency between the Plan and any Terms of Allotment and the Listing Rules (if the Company is Listed), then the Listing Rules will prevail.

36.2 Contravention of law

Notwithstanding clause 36.1 of the Plan, no Participant Share or Participant Option may be offered, issued, vested or exercised if to do so:

- (a) would contravene the Corporations Act or the Listing Rules; or
- (b) would contravene the local laws or customs of an Eligible Person or Eligible Associate's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

36.3 Governing law

This Plan is governed by the laws in force in Victoria and the Commonwealth of Australia.

Employee Share and Option Plan

Schedule 1 - Summary of terms and conditions of the Plan

1. The Plan is to extend to Eligible Persons or Eligible Associates (as the case may be) of North Stawell Minerals Ltd ACN 633 461 453 (**Company**) or an Associated Body Corporate of the Company as the Board may in its discretion determine.
2. If the Company is relying on ASIC Class Order 14/1000, the total number of Securities which may be offered by the Company under this Plan shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous three year period under:
 - (a) an employee incentive scheme covered by ASIC Class Order 14/1000; or
 - (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
3. The Shares are to be issued at an Issue Price determined by the Board.
4. The Options are to be issued for nominal consideration.
5. The exercise price of an Option is to be determined by the Board at its sole discretion.
6. The Option Commencement Date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board prior to the issuance of the relevant Options.
7. The Option Period commences on the Option Commencement Date and ends on the earlier of:
 - (a) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than two years;
 - (b) if an Eligible Person's employment or engagement with the Company or an Associated Body Corporate ceases because of an Uncontrollable Event, the earlier of:
 - (1) the expiry of the Option Period; or
 - (2) six months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement;
 - (c) if an Eligible Person's employment or engagement with the Company or an Associated Body Corporate ceases because of a Controllable Event:
 - (1) the expiry of the Option Period; or
 - (2) three months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement; or

Employee Share and Option Plan

- (d) the Eligible Person ceasing to be employed or engaged by the Company or an Associated Body Corporate of the Company due to fraud, dishonesty or being in material breach of their obligations to the Company or an Associated Body Corporate.
- 8. Eligibility to participate is determined by the Board. Eligibility is restricted to Eligible Persons (or their Eligible Associates where applicable) of the Company or an Associated Body Corporate of the Company. The Board is entitled to determine:
 - (a) subject to paragraph 2, the total number of Shares and Options to be offered in any one year to Eligible Persons or Eligible Associates;
 - (b) the Eligible Persons to whom offers will be made; and
 - (c) the terms and conditions of any Shares and Options granted, subject to the Plan.
- 9. In respect of Options, Option holders do not participate in dividends or in bonus issues unless the Options are exercised.
- 10. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. If the Company is Listed, the Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.
- 11. In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with the formula in the terms of the Plan.
- 12. The Board has the right to vary the entitlements of Participants to take account of the effect of capital reorganisations, bonus issues or rights issues.
- 13. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
- 14. The Board may impose as a condition of any offer of Shares and Options under the Plan any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
- 15. The Board may vary the Plan.
- 16. The Plan is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an Eligible Person under the terms of his or her employment or arrangement.
- 17. At any time from the date of an Offer until the Acceptance Date of that Offer, the Board undertakes that it shall provide information as to:

Employee Share and Option Plan

- (a) the Current Market Price of the Shares (if the Company is Listed); and
- (b) the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the Offer,

to any Participant within three Business Days of a written request to the Company from that Participant to do so.

18. Any Offer made pursuant to this Plan will specify whether subdivision 83A-C of the applicable Tax Laws applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.

In this Plan:

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Uncontrollable Event means:

- (a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
- (b) forced early retirement, retrenchment or redundancy; or
- (c) such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

Employee Share and Option Plan

Schedule 2 Acceptance Form

NORTH STAWELL MINERALS LTD

(ACN 633 461 453)

NORTH STAWELL MINERALS LTD

Employee Share and Option Plan

North Stawell Minerals Ltd ACN 633 461 453 (**Company**) has invited you (or an Eligible Associate as your nominee), by an offer dated [insert] (**Offer**), to accept under its employee share and option Plan (**Plan**) of certain Shares or Options.

ACCEPTANCE OF OFFER

I,

of

hereby accept Shares AND/OR
..... Options, in accordance with the terms and conditions of the Offer made to me by the Directors of the Company under clause 5 AND/OR 6 of the Plan.

In accepting the Shares AND/OR Options, I acknowledge and agree:

1. to be entered on the relevant register of the Company as the holder of the Shares AND/OR Options applied for [, and any Shares issued in respect of those Options];
2. to be bound by the Constitution and Securities Trading Policy of the Company, the terms and conditions of the Plan and the Offer;
3. a copy of the full terms of the Plan has been provided to me;
4. to appoint the Company Secretary as my attorney to complete and execute any documents and do all acts on my behalf which may be convenient or necessary for the purposes of giving effect to the provisions of the Plan (if applicable); and
5. that any tax liability arising from the Company accepting my application for Shares AND/OR Options under the Plan or the issue of Shares in respect of the Options is my responsibility and not that of the Company.

Terms used in this document shall have the meaning ascribed to them in the North Stawell Minerals Ltd Employee Share and Option Plan.

Dated this day of 20

Signed:

Name:

Employee Share and Option Plan

Schedule 3 Notice of exercise of Options

NORTH STAWELL MINERALS LTD

(ACN 633 461 453)

NORTH STAWELL MINERALS LTD

Employee Share and Option Plan

NOTICE OF EXERCISE FORM

To: The Board
North Stawell Minerals Ltd ACN 633 461 453 (**Company**)

I,

of

hereby exercise my Options to subscribe for and apply for

..... fully paid (in words) (in figures)
Ordinary Shares in the capital of the Company.

I request you allot to me and I agree to accept the Shares subject to the Plan, the Constitution and Trading Policy of the Company. If this application is signed by an attorney, the attorney hereby declares that he has no notice of revocation of the power under authority of which this application is signed.

Terms used in this document shall have the meaning ascribed to them in the North Stawell Minerals Ltd Employee Share and Option Plan.

Signed:

Date:

Employee Share and Option Plan

Schedule 4 Offer Document

[Date]

[Eligible Person]

[Address]

Any advice given or provided by North Stawell in relation to the Participant Shares or Participant Options in the Company under the Plan does not take into account your objectives, financial situation or needs. You should consider obtaining your own financial product advice from a person who is licensed by ASIC to give such advice.

Dear [insert]

RE: NORTH STAWELL MINERALS LTD (ACN 633 461 453) (North Stawell or the Company) Offer of Shares AND/OR Options under the North Stawell Employee Share and Option Plan

As an incentive to on-going employment with and commitment to North Stawell, the North Stawell Board is pleased to offer you the opportunity to receive [ordinary fully paid shares in the Company (**Shares**)] AND/OR [options to subscribe for ordinary fully paid shares in the Company (**Options**)] as part of the North Stawell Employee Share and Option Plan (**Plan**). The Company is offering you [xx] Shares AND/OR Options as part of the Plan. The Shares are issued for nil consideration OR The issue price of the Shares is [insert price payable]. The Options are to be issued on the terms set out in Annexure A.

Unless defined in this Offer, terms which are capitalised shall have the meaning given in the Plan.

Optional: The Shares AND/OR Options offered are dependent upon the extent to which the [Performance Hurdles/Vesting Conditions/Exercise Conditions (which are described below) are achieved.

Performance Hurdles

The Performance Hurdles applicable to the Shares AND/OR Options are as follows:

[insert]

Vesting Conditions

The Vesting Conditions applicable to the Options are as follows:

[insert]

Exercise Conditions

The Exercise Conditions applicable to the Options are as follows:

Restriction on disposal of Shares/Options

The Board may, under the terms of the Plan, in its absolute discretion, impose restrictions upon any and all Shares AND/OR Options issued to you, pursuant to this Offer. [There are no restrictions that will be imposed on the Shares AND/OR Options offered to you pursuant to this Offer.] OR [The restrictions that have been imposed upon those Shares AND/OR Options offered to you pursuant to this Offer are:]

Restriction Conditions

[insert restrictions]

Tax Deferral and Division 83A-C of the Tax Law

Employee Share and Option Plan

[Note: Only one of the following two paragraphs can be used]

The tax deferral concessions made available by subdivision 83A-C of the Tax Law do not apply to this Offer.

OR

The tax deferral concessions made available by subdivision 83A-C of the Tax Law apply to this Offer. As such, any tax payable by [the Eligible Person or Eligible Associate] will be deferred to the applicable deferred taxing point described in subdivision 83A-C. The Company confirms that this Offer meets the other eligibility conditions imposed by the Tax Law to permit the tax deferral concession made available by subdivision 83A-C of the Tax Law to apply to this Offer.

Requirements of the Australian Securities & Investments Commission (“ASIC”)

When a company issues incentive securities under an employee incentive scheme, the company is entitled to rely on ASIC Class Order 14/1000 in order to be able to offer and issue those securities without having to lodge a prospectus, provided the company complies with the conditions of the class order.

ASIC Class Order 14/1000 applies to shares, options and incentive rights in respect of shares (which includes performance rights).

Accordingly, North Stawell is relying upon ASIC Class Order 14/1000 so that the Company can offer and issue the [Shares/Options] without having to issue a disclosure document provided North Stawell complies with the conditions set out in ASIC Class Order 14/1000. [Upon exercise of the Options, the Company will rely on ASIC Class Order 14/1000 to satisfy any secondary trading restrictions.]

Risk

The value of Shares can go up as well as down. [Given that the Shares are issued for [nil consideration], the Company does not consider there to be any significant risk in acquiring or holding Shares of the Company.] OR [There is an inherent risk in holding Shares in the Company as the value of the Shares may decrease and any consideration paid for the issue of those shares may not be recoverable.] OR [The value of the Shares may never exceed the exercise price of the Options issued and any Options issued may lapse prior to any opportunity to exercise those Options arising.] There is no guarantee that there will be a liquid market for the sale of the Shares, nor can there be any guarantee that any dividend, distribution or other return will be paid in the future in respect of the Shares.

The [Shares/Options] are in addition to and do not substitute any salary or wage you may be entitled to through the course of your employment with the Company.

There may be tax consequences arising from the acceptance of the Offer. You should obtain your own personal advice in this regard.

Terms of the Plan

A copy of the Plan is attached to this Offer.

Share price information

Upon acceptance of this Offer, you are entitled to request from North Stawell the current market price (in Australian dollars) of Shares (**Share Information**). You are also able to ascertain the market price of Shares from time to time by visiting www.asx.com.au.

Employee Share and Option Plan

Upon receipt of your written request, the Company will provide the Share Information to you in writing within a reasonable period of time but no later than 3 business days from the date of receipt of your request.

Trading Policy

In accepting this Offer you are also agreeing with the Company that you will comply with the limitations on dealing with the Shares contained in the Company's Securities Trading Policy. A copy of the policy can be found at the Company's website, [insert].

Acceptance of Offer

If you chose to accept the Offer to participate in the North Stawell Plan, you must sign and deliver to the Company Secretary the **attached** Acceptance Form (found in Annexure [A/B]) by 5:00pm on [insert date – must be no more than 45 days after the date of the Offer].

You may renounce this Offer in favour of an Eligible Associate. In such a case, the Eligible Associate must, if they chose to accept the Offer to participate in the Plan, sign and deliver to the Company Secretary the **attached** Acceptance Form (found in Annexure[A/B]) by 5:00pm on [insert date - must be no more than 45 days after the date of the Offer].

If you have any questions in relation to this Offer, the terms of the Shares/Options or the Plan, please feel free to contact [insert name], [Director/Company Secretary] on +[insert number].

Yours faithfully

North Stawell Pty Ltd

[insert name]

[Director]