

## TERMS OF CONSULTANT OPTIONS

The terms and conditions of the Consultant Options granted are as follows:

- Each option entitles the holder to subscribe for one Share upon exercise of the option.
- The options are exercisable at any time on or prior to the expiry date.
- The options may be exercised by notice in writing to the Company and payment of the exercise price for each option being exercised. Any notice of exercise of an option received by the Company will be deemed to be a notice of the exercise of that option as at the date of receipt.
- Shares issued on exercise of the options will rank equally with the then shares of the Company.
- Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the options.
- After an option is validly exercised, the Company must, within, 15 business days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the option issue the Share and do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 business days after issuing the Shares.
- There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will give holders of the options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - the number of Shares which must be issued on the exercise of an option will be increased by the number of Shares which the option holder would have received if the option holder had exercised the option before the record date for the bonus issue; and
  - no change will be made to the exercise price.
- If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an option will be reduced according to the following formula:

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

O = the old exercise price of the option.

E = the number of underlying Shares into which one option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

- If there is any reconstruction of the issued share capital of the Company, the rights of the optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- The Company will not apply to ASX for quotation of the options.
- The options are transferable.

If:

- a takeover bid within the meaning of the Corporations Act is made for the Shares in the Company and the bidder becomes entitled to compulsorily acquire all of the Shares, any options not exercised which have not vested shall then vest, and any options which are not exercised within 7 days thereafter shall lapse; or
- a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Company and that resolution is passed by the requisite majorities, any options which have not vested shall then vest and any options not exercised during the period which is 7 days of the court order shall lapse.