

Employee Equity Plan Rules

Solvar Limited (ACN 117 296 143)

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Plan Rules

1. Operation

1.1 Operation of the Plan

These are the Rules of the Plan. The Company and the Participants are bound by these Rules.

1.2 Purpose of the Plan

The Plan has been adopted to promote performance-based remuneration to incentivise employees of the Group.

1.3 Objective of the Plan

The objective of the Plan is to assist in the reward, retention and motivation of employees of the Group by enabling Eligible Participants to acquire Shares.

1.4 Commencement of the Plan

The Plan commences on a date to be determined by the Board.

2. Definitions and Interpretations

2.1 Definitions

In these Rules, unless the context otherwise requires:

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

- (a) the Corporations Act;
- (b) Corporations Regulations;
- (c) the Listing Rules;
- (d) any other applicable securities laws;
- (e) the constitution of the Company;
- (f) the common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and

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regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them); and

- (g) any practice note, policy statement, class order, declaration, guideline, policy or procedure authorising or entitling ASIC or ASX to regulate, implement or enforce, either directly or indirectly:
 - (i) a provision of the laws, regulations, rules or constitution referred to in paragraphs (a) to (e) above;
 - (ii) any agreement or deed made under the laws, regulations, rules or constitution referred to in paragraphs (a) to (e) above; or
 - (iii) a person's conduct or proposed conduct under the laws, regulations, rules or constitution referred to in paragraphs (a) to (e) above, or any agreement or deed referred to in paragraph (g)(ii) above.

Application means an application for Awards made by an Eligible Participant pursuant to the terms of an Invitation.

Application Date has the meaning given to that term in Rule 4.2(j).

Application Form means the form that the Board determines is to be used to participate in the Plan in response to an Invitation.

Application for Withdrawal of Restricted Shares means a duly completed and executed written request by a Participant to the Company or as directed by the Company (in a form approved by the Board) to:

- (a) transfer to, or on behalf of, the Participant some or all of the Participant's Restricted Shares; or
- (b) sell, on behalf of the Participant, some or all of the Participant's Restricted Shares.

Acquisition Date means, in respect of an Option or a Right, the date the Board resolves to accept an Application Form from an Eligible Participant or Associate (as applicable) and to issue the Option or Right to the applicant.

ASIC means the Australian Securities and Investment Commission.

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Associate has the same meaning as in the ITAA 36 but excludes self-managed superannuation funds;

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

Award means:

- (a) an Option;
- (b) a Right;
- (c) a Share; or
- (d) a Performance Share,

as applicable.

Board means the board of directors of the Company or its duly appointed representative(s).

Business Day means a day other than a Saturday, Sunday or public holiday in Melbourne, Australia.

Cashless Exercise Facility has the meaning given in Rule 10.4(a).

Class Order means ASIC Class Order 14/1000 or any subsequent and/or replacement class order issued by ASIC.

Company means Solvar Limited (ACN 117 296 143).

Corporations Act means the Corporations Act 2001 (Cth).

Corporation Regulations means Corporations Regulations 2001 (Cth), as amended from time to time.

Director means a director of a Group Company and includes both executive and non-executive directors.

Eligible Participant means an employee (full-time, part-time or casual) of a Group Company or its contractors and Associates as the Board determines from time to time, a Director or any other person who is declared by the Board to be eligible to

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receive Awards under the Plan and who otherwise meets the criteria of an eligible participant under the Class Order.

Exercise Condition means any criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(f), which must be met (notwithstanding the satisfaction of any Performance Hurdles and/or Service Conditions) in order for any Vested Awards to be exercisable.

Exercise Price means, subject to Rule 6.2:

- (a) in relation to a Right, a nil amount, unless otherwise determined by the Board and specified in the Invitation, or
- (b) in relation to an Option, the amount payable on exercise of that Option, as specified in the Invitation.

First Exercise Date has the meaning given in Rule 4.2(g).

Group means the Company and its Related Bodies Corporate from time to time.

Group Company means a company which is a member of the Group.

Holding Statement has the meaning given in Rule 6.1(c)

Invitation means an invitation to an Eligible Participant under Rule 4 to apply to acquire Awards under the Plan.

ITAA 36 means the Income Tax Assessment Act 1936 (Cth).

ITAA 97 means the Income Tax Assessment Act 1997 (Cth).

Last Exercise Date has the meaning given in Rule 4.2 (h)

Last Vesting Date has the meaning given in Rule 4.2(i)

Listing Rules means the official listing rules of the ASX.

Market Value means, in relation to Shares, the average "market price" (as that term is defined in the Listing Rules) per Share (weighted by reference to volume) during a trading period, as determined by the Board and set out in the Invitation.

Notice of Exercise has the meaning given in Rule 10.1.

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Option means an option granted under the Plan to be issued or transferred one Share subject to the terms of these Rules and the terms of any applicable Invitation.

Participant means, subject to Rule 5.3, a person who, in response to an Invitation, has completed and returned a duly completed and executed Application Form on or before the Application Date (or a legal personal representative of that person duly appointed on the death or legal incapacity of that person) and whose Application has been accepted by the Board.

Performance Hurdle means any performance-based criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(f), which must be met prior to Awards vesting in a Participant.

Performance Share means a Share subject to Performance Hurdles and/or Service Conditions.

Plan means the employee equity incentive scheme established and operated in accordance with these Rules.

Qualifying Event means:

- (a) death of a Participant;
- (b) serious injury, disability or illness which prohibits continued employment of a Participant;
- (c) the Retirement of a Participant;
- (d) the retrenchment of a Participant; or
- (e) such other circumstances which results in a Participant leaving the employment of a Group Company and which the Board determines is a Qualifying Event.

Related Body Corporate has the meaning in Section 9 of the Corporations Act.

Restricted Shares means Shares provided under the Plan (including on the exercise of an Option or Right) that the Board has determined are subject to a Restriction Period in accordance with Rule 16.

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Restriction Period means the period during which a Share provided under the Plan (including on the exercise of an Option or Right) cannot be transferred or otherwise dealt with in accordance with Rule 16.

Retirement means where a Participant intends to permanently cease gainful employment with a Group Company in circumstances where the Participant provides in good faith, a statutory declaration to that effect, and the Board in its absolute discretion accepts that statutory declaration.

Right means a right to acquire a Share (including a Performance Share) pursuant to Rule 4 on the terms set out in the Invitation.

Rules means these Rules (including the terms and conditions set out in an Invitation), as amended from time to time.

Security Interest means a mortgage, charge, pledge, lien, encumbrance or other third-party interest of any nature.

Service Condition means any time-based criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(f), which must be met prior to Awards Vesting in a Participant.

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

Shareholder Approval means any prior consent or affirming resolution that needs to be obtained from shareholders of the Company before an action is taken or a determination is made under these Rules.

TAA 53 means the Taxation Administration Act 1953 (Cth).

Trust means the Solvar Employee Equity Trust being an employee equity trust established by the Company for the sole purpose of acquiring or being issued Awards on behalf of the Participants in accordance with the terms of these Rules, or on behalf employees of the Group under any other employee equity incentive scheme established by the Company from time to time.

Trust Deed means the trust deed of the Trust executed by the Company and the Trustee.

Trustee means, at the date of these Rules, Pacific Custodians Pty Ltd ACN 009 682

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866 and any other replacement trustee of the Trust appointed from time to time under the terms of the Trust Deed.

Vest means an Award is no longer subject to forfeiture following the satisfaction of any Performance Hurdles, Service Conditions and/or Exercise Conditions and **Vesting** and **Vested** have similar meanings.

2.2 Interpretation

In these Rules unless the context otherwise requires:

- (a) a reference to gender includes all genders;
- (b) the singular includes the plural and conversely;
- (c) a reference to a person includes the legal personal representatives, successors and assigns of that person, and also corporations and other entities recognised by law;
- (d) a reference to any law or to the Listing Rules includes that law or the Listing Rules as amended, re-enacted or replaced and any law that supersedes that law; and
- (e) headings are for convenience only and do not affect the interpretation of these Rules;
- (f) reference to a Rule or paragraph is a reference to a Rule or paragraph of these Rules, or the corresponding Rule or Rules of this Plan as amended from time to time;
- (g) where any word or phrase is given a definite meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (h) where the time for doing any act, matter or thing under these Rules falls on a day which is not a Business Day, it shall be done on the next succeeding Business Day;
- (i) if an act under these Rules to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next Business Day;

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- (j) a reference to time is to Melbourne, Australia time; and
- (k) a reference to an act includes an omission and a reference to doing any act includes executing a document.

3. Deferred Taxation

3.1 Application of Subdivision 83A-C of the ITAA 97

Subdivision 83A-C (Deferred inclusion of gain in assessable income) of the ITAA 97 applies to this Plan unless otherwise stipulated in the Invitation to the Eligible Participant.

4. Invitation to participate in the Plan

4.1 Invitation

Subject to these Rules:

- (a) the Board may issue an Invitation to any Eligible Participant for that Eligible Participant to participate in the Plan;
- (b) the Board may stipulate in the Invitation that the Trustee subscribe for, acquire and/or be allocated an Award and hold that Award on behalf of the Participant;
- (c) the Board has absolute discretion to determine the contents of any Invitation, including, without limitation, whether upon the exercise of Options the Company's obligations in the Invitation will be satisfied by the issue of Shares or the payment of a cash equivalent, and the terms and conditions of any Vesting of Rights under the Plan, including Performance Hurdles, Service Conditions and Exercise Conditions, but such terms and conditions must be in accordance with any applicable requirements of the Listing Rules and the Corporations Act; and
- (d) the Board may amend the Invitation at any time prior to the Application Date.

4.2 Provision of information with Invitation

The Invitation must be in writing and include the following terms of issue of the Awards, as applicable:

- (a) the name and address of the Eligible Participant to whom the Invitation is made;
- (b) the date of the Invitation;
- (c) the nature and number of Awards to which the Invitation relates;

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- (d) the minimum number (if any) of Awards that the Eligible Participant may apply for and, if an Eligible Participant may apply for less than the number of Awards to which they are offered, the multiples (if any) in which Awards must be applied for;
- (e) the Exercise Price of the Awards (if any) or the method of calculating the exercise price of the Awards;
- (f) the Performance Hurdles, Service Conditions and/or Exercise Conditions (if any) that are required to be satisfied;
- (g) the earliest date from which Awards may be exercised (**First Exercise Date**);
- (h) the latest date prior to which Awards may be exercised (**Last Exercise Date**);
- (i) the last date on which Awards are able to Vest (**Last Vesting Date**);
- (j) the latest date on which a duly completed Application Form must be received by the Company (**Application Date**);
- (k) whether the Trustee will hold the Awards on behalf of the Participant;
- (l) any other terms and conditions relating to the issue of Awards which in the opinion of the Board are fair and reasonable but not inconsistent with these Rules; and
- (m) any other information or documents that Applicable Laws require the Company to give to the Eligible Participant.

4.3 Limit on number of Shares to be issued

An Invitation may only be made under the Plan if the number of Shares that may be acquired when aggregated with:

- (a) the number of Shares which would be issued if each outstanding Invitation or Award under this Plan or any other employee equity incentive scheme was exercised or accepted by the Board; and
- (b) the number of Shares issued during the previous three years pursuant to the Plan or any other employee equity incentive scheme,

but disregarding any Invitation given, Award acquired or Share issued by way of or as a result of:

- (c) an offer to a person situated outside of Australia at the time of receipt of the Invitation;
- (d) an Invitation which did not require disclosure to investors under the Corporations Act; or

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- (e) an Invitation made under a disclosure document (within the meaning of the Corporations Act),

does not exceed 5% of the total number of issued Shares at the time the Invitation was made.

4.4 Invitation personal to the Eligible Participant

An Invitation under the Plan is personal to the Eligible Participant to whom it is made and, accordingly, can only be accepted by the Eligible Participant specified in the Invitation.

4.5 Application Form

The Invitation must be accompanied by an Application Form.

4.6 Entitlement to Participate

- (a) The Board may from time to time and in its absolute discretion determine that an Eligible Participant may participate in the Plan and the extent of that participation. In making that determination, the Board may consider:
 - (i) the seniority of the Eligible Participant and the position the Eligible Participant occupies within the Group;
 - (ii) the length of service of the Eligible Participant with the Group;
 - (iii) the record of employment of the Eligible Participant with the Group;
 - (iv) the potential contribution of the Eligible Participant to the growth and profitability of the Group;
 - (v) the extent (if any) of the existing participation of the Eligible Participant in the Plan; and
 - (vi) any other matters which the Board considers relevant to its decision.
- (b) The Board may exercise its powers in relation to the participation of any Eligible Participant on any number of occasions.
- (c) The Company must obtain securityholder approval under the Listing Rules and/or Corporations Act before participation under the Plan of any Eligible Participant who is a Director, or otherwise a related party of, the Company.

5. Application to participate in the Plan

5.1 Application Form

An Eligible Participant may only make an Application to participate in the Plan in response to an Invitation by:

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- (a) completing the Application Form in respect of the number of Awards specified in the Invitation or for a lesser number provided that the number applied for is in multiples of 100;
- (b) signing the completed Application Form; and
- (c) lodging the completed and signed Application Form with the Company on or before the Application Date.

5.2 Participation in Plan

Subject to Rule 5.3(b) if, on returning the duly completed Application Form in accordance with Rule 5.1, the Eligible Participant's employment with a Group Company has not ceased, the Participant:

- (a) will participate in the Plan and acquire Awards in accordance with the Invitation;
- (b) agrees to be bound by the terms of the Invitation, the Application Form, these Rules and the constitution of the Company; and
- (c) consents to the collection, holding, processing and exchange of their personal data by the Company for any purpose related to the proper administration of the Plan or their participation in the Plan.

5.3 Non-acceptance of Application Form

- (a) Notwithstanding any other provision of these Rules, an Eligible Participant has no entitlement to be provided with any Awards unless and until the Board accepts the Participant's Application Form.
- (b) If the Board determines at its sole discretion not to accept an Application Form, the Company will notify the Eligible Participant that it does not accept the Participant's Application Form.

6. Provision of Awards

6.1 Issue or transfer of Awards

Subject to Rule 5.3(b), as soon as practicable after the Application Date the Board may:

- (a) Issue, allot or arrange for the transfer of the Awards applied for, subscribed for or acquired to the Eligible Participant or (where applicable) to the Trustee for the benefit of the Participant;
- (b) complete and maintain any Rights, Options or Share registers in accordance with the Corporations Act; and
- (c) issue a holding statement to the Participant (***Holding Statement***).

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6.2 No payment for Awards

Unless determined by the Board in its absolute discretion, no payment is required for the provision of Awards.

7. Trustee

7.1 Acquisition of Award by the Trustee

- (a) The Board may in its absolute discretion procure the Trustee to acquire Awards on behalf of a Participant instead of making an issue, allotment or transfer of Awards to the Participant under Rule 6.1. The relevant Awards will be acquired in the name of the Trustee for the benefit of the Participant within a reasonable time after the Board's acceptance of a Participant's Application Form under Rule 5.3.
- (b) Where the Trustee holds Awards on behalf of a Participant:
 - (i) the Trustee must hold the Awards under the Plan in accordance with these Rules, the Trust Deed and any other directions given by the Company from time to time; and
 - (ii) the Awards will be registered in the name of the Trustee (unless the Board determines otherwise).

7.2 Company and Trustee

In addition to any rights given to it under the Trust Deed, the Company may:

- (a) provide funds to the Trustee to enable the Trustee to subscribe for or acquire Awards under this Plan on behalf of Participants;
- (b) remove the Trustee and appoint a replacement trustee (and make arrangements to transfer the Awards held on behalf of Participants to the replacement trustee); and
- (c) pay the Trustee such amount as the Company determines in respect of services provided by the Trustee under this Plan.

7.3 Costs

The Board may in its sole discretion determine how any costs incurred by the Trustee in the performance of its role under this Plan (including costs associated with the Trust) are to be paid.

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8. Non-transferable Awards

- (a) Except in respect of the transmission of Awards to a Participant's legal representative upon death, no Rights or Options or any right in respect of any Rights or Options may be transferred.
- (b) Performance Shares cannot be transferred prior to Vesting.
- (c) Prior to Vesting, if a Participant purports to transfer, assign, mortgage, charge, encumber, sell or otherwise dispose of a Right, Option or Performance Share, whether voluntarily or involuntarily, the relevant Right Option or Performance Share will lapse immediately, unless the Board determines otherwise.

9. Vesting of Rights and Options

9.1 No exercise without Vesting

Any Right or Option that has not Vested in accordance with these Rules may not be exercised, unless (subject to Applicable Laws) the Board exercises its absolute discretion, in any circumstances where it considers it to be in the best interests of the Company; to:

- (a) vary or waive the relevant Performance Hurdles, Service Conditions and/or Exercise Conditions, and declare the Rights and/or Options to be Vested; or
- (b) bring forward the date upon which Rights and/or Options may be exercised.

9.2 Satisfaction of conditions

Subject to this Rule 9, Rights and/or Options may only be exercised if the Rights and/or Options Vest in accordance with the applicable Performance Hurdles, Service Conditions and Exercise Conditions (if any).

9.3 Qualifying Event

Where an Eligible Participant ceases to be employed by a Group Company as a result of a Qualifying Event, the Board may, in its absolute discretion, determine in relation to the Rights and/or Options which at the time of the Qualifying Event are held by the Eligible Participant and have not yet Vested in accordance with Rules 9.1 or 9.4, that some or all of those Rights and/or Options will become Vested at the time of the cessation of employment of that Eligible Participant or another date determined by the Board.

9.4 Change of Control of the Company

Where:

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- (a) a takeover bid is made for the Company and the Board recommends acceptance by the Company's shareholders;
- (b) a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or
- (c) the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,

the Board may in its absolute discretion determine that any Right or Option that has not Vested in accordance with Rule 9.1 or 9.3 will Vest on, and may be exercised on and from, the date determined by the Board (subject to lapse in accordance with these Rules).

10. Exercise of Rights and Options

10.1 Notice of exercise

The exercise of any Right or Option may only be effected by lodging a duly completed notice of exercise endorsed on the Rights and/or Options Holding Statement (or a notice of exercise in such other form and manner as the Board may prescribe or accept) with the Company Secretary (**Notice of Exercise**).

10.2 Conditions of exercise

A Right or Option may only be exercised if at the time of exercise:

- (a) the Right or Option has become Vested in accordance with Rule 9;
- (b) the Right or Option has not lapsed under Rule 15 (or another provision of these Rules); and
- (c) the Exercise Price of the Right or Option (if any) has been paid to the Company in such manner approved by the Board.

10.3 Cash equivalent

On receiving a Notice of Exercise, the Board may elect, in its absolute discretion, that on the exercise of a Right the Eligible Participant will receive either a Share or a cash payment of equivalent value based on the Market Value of the Share.

10.4 Cashless exercise of Options – where the Exercise Price is greater than the value of the Shares

- (a) If a Participant wishes to exercise some or all of their Vested Options it may, subject to Board approval, elect to use the cashless exercise facility provided for under this Rule (**Cashless Exercise Facility**).

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- (b) The Cashless Exercise Facility allows a Participant to set-off the Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Exercise Price has been set-off.
- (c) If a Participant elects to use the Cashless Exercise Facility, and its use is approved by the Board, subject to Rule 10.4(d), the Participant will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:
 - (i) the aggregate total Market Value of Shares that would otherwise be issued on exercise of the Options had all such Options been exercised for a cash Exercise Price;
 - (ii) less the aggregate total Exercise Price otherwise payable in respect of the Options exercised; and
 - (iii) divided by the Market Value of a Share.
- (d) Notwithstanding any other provision of these Rules, if the Exercise Price otherwise payable in respect of the Options being exercised is the same or lower than the applicable Market Value of Shares, then a Participant will not be entitled to use the Cashless Exercise Facility.

10.5 Exercise in whole or in part

A Participant's Vested Rights and/or Options may be exercised in whole or in part. If a Participant has not exercised all of their Rights and/or Options, a revised Rights and/or Options Holding Statement will be issued in respect of the remaining Rights and/or Options.

10.6 Issue, transfer or allocation of Shares

Subject to Rule 7.1, following the exercise of a Right or Option, the Company must, within such time as the Board determines:

- (a) issue to the Participant; or
- (b) procure the transfer to the Participant,

the Share in respect of which the Right or Option has been exercised.

11. Vesting of Performance Shares

11.1 Satisfaction of Performance Hurdles

Subject to this Rule 11, Performance Shares may only Vest in accordance with the applicable Performance Hurdles, Exercise Conditions and Service Conditions (if any), unless (subject to Applicable Laws) the Board exercises its absolute discretion, in any circumstances where it considers it to be in the best interests of the Company, to:

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- (a) vary or waive the relevant Performance Hurdles, Exercise Conditions or Service Conditions, and declares the Performance Shares to be Vested; or
- (b) bring forward the date upon which the Performance Shares may Vest.

11.2 Vesting of Performance Shares

- (a) A Performance Share will Vest when a Vesting notice in respect of that Performance Share is given by the relevant Group Company to the Participant.
- (b) A Participant will have no interest in Shares the subject of his or her Performance Shares unless and until those Performance Shares have Vested in accordance with these Rules and Shares are issued or allocated to or acquired by (as the case may be) that Participant or the Trustee on behalf of that Participant as a result.

11.3 Qualifying Event

Where an Eligible Participant ceases to be employed by a Group Company as a result of a Qualifying Event, the Board may, in its absolute discretion, determine in relation to the Performance Shares which at the time of the Qualifying Event are held by the Eligible Participant and have not yet Vested in accordance with Rules 11.1 or 11.4, that some or all of those Performance Shares will become Vested at the time of the cessation of employment of that Eligible Participant or another date determined by the Board.

11.4 Change of control of the Company

Where:

- (a) a takeover bid is made for the Company and the Board recommends acceptance by the Company's shareholders;
- (b) a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or
- (c) the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,

the Board may in its absolute discretion determine that any Performance Shares that have not Vested in accordance with Rule 11.1 or 11.3 will Vest on the date determined by the Board (subject to lapse in accordance with these Rules).

11.5 Re-designation of Performance Shares as ordinary Shares

If instructed to do so in writing by the Board, each Eligible Participant will take all necessary actions and enter into all necessary documentation to give effect to the re-

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designation of a Vested Performance Share (whether held by that Participant or any other Participant) that has Vested in accordance with this Rule 11 to be an ordinary Share in the capital of the Company.

12. Share trading policy

Notwithstanding any other provision of these Rules, a Right or Option that has Vested may not be traded at any time when an Eligible Participant would be precluded from dealing in Shares pursuant to any Applicable Laws or the Company's internal regulations for dealings in its Shares, or otherwise as determined by the Board.

13. Ranking

Any Shares issued, including those issued as a result of the exercise or Vesting of Awards, will rank equally in all respects with all existing Shares from the date of issue. The Company will apply to the ASX for the quotation of any Shares issued under these Rules.

14. Holding Lock

All Shares the subject of Performance Shares, Rights or Options under these Rules may in the Board's absolute discretion be subject to a holding lock and may be held by the Trust up to six years from the Acquisition Date provided that the Board may remove the holding lock applying to those Shares:

- (a) in special circumstances, such as where the Participant:
 - (i) suffers serious injury or illness;
 - (ii) suffers financial hardship;
 - (iii) is affected by a natural disaster; or
 - (iv) in such other material adverse circumstances;
- (b) where the Performance Hurdles, Exercise Conditions and/or Service Conditions (if any) applying to the provision of Shares or Performance Shares have been satisfied (or varied or waived by the Company pursuant to Rule 11.1) and the then Market Value of the Shares exceeds the Market Value of the Shares at the Acquisition Date of the Performance Shares;
- (c) where the Performance Hurdles, Exercise Conditions and/or Service Conditions (if any) applying to the grant of the Rights have been satisfied (or varied or waived by the Company pursuant to Rule 9.1) and the then Market Value of the Shares exceeds the Market Value of the Shares at the Acquisition Date of the Rights;

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- (d) where the Performance Hurdles, Exercise Conditions and/or Service Conditions (if any) applying to the grant of the Options have been satisfied (or varied or waived by the Company pursuant to Rule 9.1) and the then Market Value of the Shares exceeds the Exercise Price of the Options; or
- (e) upon the cessation of the Participant's employment with a Group Company.

15. Lapse of Rights, Options and Performance Shares

15.1 Unvested Awards on Last Vesting Date

Any Rights, Options or Performance Shares held by a Participant which have not Vested in accordance with Rule 9 or 11 (and which have not otherwise lapsed in accordance with these Rules) by the Last Vesting Date – will lapse at 12.01am on the day immediately following the Last Vesting Date.

15.2 Termination of employment by Group Company

Where the employment by a Group Company of an Eligible Participant has been terminated by the Group Company on the grounds the Eligible Participant has acted fraudulently, dishonestly or is in material breach of his or her obligations to any Group Company, all Rights, Options or Performance Shares (other than issued Shares) held by the Eligible Participant which have not Vested in accordance with Rule 9 or 11 will immediately lapse.

15.3 Termination of employment by Eligible Participant

Where an Eligible Participant ceases his or her employment with a Group Company, other than as a result of a Qualifying Event, any Rights, Options or Performance Shares (other than issued Shares) held by the Eligible Participant which have not Vested in accordance with Rule 9 or 11 will immediately lapse upon the Eligible Participant ceasing to be so employed unless otherwise determined by the Board in its absolute discretion.

15.4 Termination of employment caused by a Qualifying Event

Where an Eligible Participant ceases to be employed by a Group Company as a result of a Qualifying Event, any Rights and/or Options held by the Eligible Participant which have Vested in accordance with Rule 9:

- (a) may be exercised by the Participant (or the Participant's legal personal representative, as applicable) during the 30 day period following the date on which the Eligible Participant ceased to be so employed (or, if shorter, in the period until 5.00pm on the Last Exercise Date); and
- (b) will lapse at 12.01am on the day immediately following the last day of that 12 month period (or, if earlier, at 5.01pm on the Last Exercise Date).

15.5 Last Exercise Date

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All Rights and/or Options which have Vested in accordance with Rule 9 and which have not been exercised will lapse on the Last Exercise Date or such other date permitted by these Rules.

15.6 Consequence of Lapse

Upon the lapse of Rights, Options or Performance Shares, all of the Participant's rights in respect of those Awards cease.

16. Restrictions on dealing with Shares

16.1 Restricted Shares

The Board may, in its absolute discretion, determine that Restricted Shares cannot be issued, transferred or allocated (as the case may be) for a Restriction Period of up to a maximum of seven years from the Acquisition Date of the relevant Award.

16.2 Enforcement of restrictions

The Company is entitled to make any arrangements it considers necessary to enforce any restrictions applicable to Restricted Shares during the Restriction Period including, without limitation, directing the Restricted Shares be held by the Trust and Participants must comply with those arrangements and must not take any action or permit another person to take any action to remove those arrangements.

16.3 Waiver of restrictions

The Board may, in its absolute discretion, having regard to the circumstances at the time, waive the restrictions applying to Restricted Shares and/or the Restriction Period determined pursuant to Rule 16.1.

16.4 No dealing with Restricted Shares

A Participant must not transfer, have a Security Interest granted over, sell or otherwise dispose of, any Restricted Shares.

16.5 Request for withdrawal of Restricted Shares

A Participant may submit an Application for Withdrawal of Restricted Shares to the Company or as directed by the Company provided that:

- (a) all of the relevant requirements (if any) applicable to the Restricted Shares are satisfied or waived; and
- (b) it is received or is expressed to be effective only once the applicable Restriction Period (if any) has ended.

16.6 The Board may determine whether to approve the Application for Withdrawal of Restricted Shares, which approval may not be unreasonably withheld.

17. Share issues

17.1 New or existing Shares

The Company may, in its absolute discretion, either issue new Shares or cause existing Shares to be acquired for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules. If the Company determines to cause the transfer of Shares to a Participant, the Shares may be acquired in such manner as the Company considers appropriate including, without limitation, to be held by the Trust.

17.2 Rights issues and Bonus issues of Shares

The Rights and Options carry no right to participate in rights issues or bonus issues of Shares conducted by the Company.

17.3 Adjustment under certain events

The Board will:

- (a) reduce the exercise price of Rights and/or Options (if any) in the event of a new issue of Shares; and
- (b) change the number of underlying Shares to which the Rights and/or Options relate in the event of a bonus issue of Shares,

in accordance with the Listing Rules.

17.4 Entitlements to an issue

If Shares are issued pursuant to the exercise of a Right or an Option prior to determination of entitlements to a new issue of Shares, the Shares so issued will be entitled to participate in the new issue of Shares.

17.5 Reorganisation

In the event of a reorganisation of the Company's Share capital, the Board will review and modify the terms of the Awards if required by, and in accordance with, the Listing Rules.

18. Dividends

- (a) Options or Rights will not give any right to participate in dividends until, pursuant to the exercise of those Awards, Shares are issued or transferred (as the case requires) to, and registered in the name of, the Participant before the record date for determining entitlements to the dividend.

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- (b) Where Shares are held by the Trustee on behalf of a Participant, the Participant will be entitled to receive the dividend paid by the Company on the Shares held by the Trustee on behalf of the Participant.

19. Meetings and voting

- (a) Where Shares are held by the Trustee on behalf of a Participant:
 - (i) the Company must forward to the Participant a copy of all notices of meeting provided to the Trustee; and
 - (ii) a Participant may direct the Trustee as to how to exercise any voting rights attached to the Shares held by the Trustee on behalf of that Participant, either in general or in respect of a particular resolution.
- (b) If no direction is given under Rule 19(a)(ii), the Trustee is not entitled to exercise the relevant voting rights.

20. Transfer of Shares held by Trustee

- (a) Subject to the terms of the Constitution, a Participant may at any time issue to the Company for Board approval a notice requesting the release certain of Shares held by the Trustee on behalf of the Participant and specified in that notice from the Trust and to sell or otherwise transfer those Shares at the Participant's direction. The Board may determine the form of that notice from time to time (**Withdrawal Notice**).
- (b) A Participant will be deemed to have issued a Withdrawal Notice in respect of all of the Shares held by the Trustee on behalf of the Participant if:
 - (i) the Participant has ceased to be an Eligible Participant, as determined by the Board in its absolute discretion; or
 - (ii) the Last Vesting Date.
- (c) The Board must not unreasonably withhold approval of a Withdrawal Notice submitted in accordance with this Rule 20. However, nothing in this Rule 20 requires the Board to:
 - (i) deal with a Withdrawal Notice any earlier than in accordance with times, intervals, procedures or periods the Board may set from time to time in relation to the consideration of Withdrawal Notices; or
 - (ii) approve a Withdrawal Notice if the Participant owes money to any member of the Group.
- (d) If the Board approves a Withdrawal Notice, the Trustee must transfer the legal title in the relevant Shares to or in accordance with the direction of the Participant.

21. Independent Advice

Eligible Participants should obtain their own independent advice on the legal, financial, taxation and other consequences which may apply to them as a result of or relating to their participation in the Plan, including the exercise of Options or Rights and the disposal of any or all Shares acquired as a result of exercising those Awards.

22. Administration of the Plan

22.1 Powers of the Board

The Plan will be managed in accordance with these Rules by the Board, which will have power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan consistent with these Rules;
- (b) resolve and bind the Company and the Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;
- (c) determine matters falling for determination under these Rules in its absolute discretion having regard to the interests of and for the benefit of the Company;
- (d) exercise the discretions conferred on it by these Rules or which may otherwise be required in relation to the Plan;
- (e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan; and
- (f) appoint or engage specialist service providers for the operation and administration of the Plan.

22.2 Suspension or termination of the Plan

- (a) The Plan may be suspended or terminated at any time by resolution of the Board.
- (b) In the event of a suspension or termination, these Rules will continue to operate with respect to any Shares issued or transferred under the Plan prior to that suspension or termination, and any Shares to be issued or transferred under the Plan as a result of any Invitation which has been issued and accepted prior to that suspension or termination.

22.3 Documents

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The Company may from time to time require a person invited to participate in the Plan or a Participant to complete and return such other documents as may be required by law to be completed by that person or Participant, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person or Participant.

22.4 Company to provide information

The Company must provide to:

- (a) the Participant: information about Awards acquired pursuant to the Plan during the year by no later than 14 July after the end of the relevant financial year. The information provided will be in accordance with the requirements outlined in Schedule 1 to Division 392 of the TAA 53; and
- (b) the Commissioner: information about Awards acquired pursuant to the Plan during the year in the approved form by no later than 14 August after the end of the relevant financial year. The information provided will be in accordance with the requirements outlined in Schedule 1 to Division 392 of the TAA 53.

22.5 Liability for TFN withholding tax (ESS)

The Company will not be liable for tax imposed under Subdivision 14-C in Schedule 1 to the TAA 53 as participation in the Plan is conditional on the relevant Eligible Participant providing a valid tax file number. Applications will not be processed unless the Eligible Participant provides a valid tax file number.

23. Contracts of employment and other employment rights

23.1 Rules not part of employment contract etc.

- (a) These Rules do not form part of any contract of employment or services between any Eligible Participant and either the Company or any Group Company.
- (b) It is a condition of these Rules that the Plan may be terminated at any time at the discretion of the Board and that no entitlement to compensation under any employment or services contract with a Participant will arise as a result.

23.2 No affect on employment rights

Nothing in these Rules:

- (a) confers on any Eligible Participant or Participant the right to continue as an employee of any Group Company;
- (b) affects any rights which a Group Company may have to terminate the employment of an Eligible Participant or Participant;

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- (c) may be used to increase damages in any action brought against any Group Company in respect of any such termination; and
- (d) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any tax liabilities of the Eligible Participants or Participants.

24. Connection with other plans

Participation in the Plan does not affect, and is not affected by, participation in any other employee equity incentive scheme operated by the Group unless the terms of that other employee equity incentive scheme provides otherwise.

25. Plan costs

25.1 Administration costs

The Company will pay all expenses, costs and charges in relation to the establishment and operation of the Plan, including all costs incurred or associated with the issue, transfer or purchase of Shares pursuant to the Vesting or exercise of Awards under the Plan.

25.2 Taxes and disposals costs

Notwithstanding Rule 25.1:

- (a) the Company has the power to withhold from amounts otherwise owing to the Participant, or to require the Participant to remit to it, an amount sufficient to satisfy all Commonwealth, State, Territory, local and foreign withholding tax requirements, and any other governmental imposts, in respect of any or all of the Participant's Awards under the Plan; and
- (b) any brokerage, commission, stamp duty or other transaction costs in connection with the disposal of a Participant's Awards acquired under the Plan will be paid for by the Participant.

25.3 Responsibility for Participant's tax

The Company will not be responsible for any tax which may become payable by a Participant in connection with the provision of any Awards under this Plan.

26. Overseas employees

26.1 Offers outside Australia

- (a) The Company, at the Board's discretion, may:

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- (i) offer Awards, subject to the law in the jurisdiction in which the offer is made, under the Plan to Eligible Participants who are residents in jurisdictions outside Australia; and
 - (ii) make rules for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Participants and Participants who are residents in jurisdictions outside Australia.
- (b) Nothing in these Rules obliges the Board to make an offer to an Eligible Participant who is a resident in a jurisdiction outside Australia.

27. Overriding restriction

Notwithstanding any Rule, Awards may not be issued, transferred or dealt with under the Plan if to do so would contravene the Corporations Act, the Listing Rules or any other Applicable Laws or where the compliance with any Applicable Law would in the opinion of the Board be unduly onerous or impractical.

28. Amendment to Rules

28.1 General

Subject to Rule 28.2 and the Listing Rules, these Rules may be amended at the direction of the Board, by amending, adding to, deleting or otherwise varying the Rules, at any time in any manner the Board thinks fit in its absolute discretion.

28.2 Limitation on amendments

No amendment to the provisions of these Rules may be made which reduces the rights of Participants in respect of Awards to which they have completed and returned an Application Form prior to the date of the amendment, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation or the Listing Rules;
- (b) to correct any manifest error or mistake; or
- (c) for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

28.3 Eligible Participants outside Australia

The Board may make any additions, variations or modifications to these Rules in relation to the implementation of the Plan and the specific application of these Rules to Eligible Participants residing in jurisdictions outside Australia.

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29. Waiver

No failure, delay, or indulgence by a party in exercising any power or right under these Rules shall operate as a waiver of such power or right. No single exercise of any power or right under this Plan shall preclude any other or future exercise of that (or any other) power or right.

30. Severance

If any provision of these Rules is rendered void, unenforceable or otherwise ineffective, such avoidance, unenforceability or ineffectiveness will not affect the enforceability of the remaining provisions of these Rules.

31. Notices

- 31.1 Any notice or direction given under these Rules is validly given if it is handed to the Eligible Participant or Participant concerned or sent by ordinary prepaid post to the person's last known address or given in a manner which the Board from time to time determines.
- 31.2 In the case of an Application, that Application will not be taken to have been received by or on behalf of the Company until it is actually received by the Company at the address nominated from time to time by the Board.

32. Governing Law

These Rules are governed by the laws of Victoria, Australia. The Company and each Participant submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria connection with matters concerning these Rules and of the courts authorised to hear appeals from those courts.