

Micro-X Limited

Employee Equity Plan

Plan Rules

(adopted by the Board on 24 August 2020)

Table of contents

1	Definitions and Interpretation	2
1.1	Definitions	2
1.2	Interpretation	5
1.3	Constitution.....	5
2	Operation of the Plan	5
2.1	General	5
2.2	Commencement	5
2.3	Binding Rules	5
3	Invitation	5
3.1	Invitation to Participate	5
3.2	Application Form and Offer Letter	6
3.3	Acceptance of Offer Letter	6
3.4	Refusal of an Application Form	7
3.5	Participant bound by Application Form, Offer Letter, Rules and Constitution	7
3.6	Acceptance by Nominee of Eligible Employee	7
4	Grant of Performance Rights	7
4.1	Grant of Performance Rights.....	7
4.2	No payment for Performance Rights	8
4.3	Certificate	8
4.4	Quotation on ASX.....	8
4.5	Indeterminate Rights	8
5	Restrictions on transfer	8
5.1	No Disposal	8
5.2	No Disposal during Holding Lock	9
5.3	Prohibition on value schemes or arrangements.....	9
6	Vesting of Performance Rights.....	9
6.1	Manner of vesting and exercise	9
6.2	Other permitted vesting	9
6.3	Specific Vesting Conditions and exercise procedure for Performance Rights	9
6.4	Redemption of Performance Rights	10
7	Lapse and forfeiture	10
7.1	End of exercise period.....	10
7.2	Good Leaver.....	11
7.3	Bad Leaver	11
7.4	End of period otherwise determined by the Board	11
7.5	Cessation of employment – interpretation.....	12
8	Capital reconstructions and new issues	12
8.1	Alterations to capital and reconstructions	12
8.2	New issues	12
9	Subdivision 83A-C.....	12
10	Powers of the Board.....	13
10.1	Powers of the Board.....	13
10.2	Suspension or termination of Plan	13
11	Appointment of trustee	13
12	Contracts of Employment and Other Employment Rights.....	14
12.1	Rules not part of employment contract etc.....	14
12.2	Termination of employment.....	14
13	Connection with other plans	14

14	Plan costs and brokerage	15
15	Overseas Eligible Employees	15
16	General restrictions	15
	16.1 General	15
	16.2 Limit on aggregate number of Performance Rights	15
17	ASIC relief	16
18	Amendment	16
	18.1 General	16
	18.2 Limitation on Amendments.....	16
19	Administration of Plan	16
	19.1 Advice.....	16
	19.2 Absolute discretion	16
	19.3 Dispute	17
	19.4 No fiduciary capacity	17
	19.5 Enforcement	17
	19.6 ASX Listing Rules.....	17
	19.7 Notices.....	17
	19.8 Governing Law	17

Purpose

These are the rules of the Company's Employee Equity Plan. The purpose of the Plan is to provide Eligible Employees with an opportunity to acquire Performance Rights. By doing so, the Plan seeks to provide Eligible Employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the performance of the Company and its returns to shareholders. The Plan is also intended to assist the Company to attract and retain skilled and experienced employees and provide them with an incentive to have a greater involvement with, and focus on the short and long term goals of, the Company.

1 Definitions and Interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires:

Acceptance Period has the meaning given to that term in Rule 3.2(h);

Amendment has the meaning given to that term in Rule 18.1;

Applicable Law means any one or more or all, as the context requires, of the following to the extent that they apply to the Company or this Plan:

- (a) the Corporations Act;
- (b) tax laws;
- (c) the Constitution;
- (d) (if and for so long as the Company is listed on the ASX) the ASX Listing Rules;
- (e) any subordinate legislation, orders, rulings or other binding instruments passed or made by parliament, ASIC or the Australian Taxation Office to clarify or expand paragraphs (a) and/or (b) of this definition; and
- (f) any other laws;

Application Form means the form the Board determines is to be used by an Eligible Employee to apply for Performance Rights under the Plan;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited (ACN 008 624 691) or the stock exchange which it operates, as the context requires;

ASX Listing Rules means the official listing rules of the ASX;

Bad Leaver means a Participant who ceases employment or office or contractual relations with any member of the Group in circumstances of termination by the relevant Group member as a result of:

- (a) an indictable offence;
- (b) wilful misconduct, negligence or breach of law; or
- (c) material breach of the Participant's contractual or other legal or equitable duties as an employee or officer of a Group Company,

unless otherwise determined by the Board;

Board means the board of directors of the Company or a committee appointed by the board of directors of the Company for the purposes of the Plan (including, but not limited to, the Company's Remuneration Committee);

Certificate means, in relation to a Performance Right, the certificate or statement (in a form approved by the Board) issued to the Holder which discloses the number of Performance Rights held by the Holder;

Company means Micro-X Limited ACN 153 273 735;

Constitution means the constitution of the Company, as amended from time to time;

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

Delegate means a person appointed by the Board to exercise its powers and discretions under the Rules;

Dispose has the meaning set out in section 83A-105(6)(b) of the Tax Act and includes to sell, transfer, mortgage, charge or otherwise deal with or encumber;

Eligible Employee means an Employee who is determined by the Board to be eligible to participate in the Plan;

Employee means:

- (a) an employee of a Group Company;
- (b) an executive director, a non-executive director or a company secretary of a Group Company; or
- (c) a person who satisfied paragraph (a) or (b) of this definition during the 12 months immediately before the date of the Offer Letter issued to that person,

other than a person who has been given notice of dismissal for misconduct from his or her employment or office with the Group (or has given notice of resignation in order to avoid such dismissal); or

- (d) a contractor or consultant (**contractor**) who provides services to a Group Company;

Employee Incentive Scheme means any employee equity scheme extended to senior manager, other employee and/or directors of or a contractor to the Company and its Related Bodies Corporate or any other person nominated by the Company, and includes the Plan;

Exercise Price means the price (if any) at which a Holder is entitled to exercise a Performance Right to acquire a Share. For the avoidance of doubt, a Performance Right may have an Exercise Price of nil (i.e. zero);

Good Leaver means a Participant who ceases employment or office or contractual relations with any member of the Group in any circumstances other than as a Bad Leaver;

Group means the Company and each Subsidiary of the Company and **Group Company** means any of them;

Holder means the holder of Performance Right/s;

Holding Lock means a mechanism to prevent a Participant transferring or otherwise dealing with the Performance Rights or Shares issued on exercise of the Performance Rights;

Indeterminate Right has the meaning set out in section 83A-340 of the Tax Act;

Nominee means in respect of an Eligible Employee:

- (a) a person who is the spouse, de facto spouse, parent, brother, sister, child or stepchild (**close relative**) of the Eligible Employee;
- (b) a body corporate trust or superannuation fund in which the Eligible Employee or a close relative of the Eligible Employee has, or any two or more of the Eligible Employee and close relatives of the Eligible Employee together have, a controlling interest (including any interest that gives control); or
- (c) such other person or entity approved by the Board in its absolute discretion;

Notice to Exercise Form means the form the Board determines is to be used by an Eligible Employee to exercise Performance Rights under the Plan;

Offer means an offer to an Eligible Employee to acquire Performance Rights and **Offer Letter** means the letter of offer to an Eligible Employee inviting that person or his/her Nominee to accept the Offer;

Participant means:

- (d) an Eligible Employee (or his/her Nominee) who accepts an invitation to participate in the Plan, agrees to be bound by these Rules and whose application for Performance Rights in accordance with the invitation is accepted by the Board; or
- (e) the legal personal representative of any person referred to in (a) duly appointed on the death or legal incapacity of that person;

Performance Hurdles means conditions or events which must be satisfied before Performance Rights may be vested (which may include, without limitation, conditions relating to the profitability of the Company or the price at which its Shares are traded on the ASX) and/or conditions which may require that the number of Performance Rights able to be vested be reduced, or that some or all the Performance Rights are forfeited or lapse in circumstances determined by the Board;

Performance Right means a right to subscribe for Share/s;

Plan means the Company's Employee Equity Plan as amended from time to time and operated in accordance with these Rules;

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

Rules means these Rules, as amended from time to time;

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

Subsidiary has the meaning given to that term in the Corporations Act;

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

Unvested Performance Right means a Performance Right that is not a Vested Performance Right;

Vested Performance Right means a Performance Right in respect of which all Vesting Conditions have been satisfied or which otherwise becomes vested in accordance with these Rules; and

Vesting Conditions means, in relation to a Performance Right, the period of time, Performance Hurdles and other vesting conditions determined by the Board at the time of the offer of the Performance Right which are required to be satisfied before the Performance Right becomes a Vested Performance Right.

1.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) a 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 Applicable Law includes that Applicable Law 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.

1.3 Constitution

These Rules are subject to the Constitution. The terms of the Constitution shall prevail to the extent of any inconsistency between these Rules and the Constitution.

2 Operation of the Plan

2.1 General

The Plan must be operated in accordance with these Rules.

2.2 Commencement

The Plan will commence on the date that is determined by the Board (subject to approval of the Plan by the Company as required under any Applicable Law).

2.3 Binding Rules

These Rules bind each Group Company, each Participant and each Holder.

3 Invitation

3.1 Invitation to Participate

Subject to these Rules, the Board or its Delegate may in its absolute discretion from time to time invite Eligible Employees to apply for Performance Rights under the Plan on the terms set out in these Rules and any other terms the Board considers appropriate. In selecting Eligible Employees to apply for Performance Rights, the Board or its Delegate will have regard to:

- (a) the position in the Group held or to be held by the Eligible Employee;
- (b) the Eligible Employee's length of service with the Group;
- (c) the contribution made by the Eligible Employee to the Group;
- (d) the potential contribution to be made by the Eligible Employee to the Group; and
- (e) any other matters which the Board or the Delegate considers relevant.

3.2 Offer Letter

The Board must give to each Eligible Employee who is invited to apply for Performance Rights under the Plan an Offer Letter setting out the following information in relation to the Performance Rights:

- (a) the number of Performance Rights for which the Eligible Employee may apply;
- (b) the consideration (if any) for the grant of the Performance Rights;
- (c) the Exercise Price (if any) of the Performance Rights or the method of determining such Exercise Price (if any);
- (d) the latest time at which the Performance Rights may be exercised;
- (e) any applicable Vesting Conditions (including, without limitation, the period or periods during which the Performance Rights or any of them may be exercised and any applicable Performance Hurdles);
- (f) the conditions of any Holding Lock which apply to:
 - (i) the Performance Rights; and/or
 - (ii) the Shares issued on exercise of the Performance Rights;
- (g) any other terms and conditions relating to the invitation or the Performance Rights, which in the opinion of the Board, are fair and reasonable and not inconsistent with these Rules;
- (h) the time within which the invitation may be accepted by the Eligible Employee (**Acceptance Period**);
- (i) the method and form of acceptance of the Offer Letter by the Eligible Employee (which will be determined by the Board from time to time and may include an Application Form);
- (j) in respect of the initial application made by an Eligible Employee, a summary of, or a copy of, these Rules; and
- (k) any other information or documents that the Applicable Law require the Company to give to the Eligible Employee.

3.3 Acceptance of Offer Letter

- (a) Subject to Rule 3.3(b), if the Board includes a mechanism for deemed acceptance in the Offer Letter, an Eligible Employee who receives an Offer Letter will be deemed to have accepted the Offer Letter as specified in the Offer Letter, unless the Eligible Employee has elected not to participate in the Plan in the manner and within the timeframe set out in the Offer Letter.
- (b) Acceptance of an Offer Letter will not be deemed under Rule 3.3(a) if:
 - (i) Rule 3.4 applies at the date the Offer Letter would have otherwise been deemed to be accepted; or
 - (ii) the Board otherwise determines, acting reasonably, that the Offer Letter should not be deemed to be accepted.

3.4 Refusal of an Application Form

Notwithstanding any other Rule, the Board may refuse an Application Form if, on or before the date any Performance Rights are issued to the Participant under the Plan:

- (a) the Eligible Employee is not, or ceases to be, an Employee;
- (b) the Eligible Employee has given notice of resignation as an Employee; or
- (c) the Eligible Employee has been given a notice of termination of employment or engagement as an Employee.

3.5 Participant bound by Application Form, Offer Letter, Rules and Constitution

A Participant applies for Performance Rights under the Plan on the terms of the Offer Letter and agrees to be bound by the terms of the Application Form (or such other form under Rule 3.2(i)), the Offer Letter, these Rules and the Constitution by:

- (a) completing and returning the Application Form (or such other form under Rule 3.2(i)) within the Acceptance Period; or
- (b) deemed acceptance of the Offer Letter by the Participant in accordance with Rule 3.3(a), as applicable.

3.6 Acceptance by Nominee of Eligible Employee

- (a) An Eligible Employee may by notice to the Board (or its Delegate) nominate a Nominee in whose favour the Eligible Employee wishes to renounce an invitation received by, or any future invitation that may be made to, that Eligible Employee.
- (b) The Board may, in its discretion, elect not to allow a renunciation of an invitation in favour of a Nominee.
- (c) If the renunciation in favour of a Nominee is permitted by the Board and the Eligible Employee wishes to proceed with the renunciation in favour of its Nominee, then:
 - (i) the Eligible Employee will procure that its Nominee accepts the invitation made to that Eligible Employee;
 - (ii) both the Eligible Employee and the Nominee agree to be bound by these Rules as a Participant; and
 - (iii) the Eligible Employee must procure that the Nominee complies with the terms of the Application Form, these Rules, the Constitution as applicable.

4 Grant of Performance Rights

4.1 Grant of Performance Rights

The Company will as soon as practicable after the end of the Acceptance Period:

- (a) issue to the Participant, on the terms of the Offer Letter, the number of Performance Rights applied for by the Participant in the Application Form or set out in the Offer Letter (as applicable); and
 - (b) complete a register of Performance Rights in accordance with the Applicable Law,
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subject to:

- (c) the satisfaction of any terms or conditions set out in the Offer Letter and Application Form; and
- (d) receipt of a completed and signed Application Form and the acceptance by the Board of that Application Form, or deemed acceptance of the Offer Letter by the Participant in accordance with Rule 3.3(a).

4.2 **No payment for Performance Rights**

Unless otherwise determined by the Board, no payment is required for the grant of Performance Rights under the Plan.

4.3 **Certificate**

Subject to the Applicable Law, the Company may issue a Certificate to a Participant in respect of the Performance Rights granted to that Participant. The Company must comply with the Applicable Law with respect to the issue of the Certificate.

4.4 **Quotation on ASX**

If and for as long as the Company is listed on the ASX:

- (a) subject to clause 4.4(b), no Performance Rights will be quoted on the ASX, unless the Board determines otherwise; and
- (b) the Company must apply for quotation on the official list of the ASX of Shares issued on the exercise of Performance Rights granted under the Offer.

4.5 **Indeterminate Rights**

- (a) The Board may, in its absolute discretion, issue Indeterminate Rights to an Eligible Employee or Participant.
- (b) If the Board issues Indeterminate Rights to an Eligible Employee or Participant, the Board may satisfy the Indeterminate Rights by, at the Board's election:
 - (i) paying an amount of cash to the Eligible Employee or Participant (as applicable); or
 - (ii) issuing a number of Performance Rights or Shares under the Plan the Eligible Employee or Participant (as applicable).
- (c) An Eligible Employee or Participant (as applicable) has no discretion as to how the Indeterminate Rights are to be satisfied.

5 **Restrictions on transfer**

5.1 **No Disposal**

Performance Rights must not be Disposed of without the prior written approval of the Board.

5.2 No Disposal during Holding Lock

A Participant must not (legally or beneficially) Dispose of a Performance Right (or a Share acquired on exercise of a Performance Right) that is subject to a Holding Lock without the prior written approval of the Board. For the avoidance of doubt, a Performance Right (or Share) that is subject to a Holding Lock cannot be Disposed of by a Participant.

5.3 Prohibition on value schemes or arrangements

A Participant must not enter into a scheme or arrangement that protects the value of Performance Rights granted under the Plan prior to them becoming Vested Performance Rights.

6 Vesting of Performance Rights

6.1 Manner of vesting and exercise

- (a) The vesting of Performance Rights and the exercise of any Performance Rights granted under the Plan may only be effected in such form and manner as the Board prescribes.
- (b) Unless the Board determines otherwise, a Participant must provide the Company with a Notice to Exercise Form if the Participant has satisfied any relevant vesting conditions and wishes to exercise the Performance Rights.

6.2 Other permitted vesting

The Board may determine that a Performance Right will become a Vested Performance Right, whether or not any or all applicable Vesting Conditions have been satisfied if (in the Board's opinion) one of the following events has occurred or is likely to occur:

- (a) the merger or consolidation of the Company into another company;
- (b) the listing of the Company on an approved stock exchange;
- (c) if a takeover bid is made in respect of the Company and the Board recommends acceptance to shareholders;
- (d) if a scheme of arrangement is made or undertaken in respect of the Company, and the Board in its absolute discretion determines exercise to be appropriate;
- (e) any event similar to those described in Rules 6.2(a) to 6.2(d) involving a change in ownership or control of the Company or all or substantial part of the assets of the Company; or
- (f) any other event as determined by the Board in its absolute discretion.

The Board has the discretion to waive or accelerate vesting conditions in respect of a particular Holder.

6.3 Specific Vesting Conditions and exercise procedure for Performance Rights

- (a) Subject to Rule 6.2, a Performance Right granted under the Plan may only be exercised if, at the time of exercise:
 - (i) the Performance Right is a Vested Performance Right;
 - (ii) the Performance Right has not been forfeited or lapsed under Rule 7;
 - (iii) a Notice of Exercise Form has been completed; and

- (iv) if applicable, the Exercise Price (as adjusted under Rule 8, if applicable) has been paid.
- (b) The exercise of some Performance Rights does not affect the Holder's right to exercise other Performance Rights at a later time.
- (c) Following exercise of a Performance Right, the Company must, within such time as the Board determines:
 - (i) issue to the person exercising the Performance Right, that number of Shares in respect of which the Performance Right has been exercised, credited as fully paid; and
 - (ii) apply for quotation on the official list of the ASX of the Shares described in Rule 6.3(c)(i).
- (d) Unless the terms of issue of the Performance Rights provide otherwise, Shares issued on the exercise of Performance Rights will rank equally in all respects with all existing Shares from the date of allotment, including in relation to:
 - (i) voting rights; and
 - (ii) entitlements to participate in:
 - (A) distributions and dividends; and
 - (B) future rights issues and bonus issues,

where the record date for determining entitlements falls on or after the date of allotment.

6.4 **Redemption of Performance Rights**

The Board may in its absolute discretion redeem or cancel:

- (a) any Unvested Performance Rights held by a Participant without the consent of that Participant; and
- (b) any Vested Performance Rights held by a Participant with the consent of that Participant.

7 Lapse and forfeiture

7.1 End of exercise period

Subject to clauses 7.2, 7.3 and 7.4, a Performance Right automatically lapses as at the moment immediately after:

- (a) (if that Performance Right is an Unvested Performance Right) the latest time at which that Performance Right may become a Vested Performance Right, as specified by the Board in the Offer Letter; or
- (b) (if that Performance Right is a Vested Performance Right) the latest time at which that Performance Right may be exercised, as specified by the Board in the Offer Letter.

7.2 **Good Leaver**

If a Participant is a Good Leaver, then on the date of cessation of employment or office or contract:

- (a) all Unvested Performance Rights held by the Participant will be automatically forfeited and automatically lapse;
- (b) all Vested Performance Rights held by the Participant may be exercised during:
 - (i) where the Participant is a Good Leaver as a result of death or permanent disability, the 120 day period following the date of cessation of employment or office or contract; and
 - (ii) in any other case, the 30 day period following the date of cessation of employment or office or contract,after which time those Vested Performance Rights will automatically lapse;
- (c) the Participant automatically forfeits all of his/her rights, title and interest in all Unvested Performance Rights; and
- (d) all Offer Letters which have not been accepted by the Participant are automatically revoked,

unless the Board determines otherwise.

7.3 **Bad Leaver**

If a Participant is a Bad Leaver, then on the date of cessation of employment or office or contract:

- (a) all Performance Rights (Vested or Unvested) held by the Participant will be automatically forfeited and automatically lapse;
- (b) the Participant automatically forfeits all of his/her rights, title and interest in all Performance Rights; and
- (c) all Offer Letters which have not been accepted by the Participant are automatically revoked,

unless the Board determines otherwise.

7.4 **End of period otherwise determined by the Board**

If the Board determines a further period, or reduces the period, in which the Performance Rights may be exercised, whether such revised period is more or less than the exercise period specified in the Offer Letter for those Performance Rights, then those Performance Rights will lapse at the end of that revised period.

7.5 Cessation of employment – interpretation

For the purposes of these Rules, a Participant will not be deemed to be either a Good Leaver or a Bad Leaver if:

- (a) the Participant is absent due to approved leave granted by a Group Company;
- (b) immediately after the Participant leaves the employment or office or the contractual relations ends of a Group Company the Participant is employed by, or holds an office or enters contractual relations with, another Group Company;
- (c) the Participant is seconded from a Group Company to a government department or instrumentality or to another company; or
- (d) immediately after the Participant leaves the employment or office of or the contractual relations with a Group Company the Participant is employed by another company in which a Group Company holds a substantial interest at the time of employment, and which has been approved by the Board as an associated company for the purposes of the Plan.

8 Capital reconstructions and new issues

8.1 Alterations to capital and reconstructions

Subject to the Applicable Law, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to the rights attaching to those Performance Rights (including, without limitation, to the number of Shares which may be acquired on exercise of the Performance Rights and the Exercise Price of a Performance Right) on any basis it deems fit in its discretion.

8.2 New issues

Subject to the Applicable Law, unless the Board determines otherwise, a Holder is only entitled to participate (in respect of Performance Rights granted under the Plan) in a new issue of Shares to existing shareholders of the Company if the Holder has validly exercised the Holder's Performance Rights and become a Shareholder prior to the relevant record date, and is then only entitled to participate in relation to Shares of which the Holder is the registered holder.

9 Subdivision 83A-C

Subdivision 83A-C of the Tax Act applies to the scheme set out in these Rules.

10 Powers of the Board

10.1 Powers of the Board

The Plan will be managed 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 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; and
- (e) delegate to any one or more Delegates (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan.

10.2 Suspension or termination of 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 Performance Rights issued under the Plan prior to that suspension or termination.

10.3 Share registry

The Board may engage a share registry organisation or service to assist with all or any part of the administration of the Plan.

11 Appointment of trustee

- (a) The Board may at any time:
 - (i) appoint a trustee (**Trustee**) on any terms and conditions which it considers appropriate to do all such things and perform all such functions as it considers appropriate to operate and administer the Plan, including to acquire and hold Performance Rights, Shares or other securities of the Company, on behalf of Participants, for transfer to future Participants or otherwise for the purposes of the Plan; and
 - (ii) establish a trust (**Trust**) for the purposes set out in Rule 11(a)(i).
- (b) If the Board appoints a Trustee to hold Performance Rights (or other securities) that are to be delivered to a Participant under this Plan:
 - (i) the Performance Rights (or other securities) will be registered in the name of the Trustee and held by the Trustee on Trust for that Participant and subject to the trust deed establishing the Trust (**Trust Deed**);
 - (ii) for the avoidance of doubt, the terms of the Trust Deed shall prevail to the extent of any inconsistency between these Rules and the Trust Deed;

- (iii) where any Rule refers to granting, issuing, transferring or allotting Performance Rights (or other securities) to, or holding, acquiring, receiving, subscribing for or disposing of Performance Rights (or other securities) by the Participant, it will mean granting, issuing, transferring or allotting Performance Rights (or other securities) to, or holding, acquiring, receiving, subscribing for or disposing of Performance Rights (or other securities) by the Trustee on behalf of that Participant;
- (iv) unless the context otherwise requires, any other Rule of this Plan that refers to the Participant will mean the Trustee on behalf of the Participant; and
- (v) the Trustee on behalf of the Participant will be entitled to any rights which accrue to Performance Rights (or other securities) held for the benefit of that Participant and will exercise those rights in accordance with the Trust Deed.

12 Contracts of Employment and Other Employment Rights

12.1 Rules not part of employment contract etc

- (a) This Plan does not form part of any contract of employment or services between a Group Company, or any Related Body Corporate of a Group Company, and any Eligible Employee.
- (b) Nothing in these Rules confers on any Eligible Employee the right to receive any Performance Rights.
- (c) 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 compensation under any employment or services contract will arise as a result.

12.2 Termination of employment

This Plan:

- (a) does not confer on any Eligible Employee or Participant the right to continue as an employee or officer or contractor of any Group Company or any Related Body Corporate of a Group Company;
- (b) does not affect any rights which a Group Company, or any Related Body Corporate of a Group Company, may have to terminate the employment or office of or contractual relations with the Eligible Employee or Participant; and
- (c) may not be used to increase damages in any action brought against a Group Company, or any Related Body Corporate of a Group Company, in respect of that termination.

13 Connection with other plans

Unless the Board otherwise determines, participation in the Plan does not affect, and is not affected by, participation in any other Employee Incentive Scheme by the Company unless the terms of that other Employee Incentive Scheme provide otherwise.

14 Plan costs and brokerage

- (a) Unless otherwise determined by the Board, the Company must pay:
 - (i) all costs, charges and expenses relating to the establishment and operation of the Plan; and
 - (ii) any brokerage for the acquisition of Shares (including, without limitation, upon the exercise of a Performance Right) under the Plan.
- (b) For the avoidance of doubt, the Company is not responsible for any brokerage payable in relation to the sale of Shares or Performance Rights held by any Participant.

15 Overseas Eligible Employees

The Company, at the Board's discretion, may:

- (a) invite Eligible Employees who are resident outside of Australia to participate in the Plan; and
- (b) make regulations for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Employees and Participants who are resident outside of Australia.

16 General restrictions

16.1 General

Notwithstanding any Rule, Performance Rights may not be issued, transferred or dealt with under the Plan if to do so would contravene the Applicable Law or where the compliance with any Applicable Law would in the opinion of the Board be unduly onerous or impractical.

16.2 Limit on aggregate number of Performance Rights

Unless otherwise determined by the Board, taking into account what it considers to be all relevant factors, an offer of Performance Rights may only be made under the Plan at any particular time, if:

- (a) the number of Shares that may be acquired on exercise of rights or options on issue under any Employee Incentive Scheme (including the Plan) in the last three years; plus
- (b) the number of Shares which would be issued if each already issued and outstanding offer with respect to rights or options over Shares under any Employee Incentive Scheme (including the Plan) was to be accepted,

does not exceed 10% (ten percent) of the total number of issued Shares as of the time of the offer.

17 ASIC relief

Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this Rule 17 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

18 Amendment

18.1 General

Subject to Rule 18.2 and the Applicable Law, the Board may amend, add to, delete, revoke or otherwise vary any or all of the Vesting Conditions, the terms of issue of a Performance Right, or these Rules at any time in any manner it thinks fit in its absolute discretion (**Amendment**).

18.2 Limitation on Amendments

No Amendment to the provisions of these Rules may be made which reduces the rights of Participants in respect of Performance Rights acquired by them 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 Applicable Law;
- (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.

19 Administration of Plan

19.1 Advice

- (a) Eligible Employees and Participants should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them or relating to participation in the Plan.
- (b) Each Participant is individually responsible for the taxation consequences relating to the Participant's Performance Rights under this Plan. No Participant will be entitled to any gross-up, contribution, compensation or additional Performance Rights in regard to taxation costs or liability incurred by the Participant.

19.2 Absolute discretion

- (a) Where these Rules provide for a determination, decision, declaration or approval of the Board or its Delegate, such determination, decision, declaration or approval may be made or given by the Board or its Delegate in its absolute discretion.
- (b) Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests, or for the benefit, of the Company and the Board is not under any fiduciary or other obligation to any other person.

19.3 **Dispute**

Any disputes or differences of any nature arising under or in relation to the Plan must be referred to the Board for determination.

19.4 **No fiduciary capacity**

The Board may exercise any power or discretion conferred on it by these Rules in the interest or for the benefit of the Company, and in doing so, the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

19.5 **Enforcement**

These Rules, any determination by the Board made pursuant to the Rules and the terms of any Performance Rights granted under the Plan (set out in the Offer Letter) will be deemed to form a contract between the Company and the Participant.

19.6 **ASX Listing Rules**

The ASX Listing Rules apply to the Plan and the ASX Listing Rules shall prevail to the extent of any inconsistency between these Rules and the ASX Listing Rules.

19.7 **Notices**

(a) Address for service

- (i) Any notice, document or other communication (**Notice**) required to be given under the Plan or these Rules to:
 - (A) a Participant will be sent to the residential and/or e-mail address of the Participant as entered in the employment records of a Group Company unless delivered in person; and
 - (B) the Company will be sent to the registered office of the Company or such other address as is notified to Participants from time to time.

(b) Delivery of Notices

- (i) A Notice given to a person in accordance with this clause 19.7 is treated as having been given and received:
 - (A) if delivered in person, on the day of delivery;
 - (B) if transmitted by e-mail, on the day of transmission provided the sender does not receive an automated notice generated by the sender's or the recipient's email server that the email was not delivered; and
 - (C) if sent by pre-paid post (and properly addressed and stamped), on the third business day after posting if the recipient is within Australia and on the tenth business day after posting if the recipient is outside Australia.

19.8 **Governing Law**

These Rules are governed by and shall be construed in accordance with the laws of the State of South Australia.