
***Saracen Mineral Holdings Limited
Long Term Incentive Plan Rules***

23 November 2017

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Saracen Mineral Holdings Limited Long Term Incentive Plan Rules

1. Definitions and interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

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

Application means, in respect of an Award, an application for that Award made by an Eligible Participant and/or the Eligible Participant's Nominated Affiliate (where applicable) in response to an Invitation, or provided electronically to the relevant Eligible Participant.

Application Form means an application form attached to, or enclosed with, an Invitation or provided electronically to the relevant Eligible Participant.

Associate has the same meaning given to that term in the Corporations Act.

Associated Body Corporate has the meaning given to that term in ASIC Class Order CO 14/1000.

ASX means ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the securities exchange operated by that entity, as appropriate.

ASX Holding Lock has the same meaning as "Holding Lock" in Chapter 19 of the Listing Rules.

Automatically Exercised has the meaning given in clause 7.3(a)(ii).

Award means either a performance right or an option granted under these Rules to acquire one or more Shares by one or more methods determined in the absolute discretion of the Board and as specified in the Invitation.

Bad Leaver means a Participant who ceases to be an Eligible Participant and:

- (a) does not meet the Good Leaver criteria; or
- (b) meets the Good Leaver criteria but the Board has determined in writing that they be treated as a Bad Leaver.

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

Bonus Issue has the same meaning as in the Listing Rules.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.

Cashless Exercise Facility has the meaning given in clause 7.4(a).

Certificate means a certificate or notice (in each case, whether physical or electronic) evidencing the grant of an Award.

Change of Control Event means:

- (a) a change in Control of the Company;
- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning 50% or more of the Issued Capital of the Company;
- (c) where a Takeover Bid is made to acquire 50% or more of the Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to 50% or more of the Issued Capital of the Company) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in 50% or more of the Issued Capital of the Company;
- (d) where a person (either alone or together with its Associates) becomes the legal or the beneficial owner of, or acquires a Relevant Interest in, 50% or more of the Issued Capital of the Company;
- (e) where a person (either alone or together with its Associates) becomes entitled to acquire or acquires an equitable interest in 50% or more of the Issued Capital of the Company;
- (f) a resolution is passed for the voluntary winding-up of the Company;
- (g) an order is made for the compulsory winding up of the Company; or
- (h) any other event determined by the Board in good faith to constitute a "Change of Control Event" for the purposes of these Rules,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.

Company means Saracen Mineral Holdings Limited (ACN 009 215 347).

Confirmation Notice means, in relation to an Award, the notice (whether physical or electronic) given by or on behalf of the Company to a Participant informing him or her that all of the Exercise Conditions have been satisfied or waived and the Award may be exercised in accordance with the terms of these Rules.

Constitution means the constitution of the Company.

Control has the meaning given to that term in the Corporations Act.

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

Dispose means in relation to a Plan Share or an Award:

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

the Plan Share or Award (whichever applicable) and **Disposal** has a corresponding meaning.

Eligible Participant means a person that:

- (a) is an “eligible participant” (as that term is defined in ASIC Class Order CO 14/1000) in relation to the Company or an Associated Body Corporate; and
- (b) has been determined or selected by the Board to be eligible to participate in the Plan from time to time.

Engagement Arrangement means in respect of:

- (a) an employee of a member of the Group, the terms under which the relevant member of the Group has employed that person;
- (b) a director of a member of the Group that is not also an employee, the terms under which the relevant member of the Group has appointed that director to their office; or
- (c) a contractor or consultant to a member of the Group, the terms under which the relevant member of the Group has engaged that contractor or consultant.

Exercise Condition means, in relation to an Award, any condition to exercise of that Award as specified in the relevant Invitation.

Exercise Price means, in respect of an Award, the price to be paid by the Participant when exercising that Award as specified in the relevant Invitation. For the avoidance of doubt, the Exercise Price for an Award may be nil.

Expiry Date in relation to an Award means:

- (a) the date determined by the Board and specified in an Invitation or Vesting Notice (if any) as the “expiry date”; or
- (b) if an Invitation or Vesting Notice (if any) does not specify an “expiry date”, the Business Day prior to the 15 year anniversary of the Grant Date.

Good Leaver means a Participant who ceases to be an Eligible Participant in any of the following circumstances:

- (a) the Participant and Board have agreed in writing that the Participant has entered into bona fide retirement;
- (b) the Participant and the Board have agreed in writing that the Participant's role has been made redundant;
- (c) the Board has determined that the Participant is no longer able to perform their duties under their Engagement Arrangement due to poor health, injury or disability;
- (d) the Participant's death; or
- (e) any other circumstance determined by the Board in writing.

Grant Date means, in relation to an Award, the date on which that Award is granted to a Participant as set out in the relevant Certificate.

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

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it has had a controller appointed or is in liquidation, in provisional liquidation, under administration, wound up or has had a receiver appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Company);
- (d) an application or order has been made (and in the case of the application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is likely to result in any of (a), (b) or (c) above);
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand);
- (f) it is subject to an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Invitation means an invitation to an Eligible Participant to apply for the grant of one or more Awards made in accordance with clause 3.2 of these Rules.

Issued Capital means issued Shares from time to time.

Listing Rules means the listing rules, market rules and operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation.

Manually Exercised has the meaning given in clause 7.3(a)(i).

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date, unless otherwise specified in an Invitation.

Nominated Affiliate has the meaning set out in clause 3.9(a).

Notice of Exercise means a notice (whether physical or electronic) given by or on behalf of the Participant (in the form determined by the Board from time to time) to exercise an Option in accordance with clause 7.3.

Participant means:

- (a) an Eligible Participant who has been granted an Award under this Plan; or
- (b) where an Eligible Participant has made a nomination under clause 3.9(a):
 - (i) the Eligible Participant; or
 - (ii) the Nominated Affiliate of the Eligible Participant who has been granted an Award under this Plan,

as the context requires.

Plan means the "Saracen Mineral Holdings Limited Long Term Incentive Plan".

Plan Shares means all Shares issued, transferred or allocated to a Participant upon the valid exercise of an Award.

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

Retention Notice means a notice from the Company in accordance with clause 9.1(a).

Relevant Interest has the meaning given to that term in the Corporations Act.

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

Securities Trading Policy means the securities trading policy of the Company.

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

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

Takeover Bid has the meaning given to that term in the Corporations Act.

Tax means any tax, levy, charge, franchise, impost, duty, fee, rate, deduction, compulsory loan or withholding, which is assessed, levied, imposed or collected by any government agency and includes,

for the avoidance of doubt, capital gains tax, fringe benefits tax, income tax, value added tax, goods and services tax, sales or use tax, training guarantee levy, profits tax, undistributed profits tax, payroll or employment tax, group tax, PAYG or PAYE withholding tax, land tax, import or customs duty, excise, municipal rates, and any interest, fine, penalty, charge, fee or any other amount imposed on or in respect of any of the above.

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

Vesting Condition means, in relation to an Award, any condition to vesting of that Award as specified in the relevant Invitation.

Vesting Notice means, in relation to an Award, the notice (whether physical or electronic) given by or on behalf of the Company to a Participant informing him or her that all of the Vesting Conditions have been satisfied or waived.

1.2 Interpretation

In these Rules, unless otherwise stated or the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes all genders;
- (c) a reference to a document, agreement, plan or rules includes that document, agreement, plan or rules as novated, amended, varied, supplemented or replaced from time to time;
- (d) headings are for convenience only and do not affect the interpretation of these Rules;
- (e) a reference to any thing (including any amount) includes any part of that thing and a reference to a group of things or persons includes each thing or person in that group;
- (f) a reference to any legislation includes any modification or replacement of it and all regulations and statutory instruments issued under it and a reference to any provision of any legislation includes any modification or substitution of it;
- (g) a reference to these Rules includes all recitals, annexures, addendums and schedules to these Rules;
- (h) a reference to a person includes a reference to the person's executors, legal personal representatives, administrators and successors or a body corporate including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (i) the expression "person" includes an individual, the estate of an individual, the legal personal representative of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (j) a reference to "including" (or any similar term) is not to be construed as implying any limitation;
- (k) a reference to "writing" or "written" includes any mode of representing or reproducing words in tangible and permanently visible form, and includes email;
- (l) a monetary amount is a reference to Australian Dollars;

- (m) where any word is given a defined meaning, any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning; and
- (n) any capitalised terms in these Rules that are not defined in clause 1.1 have the meaning given to them in the Corporations Act.

1.3 **Inconsistencies**

Notwithstanding anything to the contrary in any Engagement Arrangement with a Participant, but subject at all times to these Rules, if there is any inconsistency between these Rules and an Engagement Arrangement, these Rules prevail.

1.4 ***Income Tax Assessment Act 1997***

This Plan is a plan to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in the Tax Act).

1.5 **Constitution**

The entitlements of Eligible Participants under these Rules are subject to the Constitution. In the event of any inconsistency between these Rules and the Constitution, the terms of the Constitution will prevail.

2. *Introduction*

2.1 **Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants; and
- (b) align the interests of Eligible Participants with shareholders of the Group.

2.2 **Commencement**

The Plan will commence on a date determined by the Board.

2.3 **Rules are binding**

The Company and each Participant are bound by these Rules.

3. *Eligibility and grant*

3.1 **Eligibility**

The Board may from time to time determine that an Eligible Participant may participate in the Plan.

3.2 **Invitation**

- (a) Following determination that an Eligible Participant may participate in the Plan, the Board may make an Invitation to the Eligible Participant on any number of occasions.

- (b) An Invitation to an Eligible Participant to apply for Awards may be made on such terms and conditions as the Board decides from time to time and may include:
- (i) whether the Awards for which that Eligible Participant may apply are performance rights or options, and the number of Awards for which that Eligible Participant may apply;
 - (ii) the Grant Date;
 - (iii) the amount payable (if any) for the grant of each Award or how such amount is calculated;
 - (iv) the Vesting Conditions (if any);
 - (v) whether each Award, upon vesting under these Rules, needs to be Manually Exercised or whether it will be Automatically Exercised;
 - (vi) the Exercise Conditions (if any);
 - (vii) the Exercise Price (if any);
 - (viii) whether the Company must fulfil a vested Award that has been exercised by acquiring Shares on-market (as that term is defined in the Corporations Act) or by any means (including without limitation the acquisition of Shares on-market, off-market or by way of issue); and
 - (ix) any other supplementary terms and conditions considered relevant by the Board.

3.3 Restrictions on the size of Plan

The Company must have reasonable grounds to believe, when issuing an Invitation, that the number of Plan Shares to be received on exercise of Awards offered under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on ASIC Class Order CO 14/1000 at any time during the previous 3 year period under an employee incentive scheme covered by ASIC Class Order CO 14/1000 or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of shares on issue at the date of the Invitation.

3.4 Form of Application

An Invitation to an Eligible Participant must be accompanied by an Application Form and the Ancillary Documentation (if any).

3.5 Eligible Participant agrees to be bound

Each Eligible Participant (and, if applicable, their Nominated Affiliate) is, by submitting a duly signed and completed Application Form, deemed to have agreed to be bound by:

- (a) the terms of the Invitation and the Application Form;
- (b) the Ancillary Documentation (if any); and
- (c) these Rules; and

- (d) the Constitution.

3.6 Who may apply

On receipt of an Invitation, an Eligible Participant may apply for the Awards the subject of the Invitation by sending the completed Application Form and all applicable Ancillary Documentation to the Company (or its designated officer as set out in the Application Form) by the time and date specified in the Invitation, unless otherwise determined by the Board.

3.7 Acceptance of Application

- (a) The Board may accept an Application from an Eligible Participant (and, if applicable, their Nominated Affiliate) in whole or in part.
- (b) The Company may not grant an Award to an Eligible Participant (and, if applicable, their Nominated Affiliate) unless it has received a duly signed and completed Application Form together with all applicable Ancillary Documentation from that Eligible Participant (and, if applicable, their Nominated Affiliate). The Application Form and, where applicable, the Ancillary Documentation must be in the form included with the Invitation, and may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation.

3.8 When Applications will not be accepted

Unless otherwise determined by the Board, an Application will not be accepted if at the time the Company received the duly signed and completed Application Form together with all Ancillary Documentation:

- (a) the applicant is not an Eligible Participant or, where applicable, the Eligible Participant's Nominated Affiliate;
- (b) notice of termination of the applicant's Engagement Arrangement has been given (whether by the applicant or by one or more members of the Group); or
- (c) the Board has determined that the applicant is no longer eligible to participate in the Plan or does not accept an Eligible Participant's Nominated Affiliate.

3.9 Right to nominate

- (a) Unless otherwise expressly permitted in an Invitation, an Eligible Participant may only submit an Application in the Eligible Participant's name and not on behalf of any other person or entity. If an Eligible Participant is permitted in an Invitation, the Eligible Participant may nominate another person or entity (the **Nominated Affiliate**) to be granted the Awards the subject of their Invitation and/or the Plan Shares in relation to such Awards. If such nomination is not permitted in the Invitation or the Board does not in its sole discretion approve the Nominated Affiliate for the Eligible Participant, the Board may reject an Application submitted in the name of that Nominated Affiliate.
- (b) If Awards and/or Plan Shares (as the case may be) are granted to a Nominated Affiliate, then the Eligible Participant and their Nominated Affiliate must execute any documents required by the

Company in order to receive the grant and to the extent necessary to give effect to the intent of these Rules, the Company may continue to treat the Eligible Participant as the Participant.

3.10 **Multiple Invitations**

The Board may invite an Eligible Participant to apply for any number of Awards, notwithstanding that the Eligible Participant has previously been invited to apply for Awards.

4. *Grant of Awards*

4.1 **Company to grant Awards**

Subject to rule 4.2, following receipt of a duly completed and signed Application Form together with all applicable Ancillary Documentation, the Company will, to the extent that it has accepted such Application, grant the Eligible Participant (or, if applicable, their Nominated Affiliate) the relevant number of Awards, subject to the terms and conditions set out in the Invitation, the Application Form, these Rules and the Ancillary Documentation.

4.2 **Approvals**

The Company's obligation to grant Awards is conditional on:

- (a) the grant of the Awards complying with all applicable legislation; and
- (b) all necessary approvals required under any applicable legislation being obtained prior to the grant of the Awards.

4.3 **Certificate**

Following the grant of an Award, the Company will issue a Certificate to the Participant.

5. *Terms of Awards*

5.1 **Participant's rights**

Prior to an Award being exercised a Participant is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the shareholders of the Company; and
- (b) receive any dividends declared by the Company,

by virtue of holding an Award.

5.2 **Restriction of dealing**

- (a) A Participant may not sell, assign, transfer, grant a Security Interest over or otherwise deal with an Award that has been granted to them, unless the Board in its absolute discretion so approves or the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative.

- (b) The Company may require that an Award be forfeited if a sale, assignment, transfer, dealing or grant of a Security Interest occurs or is purported to occur other than in accordance with these Rules.

5.3 **Prohibition on hedging**

- (a) A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to an unvested Award that has been granted to them.
- (b) Where a Participant purports to hedge an Award contrary to rule 5.3(a), the Company may require that the Award be forfeited.

5.4 **Register of Awards**

Each Award granted under these Rules will be registered in the appropriate register of the Company.

5.5 **Listing**

Unless determined otherwise by the Board in its absolute discretion, an Award granted under the Plan will not be quoted on the ASX or any other recognised exchange.

6. *Vesting*

6.1 **Vesting**

An Award will vest when a Vesting Notice in respect of that Award is given or is deemed to be given to the Participant.

6.2 **Waiver of Vesting Condition**

A Vesting Condition for an Award may, subject to the Corporations Act, the Listing Rules and any other applicable laws and regulations, be waived by the Board by written notice to the relevant Participant and on such terms and conditions as determined by the Board and set out in that notice.

7. *Exercise of Awards*

7.1 **Exercise Conditions**

An Award may only be exercised when all Vesting Conditions and all Exercise Conditions applicable to that Award are satisfied or have been waived by the Company under clause 7.2, and the Company has provided a Confirmation Notice to the Participant.

7.2 **Waiver of Exercise Condition**

An Exercise Condition for an Award may, subject to the Corporations Act, the Listing Rules and any other applicable laws and regulations, be waived by the Board by written notice to the relevant Participant and on such terms and conditions as determined by the Board and set out in that notice.

7.3 Exercise of Awards

- (a) Where a Confirmation Notice has been given or deemed to be given by the Company to a Participant in relation to an Award, to exercise that Award:
- (i) the Participant must at any time that:
- (A) is between the date of provision of a Confirmation Notice relating to that Award and the Expiry Date; and
- (B) when the Participant is permitted to trade securities under the Company's Securities Trading Policy,
- deliver a Notice of Exercise and the Certificate for that Award to (or as directed by) the Company and subject to clause 7.3(b) and 7.3(c), either:
- (C) pay the Exercise Price (if any) for that Award to (or as directed by) the Company; or
- (D) if permitted in the Participant's Invitation, confirm that the Participant will use the Cashless Exercise Facility,
- (Manually Exercised)**; or
- (ii) if the Participant's Invitation requires that an Award is automatically exercised, that Award will be deemed exercised on the date of provision of the Confirmation Notice or, if the Participant is not permitted to trade securities under the Company's Securities Trading Policy on such date, the first subsequent day that the Participant is permitted to trade such securities and, subject to clause 7.3(b) and 7.3(c), on that date the Participant must either:
- (A) pay the Exercise Price (if any) for that Award to (or as directed by) the Company; or
- (B) if permitted in the Participant's Invitation, confirm that the Participant will use the Cashless Exercise Facility,
- (Automatically Exercised).**
- (b) Where a Participant exercises Awards in accordance with clause 7.3(a)(i)(C) or 7.3(a)(ii)(A), the Participant must exercise his or her Awards in multiples of 100, with the minimum number exercisable being:
- (i) 100 Awards; or
- (ii) if, at the time of exercise, the Participant holds less than 100 Awards – the number of Awards actually held by the Participant.
- (c) Where a Participant exercises Awards in accordance with clause 7.3(a)(i)(D) or 7.3(a)(ii)(B), the Participant must exercise a minimum of:
- (i) 100 Awards; or

- (ii) if, at the time of exercise, the Participant holds less than 100 Awards – the number of Awards actually held by the Participant. .
- (d) If the Participant does not deliver a duly executed Notice of Exercise and pay the Exercise Price to or as directed by the Company in relation to an Award by the relevant date determined in accordance with clause 7.3(a), that Award will automatically be forfeited.

7.4 **Cashless exercise**

- (a) Subject to clause 7.4(c), an Invitation may specify that a holder of Awards may at the time of exercise of those Awards that are the subject of that Invitation, elect to pay the Exercise Price per Award by setting off the total Exercise Price against the number of Plan Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**).
- (b) Where a Participant is permitted in an Invitation and elects to use the Cashless Exercise Facility to exercise Awards, the Participant will only be issued, allocated or transferred that number of Plan Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable to or as directed by the Company to exercise those Awards and the then Market Value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{A \times (MV - EP)}{MV}$$

where:

S = the number of Plan Shares to be issued or transferred to the Participant on exercise of Awards using the Cashless Exercise Facility;

A = the number of Awards exercised by the Participant using the Cashless Exercise Facility;

*MV = the Market Value of a Share at the time of exercise using the Cashless Exercise Facility;
and*

EP = the Exercise Price per Award of the Awards exercised using the Cashless Exercise Facility.

- (c) The Cashless Exercise Facility may only be used by a Participant if the difference between the Exercise Price per Award and the Market Value per Share at the time of exercise is greater than zero.

8. Delivery of Shares on exercise of Awards

8.1 Issue or transfer

As soon as practicable after the valid exercise or deemed exercise of an Award by a Participant in accordance with clause 7, the Company will:

- (a) issue, allocate or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under these Rules; and

- (b) issue a substitute Certificate for any remaining unexercised Awards of that Participant.

8.2 Shares to rank pari passu

All Plan Shares will rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the issue or transfer of the Plan Shares.

8.3 Listing

If Plan Shares are in the same class as Shares which are listed on the ASX, the Company will apply for quotation of the Plan Shares issued (or any unquoted Plan Shares transferred) within the time required by the Listing Rules after the date of issue or transfer.

8.4 Exercise Price, Tax and superannuation considerations

Without limiting the amounts which may be deducted or withheld under applicable laws, where Awards are exercised and the Resulting Shares are to be delivered under clause 8.1 the Company may:

- (a) require the Participant to reimburse the Company for any Tax which the Company is required to withhold or any superannuation amount which the Company is required to withhold but does not so withhold;
- (b) sell on behalf of the Participant the number of Plan Shares required to provide the funds required to be withheld on account of Tax or a superannuation amount;
- (c) with the prior agreement of the Participant sell on behalf of the Participant the number of Plan Shares required to provide the funds required for the Exercise Price (if any) relating to the exercised Awards; and/or
- (d) raise the amount required to be either withheld on account of Tax or a superannuation amount, or in relation to Exercise Price (if any) relating to the exercised Awards through any combination of the methods in paragraph (a) to (c).

9. *Forfeiture of Awards*

9.1 Good Leaver

- (a) Unless otherwise stated in an Invitation or determine by the Board in its discretion, within 20 Business Days of a Participant becoming a Good Leaver, the Board shall issue a written notice to the Participant (**Retention Notice**) notifying the Participant that the following Awards shall not be forfeited:
 - (i) those vested but unexercised Awards held by the Participant; and
 - (ii) those unvested Awards held by the Participant to the extent determined by the Board in its absolute discretion.
- (b) All Awards held by a Participant that is a Good Leaver other than those the subject of the Retention Notice will be forfeited immediately on the date of the Retention Notice.

- (c) Subject to the Corporations Act, the Listing Rules (where applicable) and any other applicable laws and regulations, the Board may determine in its discretion that some or all of the Awards retained by a Good Leaver are deemed to have vested.

9.2 **Bad Leaver**

Unless otherwise stated in the Invitation or determined by the Board in its discretion (including, but not limited to, in accordance with rule 9.4), where that Participant becomes a Bad Leaver:

- (a) all unvested Awards held by a Participant will be forfeited on the date determined by the Board; and
- (b) all vested but unexercised Awards held by a Participant will be forfeited upon the earlier to occur of:
 - (i) the Expiry Date;
 - (ii) 20 Business Days after the Participant becomes a Bad Leaver.

9.3 **Failure to satisfy Vesting Conditions and Exercise Conditions**

- (a) Unless otherwise stated in the Invitation or determined by the Board in its absolute discretion, an Award which has not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable Vesting Conditions have not been met or cannot be met by the relevant date.
- (b) Unless otherwise stated in the Invitation or determined by the Board in its absolute discretion, an Award which has not yet been exercised will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable Exercise Conditions have not been met or cannot be met by the Expiry Date.

9.4 **Fraudulent or dishonest actions**

- (a) Unless varied by prior agreement with the Board, where, in the opinion of the Board, a Participant:
 - (i) acts fraudulently or dishonestly in his or her involvement with the Group; or
 - (ii) has wilfully breached his or her obligations to any member of the Group,

then the Board may, in its discretion and in the context of the relevant action, deal with, or take any other actions, in relation to the Participant's Awards (including vested and unexercised Awards and unvested Awards) or relevant Plan Shares so as to ensure that no unfair benefit is obtained by the Participant as a result of such actions, including (without limitation):
 - (iii) deem any Awards or Plan Shares of the Participant to be forfeited in any manner determined by the Board and consistent with applicable laws and regulations; or
 - (iv) where any Plan Shares held by the Participant as a result of the exercise of one or more Awards have been sold by the Participant require the Participant to pay all or part of the net proceeds of that sale (to the extent that they exceed the Exercise Price paid by the Participant to the Company in respect of those Plan Shares) to the Company.

- (b) Unless varied by prior agreement with the Board, where, in the opinion of the Board, a Participant's Award vests as a result of the fraud, dishonesty or breach of obligations of another person and, in the opinion of the Board, the Award would not otherwise have vested, the Board may determine that the Award has not vested and may, subject to applicable laws, deal with, or take any other actions, in relation to the Participant's Awards or relevant Plan Shares so as to ensure that no unfair benefit is obtained by the Participant as a result of such actions of another person, including (without limitation) determine that the relevant Award has not vested and that the Vesting Conditions applicable to that Award will be reset in the manner determined by the Board acting reasonably.

9.5 **Insolvency**

Unless otherwise stated in an Invitation or determined by the Board in its discretion, a Participant that becomes Insolvent must forfeit all of their Awards on a date determined by the Board.

9.6 **Material breach of these Rules**

Unless otherwise determined by the Board or stated in the Invitation, where the Company notifies a Participant of a material breach by that Participant of these Rules or the Participant's Invitation and the Participant is unable to remedy the breach to the satisfaction of the Board within 20 Business Days of receiving notice from the Company, the Board may require the Participant to forfeit all or part of their Awards on a date that the Board determines.

9.7 **Other forfeiture events**

Unless the Board otherwise determines in its discretion, or as otherwise set out in these Rules:

- (a) an Award which has not yet been validly exercised in accordance with these Rules will be automatically forfeited on the Expiry Date; and
- (b) an Award held by a Participant in accordance with these Rules will also be forfeited in any other circumstances expressly set out in the Participant's Invitation.

9.8 **Discretion**

- (a) Notwithstanding clauses 9.1 to 9.7 (inclusive), the Board may decide (on any conditions which it thinks fit) that some or all of a Participant's Awards will not be forfeited at that time.
- (b) The Board may elect to disapply any of clauses 9.1 to 9.7 (inclusive), or add any further forfeiture terms, to a particular grant of Awards provided that such election is expressly set out in the Invitation relating to that grant.

9.9 **Voluntary forfeiture**

A Participant may by written notice to the Company voluntarily forfeit their Awards for no consideration.

9.10 **Application of Part 2D.2 Division 2 of the Corporations Act**

- (a) This clause 9.10 applies to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies.

- (b) Notwithstanding any other provision of these Rules, in the absence of shareholder approval, the Company is not required to provide, or procure the provision, of any benefit under these Rules which is not permitted by Part 2D.2 Division 2 of the Corporations Act.
- (c) Any benefits required to be provided to a Participant in accordance with these Rules will, by operation of this clause, be reduced to ensure compliance with Part 2D.2 of the Corporations Act and the provision of such reduced benefit shall constitute full satisfaction of the obligations of each member of the Group. In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with Part 2D.2 of the Corporations Act.
- (d) Where clause 9.10(b) applies, the Company may seek or not seek shareholder approval in its discretion.

10. Effect of forfeiture of Awards

Where an Award has been forfeited in accordance with these Rules:

- (a) the Award will automatically lapse;
- (b) the Participant or the Participant's agent or attorney must sign any documents required by the Company to effect the forfeiture of that Award; and
- (c) the Company will not be liable for any damages or other amounts to the Participant in respect of that Award.

11. Change of Control Event

11.1 Change of Control Event occurs

Notwithstanding any other provision of these Rules, if a Change of Control Event occurs:

- (a) all Plan Shares held by a Participant under this Plan which are subject to a disposal restriction pursuant to clause 12 will be released;
- (b) the Board must as soon as practicable give written notice to each Participant holding vested but unexercised Awards that the Awards are exercisable for a period of six months or such shorter period determined by the Board in its discretion; and
- (c) the Board must as soon as practicable give written notice to each Participant holding unvested Awards notifying the Participant that the Awards will vest and, where applicable, become exercisable for a period of six months or such shorter period determined by the Board in its discretion.

11.2 Awards lapse on Change of Control Event

If a Participant becomes entitled to exercise the Participant's Award under clause 11.1 then, notwithstanding any other provision in these Rules, all Awards lapse on the expiration of the specified period allowed for exercise.

12. Disposal Restrictions applicable to Plan Shares

12.1 Disposal restrictions and compliance with Securities Trading Policy

If these Rules or a Participant's Invitation provide that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction, including but not limited to imposing an ASX Holding Lock (where applicable) on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period. Regardless of whether any restrictions have been imposed under this clause 12.1, all Participants must comply with the Securities Trading Policy and Constitution at all times.

12.2 Participant's undertaking

For so long as a Plan Share is subject to any disposal restrictions under this Plan, the Participant will not, without the prior express written consent of the Board:

- (a) Dispose of that Plan Share, or have a Security Interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions.

12.3 Expiry of restriction

Upon the expiry of any disposal restriction over a Plan Share, the Company will take all action necessary to discontinue any procedure implemented as contemplated in clause 12.1 to enable the Participant to deal with that Plan Share.

12.4 Share entitlements

For the avoidance of doubt, the imposition of a disposal restriction on a Plan Share held by a Participant will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company, and to receive any dividends declared by the Company during the relevant disposal restriction period on that Plan Share in accordance with the rights attaching to the Plan Shares. If an employee share trust arrangement is implemented in respect of this Plan, the Board may implement such procedures it deems appropriate to give effect to the intent of this clause 12.4.

13. Irrevocable Power of Attorney

In order to ensure compliance with these Rules and if requested by the Board, each Participant must grant an irrevocable power of attorney (in the form set out in the Invitation or such other form determined by the Board) to any person nominated from time to time by the Board.

14. Adjustment of Awards

14.1 Reorganisation

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the number of

Awards to which each Participant is entitled or the Exercise Price, or both as appropriate, will be adjusted in the manner specified by the Listing Rules.

14.2 **Bonus Issue**

- (a) If Shares are issued by the Company pro rata to shareholders generally by way of Bonus Issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Awards is entitled, upon exercise of the Awards, to receive, in addition to the Shares in respect of which the Awards are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the Bonus Issue, held Shares equal in number to the Shares in respect of which the Awards are exercised.
- (b) Additional Shares to which the holder of Awards becomes so entitled will, as from the time Shares are issued pursuant to the Bonus Issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Options are exercised for the purposes of subsequent applications of clause 14.2(a), and any adjustments which, after the time just mentioned, are made under clause 14.1 to the number of Shares will also be made to the additional Shares.

14.3 **Rights issue**

Unless otherwise determined by the Board, a holder of Awards does not have the right to participate in a pro rata issue of Shares made by the Company or to receive or sell renounceable rights.

14.4 **No other participation**

Subject to clauses 14.1 to 14.3 (inclusive), during the currency of any Awards and prior to their exercise, the holders of Awards are not entitled to participate in any new issue of Shares of the Company as a result of their holding of Awards.

14.5 **Rounding**

Until an Award vests, all calculations adjusting the number of Shares must be carried out to include all fractions, but when an Award vests and is settled the number of Plan Shares must be rounded down to the next lowest whole number.

14.6 **Application of adjustment**

- (a) In the application of this clause 14, the Board may (as far as possible, subject to the Corporations Act, the Listing Rules and any other applicable laws and regulations) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company at that time.

14.7 **Subject to applicable laws**

The application of this clause 14 is subject at all times to all applicable laws and regulations.

15. Administration of the Plan

15.1 Board administration

The Plan will be administered by the Board. For the avoidance of doubt, the Board may make further provisions for the operation of the Plan which are consistent with these Rules.

15.2 Board powers and discretions

Any power or discretion which is conferred on the Board by these Rules may be exercised in its sole and absolute discretion. The Board does not, in exercising any power or discretion under these Rules, owe any fiduciary or other obligations to any Eligible Participant or Participant.

15.3 Delegation of Board powers and discretions

Any power or discretion which is conferred on the Board by these Rules (including, without limitation, the power to invite Eligible Participants to participate in the Plan and to determine the terms and conditions of the Awards) may be delegated by the Board to:

- (a) a committee consisting of such directors, other officers or employees of, or contractors or consultants the Group, or any combination of such persons as the Board thinks fit;
- (b) a Related Body Corporate of the Company; or
- (c) a third party,

for such periods and on such conditions as the Board thinks fit.

15.4 Documents

The Company may from time to time require an Eligible Participant invited to participate in the Plan or a Participant or a Nominated Affiliate to complete and return such other documents as may be required by law to be completed by that person or entity, or such other documents which the Company considers should, for legal, taxation and/or administrative reasons, be completed by that Eligible Participant, Participant or Nominated Affiliate in order to give effect to the intent of the Plan.

15.5 Decisions final

Every exercise of a discretion by the Board (or its delegates) and any decision by the Board (or its delegates) regarding the interpretation, effect or application of these Rules and all calculations and determination made by the Board under these Rules are final, conclusive and binding in the absence of manifest error.

16. Trust

The Board may elect to use on such terms and conditions as determined by the Board in its absolute discretion an employee share trust for the purposes of holding Shares before or after the exercise of an Award or delivering any Plan Shares under these Rules. For the avoidance of doubt, the Board may do all things necessary for the establishment, administration, operation and funding of an employee share trust.

17. Restrictions on and amendments to the Plan

17.1 Compliance with applicable laws and regulations

- (a) Notwithstanding these Rules or any terms of an Award, no Award may be offered, granted, vested or exercised, and no Plan Share may be issued, allocated or transferred, if to do so would contravene any applicable laws or regulations.
- (b) The application of this clause 17 is subject at all times to all applicable laws and regulations.

17.2 Amendment of Plan

- (a) Subject to clause 17.2(b), the Board may:
 - (i) at any time amend any provisions of these Rules, including (without limitation) the terms and conditions upon which any Awards have been granted under the Plan; and
 - (ii) determine that any amendments to these Rules be given retrospective effect, immediate effect or future effect.
- (b) No amendment to any provision of these Rules may be made if the amendment materially adversely affects the rights of any Participant as they existed before the date of the amendment, other than an amendment:
 - (i) introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (B) to correct any manifest error or mistake;
 - (C) to allow the implementation of an employee share trust arrangement pursuant to clause 16;
 - (D) to enable the Plan or any member of the Group to comply with its constituent documents, and any other applicable laws and regulations; and/or
 - (E) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
 - (ii) notified in writing to all Participants whose rights will be materially adversely affected by the amendment, and agreed to in writing by those Participants holding at least 75% of the Awards:
 - (A) that are on issue at the relevant time; and
 - (B) whose rights will be materially adversely affected by the amendment.

- (c) As soon as reasonably practicable after making any amendment to any provision of these Rules, the Board will give notice of the amendment to each Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

18. Duration

18.1 Termination

The Plan continues in operation until the Board determines to end it.

18.2 Suspension

The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.

18.3 Effect of termination / suspension

If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

18.4 Cancellation of Awards

Notwithstanding any other provisions of these Rules, but subject at all times to any applicable laws and regulations, if a Participant and the Company (acting by the Board) agree in writing that some or all of the Awards granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Awards may be cancelled in the manner agreed between the Company and the Participant.

19. Miscellaneous

19.1 Rights of Participants

Nothing in these Rules:

- (a) confers on any person any right or expectation to become a Participant, or the right to be invited to apply for, or be offered or to receive any Awards;
- (b) confers on any person the right to continue as an employee, officer or contractor of any member of the Group (as the case may be);
- (c) affects the rights of any member of the Group to terminate the Engagement Arrangement of an Eligible Participant;
- (d) forms part of any contract of service between an Eligible Participant and any member of the Group;
- (e) may be used to increase rights of compensation or damages in any action brought against a member of the Group in respect of any termination of an Engagement Arrangement;

- (f) confers any legal or equitable right on an Eligible Participant whatsoever to take action against any member of the Group in respect of their Engagement Arrangement; or
- (g) confers on an Eligible Participant any rights to compensation or damages in consequence of the termination of their Engagement Arrangement by any member of the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination.

19.2 **Non-exclusivity**

- (a) This Plan is not the sole means by which all members of the Group intend to provide incentives to Eligible Participants. Nothing in this Plan is intended to restrict any member of the Group from remunerating or otherwise rewarding employees or directors of any member of the Group outside the Plan.
- (b) Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other scheme operated by any member of the Group unless the terms of that other scheme provide otherwise.

19.3 **Notice**

- (a) Any notice or other communication under or concerning the Plan is validly given:
 - (i) to a Participant, if delivered personally to the addressee or sent by prepaid post to the Participant's last known residential address, or sent to the Participant by facsimile or email at the Participant's place of work; and
 - (ii) to the Company, if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (or any other address the Board specifies), or as otherwise notified by the Company from time to time.
- (b) Subject to clause 19.3(a), a notice or other communication will be deemed to have been served:
 - (i) if delivered by hand, at the time of delivery;
 - (ii) if sent by facsimile or electronic mail, on receipt of a return receipt or such other confirmation by which the sender can reasonably verify delivery; or
 - (iii) if posted, and provided it is properly addressed and stamped, 48 hours after mailing in Australia and 7 days after mailing outside Australia.

19.4 **Further assurances**

Each party must do all things reasonably necessary to give full effect to this Plan and the transactions contemplated by this Plan.

19.5 **Duties and taxes**

- (a) The Company will be responsible for all brokerage costs payable in relation to the issue or transfer of a Plan Share to a Participant following the exercise of an Award. Each Participant will be responsible for all costs associated with the disposal of a Plan Share by that Participant.
- (b) Subject to clause 19.5(a), the Company:

- (i) is not responsible for any duties, taxes or other government levy or impost which are or may become payable by any person other than the Company on:
 - (A) the acquisition and issue of an Award;
 - (B) the acquisition, issue or transfer of a Plan Share or the payment of any cash on the exercise of the Award; or
 - (C) acquisition, transfer or any other dealings with a Plan Share; and
- (ii) may make any withholding or payment which it is required by law to make in connection with the Plan or the grant, issue or transfer of an Award and/or a Plan Share; and
- (iii) when transferring or issuing a Plan Share to a Participant under the Plan, may require the Participant to provide the Company with an amount of money which the Board estimates is necessary to meet the Participant's liability (if any) to pay Taxes in respect of the transfer. Where the Company is provided with funds for that purpose, it must apply the funds in payment of the Tax, arrange for registration of the transfer on the Participant's behalf and return any excess funds to the Participant.

19.6 **No representation or warranty**

- (a) The Company makes no representation or warranty as to the value of Award or any Plan Shares or with respect to any tax matters affecting any Eligible Participant or Participant in connection with the Plan.
- (b) Neither the Company, nor any of its directors, officers, employees, contractors or consultants are liable for anything done or omitted to be done by such person or any other person with respect to price, time, quantity or other conditions and circumstances of the issue or acquisition of Shares hereunder, with respect of any fluctuations in the market price of Shares, or in any other manner related to the Plan.

19.7 **Data protection**

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant for the purposes of the Plan. These purposes include, but are not limited to:

- (a) administering and maintaining records held in respect of the Participant;
- (b) providing information to members of the Group, registrars, brokers or third party administrators of the Plan (if any) or advisers of the Board; and
- (c) providing information to corporate advisers or potential future third party purchasers in connection with a sale of shares in a member of the Group, or the business and assets of a member of the Group.

19.8 **Construed against a party**

No provision or expression in these Rules is to be construed against the Company on the basis that the Company (or its advisers) was responsible for the drafting of these Rules.

19.9 Rounding

Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of an Award or Share, the fraction will be eliminated by rounding down to the nearest whole number.

19.10 Governing law

- (a) This Plan is governed by the laws of Western Australia.
- (b) Each Participant submits to the non-exclusive jurisdiction of the courts of Western Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought in connection with these Rules.

19.11 Waiver of rights

- (a) A waiver of any right, power, authority, discretion or remedy arising upon a breach of or default under these Rules must be in writing and signed by the party granting the waiver, and may be subject to such terms and conditions as determined by the party granting the waiver.
- (b) A failure or delay in the exercise, or partial exercise, of a right, power, authority, discretion or remedy arising from a breach of or default under these Rules, does not prevent the exercise of or result in a waiver of that right, power, authority, discretion or remedy.
- (c) A person is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of these Rules or default under these Rules as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A person may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) A waiver is only effective in the specific instance and for the specific purpose for which it is given and subject to any specific terms and conditions as specified in the waiver.
- (f) This clause may not itself be waived except in writing.