
Senior Manager Equity Incentive Plan Rules

Retail Food Group Limited

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Senior Manager Equity Incentive Plan Rules

1. Introduction

Purpose of the Plan

- 1.1 These Plan Rules apply to the equity components of the Senior Manager Incentive Program. This Program is an important enabler to attract, retain and motivate key individuals within a framework which aligns the interests of management with those of the Company's shareholders.
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2. Definitions and Interpretation

Definitions

- 2.1 In these Rules unless the contrary intention appears, terms defined in the Corporations Act or Listing Rules have the same meaning in these Rules, and:

Acceptance Form means a written acceptance of an Offer for Performance Rights in a form approved by or acceptable to the Board.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument means ASIC Class Order [CO 14/1000] and any other class order or legislative instrument which applies to the Plan (including any class order or legislative instrument which amends or replaces any such class order or legislative instrument).

ASX means ASX Limited or the securities market which it operates, as the context requires.

Board means the Board of Directors of the Company.

Change of Control Event means, in relation to the Company:

- (a) any person, either alone or together with any associate (as defined in the Corporations Act), who did not have a relevant interest (as defined in the Corporations Act) in more than 50% of the issued Shares, acquires a relevant interest in more than 50% of the issued Shares, other than for the purposes of a bona fide restructure or reconstruction of the Company or the securities of the Company;
- (b) a takeover bid is made to acquire more than 50% of the issued Shares, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to such a takeover bid; or
- (c) the Board determines that there has been a change in the Control of the Company.

Company means Retail Food Group Limited (ACN 106 840 082).

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

Control has the meaning given to that term in section 50AA of the Corporations Act.

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

Disposal Restriction means a restriction on the creation of a Security Interest in, or the Disposal of, a Performance Right or a Share to be issued on the exercise of a Performance Right, as determined by the Board in its absolute discretion and notified to a Participant in an Offer.

Dispose in relation to a Performance Right or a Share means:

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

and **Disposal** has a corresponding meaning.

Employee means a person who is a full-time or part-time employee, officer, director or consultant of a Group Member.

exercise means exercise of a Performance Right in accordance with its terms, and includes automatic exercise in accordance with these Rules.

Expiry Date means the date on which a Performance Right lapses.

Group means the Company and each of its Subsidiaries.

Group Member means any entity which forms part of the Group.

issue of a Share includes the transfer of an existing Share in accordance with Rule 8.3.

Liability means any liability, whether actual or contingent, present or future, quantified or unquantified.

Listed means the Company being and remaining admitted to the official list of the ASX.

Listing Rules means the Listing Rules of ASX and any other rules of the ASX which are applicable while the Company is Listed each as amended or replaced from time to time, except to the extent of any waiver granted by the ASX.

Market Price means, on a particular day, the weighted average sale price of Shares on the ASX over the 30 trading days immediately preceding that day, or another pricing method determined by the Company.

Offer means an offer or issue of Performance Rights made to an Employee under Rule 4.

Participant means an Employee who has been granted Performance Rights and continues to hold Performance Rights or Shares issued on exercise of a Performance Right (as applicable).

Performance Right means a right to acquire a Share issued under Rule 3.

Plan means this Senior Manager Employee Incentive Plan.

Restricted Security means a Performance Right, or a Share issued on exercise of a Performance Right, in respect of which a restriction on Disposal applies under this Plan.

Restriction Period means the period during which a Performance Right, or a Share issued on exercise of a Performance Right, must not be Disposed of, being the period specified in these Rules or the relevant Offer.

Rules means these rules as amended from time to time.

Security Interest means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or

satisfaction of a debt, obligation or Liability, including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance or hypothecation and a security interest as defined in sections 12(1) and 12(2) of the *Personal Property Securities Act 2009* (Cth).

Share means a fully paid ordinary share of the Company.

Tax Act means the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997*, or any legislation amending or replacing the provisions of those Acts relating to the issue and exercise of Performance Rights.

Unvested Performance Right means a Performance Right which has Vesting Conditions attached and which have not yet been satisfied (or waived).

Vesting Conditions means any conditions described in the Offer that must be satisfied before a Performance Right can be exercised or before a Performance Right (or Share issued under a Performance Right) is no longer subject to forfeiture.

Interpretation

2.2 In these Rules, unless expressed to the contrary:

- (a) words importing:
 - (i) the singular include the plural and vice versa; and
 - (ii) any gender includes the other genders;
- (b) if a word or phrase is defined cognate words and phrases have corresponding definitions; and
- (c) a reference to:
 - (i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes its legal personal representatives, successors and assigns;
 - (iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (iv) a right includes a benefit, remedy, discretion, authority or power;
 - (v) "\$" or "dollars" is a reference to the lawful currency of Australia;
 - (vi) this or any other document includes the document as varied or replaced and notwithstanding any change in the identity of the parties; and
 - (vii) any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them.

Headings

2.3 Headings are for convenience only and do not affect the interpretation of these Rules.

Tax treatment of Plan

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

3. Participation and Offers

Eligibility

- 3.1 The Board may, from time to time, determine that an Employee is eligible to participate in the Plan.

Terms

- 3.2 Following determination that an eligible Employee may participate in the Plan, the Board may, at its absolute discretion, offer and issue Performance Rights in accordance with these Rules.
- 3.3 Each Offer will be on such terms as the Board determines, and the Board will have absolute discretion to determine:
- (a) when, and with what frequency, Performance Rights will be offered to Participants;
 - (b) if Performance Rights will be offered in one tranche, or in multiple tranches;
 - (c) the quantum of Performance Rights that will be offered under the Plan; and
 - (d) to whom Performance Rights are to be offered.

Performance Rights

- 3.4 The Company may offer or issue Performance Rights, which are rights to be issued a Share for nil exercise price upon the satisfaction of any specified Vesting Conditions. These terms apply unless the Offer specifies otherwise:
- (a) Performance Rights are Restricted Securities until they are exercised or expire;
 - (b) an Offer may specify a Restriction Period for Shares issued on the exercise of Performance Rights; and
 - (c) Performance Rights are subject to adjustment under Rule 10.1.

Title

- 3.5 Unless the Board determines otherwise, Performance Rights may not be registered in any name other than that of the Participant.
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4. Offers of Performance Rights

Form of Offer

- 4.1 Each Offer must be in writing (which includes email) and include an Acceptance Form.
- 4.2 An Offer to apply for Performance Rights may be made on such terms and conditions as the Board decides from time to time and must include such terms and provisions as may be required by applicable laws or any applicable ASIC Instrument, and may include:
- (a) the date of grant of the Performance Rights;
 - (b) the Vesting Conditions;
 - (c) the number of Performance Rights being offered;
 - (d) the Expiry Date;

- (e) any Restriction Period; and
- (f) any other term which the Board decides, in its absolute discretion, to include.

Compliance with laws

- 4.3 No Offer will be made or accepted to the extent that any such Offer would contravene the Constitution, the Listing Rules (if the Company is Listed), the Corporations Act or any applicable ASIC Instrument.

Offer is personal

- 4.4 An Offer is personal to the Employee to whom it is made and may only be accepted by, and Performance Rights may only be granted to, the Employee to whom the Offer is made, unless otherwise determined by the Board.

Acceptance

- 4.5 If acceptance of an Offer is required, it may be accepted by an Employee completing and returning the Acceptance Form, as required by the Offer, by not later than the date specified in the Offer.
- 4.6 An Offer which requires acceptance may be withdrawn at any time before it is accepted and lapses if it is not accepted by the Employee to whom the Offer is made as required under Rule 4.5.
- 4.7 An Acceptance Form may be accepted or rejected by the Board in its absolute discretion.
- 4.8 Unless otherwise determined by the Board, an Acceptance Form will not be accepted if, at the time the Acceptance Form is received by the Company:
- (a) the person is no longer an Employee; or
 - (b) the Board has determined that the person is no longer eligible to participate in the Plan.

Multiple invitations

- 4.9 The Board may invite a Participant to apply for any number of Performance Rights, notwithstanding that the Participant has previously been invited to apply for Performance Rights.

5. Terms of Performance Rights

Participant's rights

- 5.1 By virtue of holding a Performance Right, no Participant is entitled to notice of, or to vote or attend at, a meeting of the members of the Company or to receive any dividends declared by the Company.

Listing

- 5.2 If the Company is Listed, unless determined otherwise by the Board in its absolute discretion, a Performance Right will not be quoted on the ASX (or any other securities exchange).

6. Vesting and Exercise of Performance Rights

Vesting

- 6.1 The Performance Rights held by a Participant will vest, and will be automatically exercised, upon the satisfaction of any Vesting Conditions specified in the Offer and in accordance with these Rules.
- 6.2 The Board's determination as to whether a Vesting Condition has been satisfied will be at the Board's absolute discretion and binding on a Participant.

Waiver of Vesting Condition

- 6.3 A Vesting Condition for a Performance Right may, subject to any applicable laws, regulations and, if the Company is Listed, the Listing Rules, be waived by the Board by written notice to the relevant Participant and on such terms and conditions as determined by the Board.

Cash exercise of Performance Rights

- 6.4 The Board may, in its absolute discretion and in lieu of and in final satisfaction of the Company's obligation to issue Shares upon the exercise of a Performance Right, make a cash payment to the relevant Participant equivalent to the Market Price of the Shares underlying the Performance Right as at the date of exercise of the Performance Right.

Unvested Performance Rights

- 6.5 Subject to applicable law, a Participant and the Board may agree in writing that some or all of the Unvested Performance Rights held by a Participant be cancelled on a specified date or on the occurrence of a specified event. The Board may cancel those Performance Rights for no consideration.

7. Forfeiture

Forfeiture

- 7.1 Unless otherwise determined by the Board in its absolute discretion, Unvested Performance Rights of a Participant may be forfeited on a date that the Board determines where:
- (a) the Vesting Conditions of the relevant Performance Rights have not been satisfied by the Expiry Date;
 - (b) the Board determines that the relevant Vesting Conditions are incapable of being satisfied by the Expiry Date;
 - (c) the Board determines that any other circumstances expressly set out in the Participant's Offer have occurred or are reasonably likely to occur;
 - (d) the relevant Participant ceases to be an Employee;
 - (e) the Participant is in breach of these Rules or the Participant's Offer (including any Disposal Restriction); or
 - (f) the Board otherwise determines in accordance with the Plan that the Performance Rights are to be forfeited.

Consequences of forfeiture

- 7.2 Forfeited Performance Right will automatically lapse and cease to exist on the forfeiture date.
- 7.3 A Performance Right that has been forfeited may not be exercised.
- 7.4 Where a Performance Right has been forfeited, a Participant must sign any documents reasonably required by the Company to effect the forfeiture of that Performance Right and the Company will not be liable for any damages or other amounts to the Participant in respect of the forfeiture of a Performance Right.

8. Allotment of Shares on exercise or vesting of Performance Rights

Rights attaching to Shares

- 8.1 The Shares issued under this Plan will upon allotment:
- (a) be credited as fully paid;
 - (b) rank equally for dividends and other entitlements where the record date is on or after the date of allotment, but will carry no right to receive any dividend or entitlement where the record date is before the date of allotment;
 - (c) be subject to the Constitution and any restrictions imposed under these Rules, and
 - (d) otherwise rank equally with the existing issued Shares at the time of allotment.

Quotation

- 8.2 If the Company is Listed, then as soon as practicable after the date of the allotment of Shares, the Company will, unless the Board otherwise resolves, apply for official quotation of such Shares on the ASX.

New or existing Shares

- 8.3 The Company may, in its absolute discretion, either issue new Shares or cause existing Shares to be acquired for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules.
- 8.4 If the Company determines to cause the transfer of Shares to a Participant, the Shares may be acquired in such manner as the Company considers appropriate, including from a trustee appointed under Rule 8.5.

Trustee

- 8.5 The Company may appoint a trustee on terms and conditions which it considers appropriate to acquire and hold Shares, options, or other securities of the Company either on behalf of Participants or for the purposes of this Plan.

9. Restricted Securities

Restrictions

- 9.1 If an Offer contains a Disposal Restriction, a Participant must comply with that Disposal Restriction in relation to the relevant Restricted Securities during the applicable Restriction Period.

- 9.2 The Company may implement any procedures it considers appropriate to ensure that Restricted Securities are not Disposed of during the Restriction Period, including applying a holding lock in respect of Shares. Participants will be bound by such arrangements and, upon request, must do all things necessary to give effect to those arrangements.
- 9.3 Without limiting its discretions under these Rules, the Board may at any time in its absolute discretion waive or shorten the Restriction Period applicable to a Performance Right (or any Shares issued on the exercise of a Performance Right).

Bonus issues

- 9.4 If the Company makes a pro rata bonus issue to holders of Restricted Securities, the Shares issued to Participants under the pro rata bonus issue will be subject to the balance of the Restriction Period that applied to the Restricted Securities.

Personal representatives

- 9.5 If a Participant dies before the end of the Restriction Period, then the legal personal representative of that deceased Participant will have the same rights and benefits and be subject to the same obligations in respect of those Shares as the deceased Participant would have had or been subject to had they survived until the end of the Restriction Period.

10. Change of Control Event

- 10.1 If a Change of Control Event occurs, or the Board determines for the purposes of this Plan that such a Change of Control Event is likely to occur, the Board will determine, in its absolute discretion, the manner in which any or all Unvested Performance Rights and Restricted Securities will be dealt with, subject at all times to all applicable laws, regulations, the Listing Rules (if the Company is Listed) and the terms of a Participant's Offer.

11. Hedging unvested Performance Rights

- 11.1 Participants must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding Unvested Performance Rights.
- 11.2 Without limiting Rule 11.1, if a Participant is a member of the Company's key management personnel (as defined in the Corporations Act) then the Participant must also observe any additional restrictions imposed by the Corporations Act.

12. Clawback

Vested Performance Rights and Shares

- 12.1 Subject to Rule 12.3, if in relation to a Participant's Performance Rights:
- (a) the Company or Board waived any Vesting Condition;
 - (b) the Company or Board determined that a Vesting Condition was satisfied; or
 - (c) the Board exercised its discretion to allow the Participant to retain some or all of its Performance Rights in circumstances where the Participant ceased to be an Employee,
- and it was the case or is later discovered that:

- (d) a Vesting Condition was not, in fact, satisfied;
- (e) the circumstances did not, in fact, reflect the Board's understanding when it exercised its discretion under paragraph (c) above; or
- (f) the satisfaction of a Vesting Condition, or the decision of the Company or Board to waive a Vesting Condition, was contributed to by the Participant's fraud, unlawful behaviour, wilful default, or conduct in material breach of the Company's policies and codes of conduct,

then the Board may determine that:

- (g) all or some of the Performance Rights held by the Participant immediately expire and are incapable of being exercised;
- (h) the Participant must, or must procure that any relevant third party, immediately on request by the Company transfer any or all Shares issued upon the exercise of the relevant Performance Rights on terms, and to a person, determined by the Company (which may include transferring them for nil consideration); and / or
- (i) the Participant must pay the Company:
 - (i) any cash received upon exercise of the Participant's Performance Rights;
 - (ii) the net proceeds received from the sale of any Shares issued upon the exercise of the Performance Rights; and
 - (iii) any distributions or dividends paid on Shares issued upon the exercise of the Performance Rights,

as a debt due to the Company.

Unvested Performance Rights

12.2 Subject to Rule 12.3, if in relation to a Participant's Unvested Performance Rights, the Board determines that:

- (a) circumstances exist which would lead to the Participant receiving or being eligible to receive an unfair benefit (which unfair benefit may, in the opinion of the Board, be considered to arise where a Performance Right, which would not have otherwise vested, vests or remains capable of vesting as a result of such circumstances); or
- (b) circumstances exist which otherwise warrant a reduction of the Participant's Unvested Performance Rights,

the Board may, in its absolute discretion, determine that:

- (c) any or all of the Participant's Unvested Performance Rights are forfeited; and / or
- (d) any or all of the Participant's Unvested Performance Rights are to be subject to additional or amended Vesting Conditions.

Operation of clawback

12.3 Clauses 12.1 and 12.2 only operate:

- (a) in respect of the Company's Key Management Personnel; and

- (b) in respect of Performance Rights that have vested (or Shares issued upon the exercise of Performance Rights), for a period of 12 months after the relevant vesting date for those Performance Rights.

Fraudulent or dishonest actions

- 12.4 Without limiting any other provision of these Rules, where in the opinion of the Board, a Participant:
- (a) acts fraudulently or dishonestly in his or her involvement with the Company or Group Member; or
 - (b) has committed a breach of his or her obligations to any Group Member,
- then the Board may deal with, or take any other actions, in relation to their Performance Rights or relevant Shares received on exercise of any Performance Right so as to ensure that no benefit is obtained by the Participant as a result of such actions, including (without limitation):
- (c) by requiring any Performance Rights or Shares received on exercise of a Performance Right of the Participant to be forfeited or compulsorily divested in any manner determined by the Board and consistent with applicable laws, regulations and, if the Company is Listed, the Listing Rules; or
 - (d) where any Shares held by the Participant as a result of the exercise of one or more Performance Rights have been sold by the Participant, by requiring the Participant to pay all or part of the net proceeds of that sale to the Company.
- 12.5 For the avoidance of doubt, clause 12.4 only applies in respect of the acts and omissions of the individual Participant concerned.

13. Adjustments

New issues of shares

- 13.1 A Participant is not entitled to participate in a new issue of Shares or other securities made by the Company to holders of its Shares in respect of any Unvested Performance Rights.

Bonus issues

- 13.2 If the Company makes a pro-rata bonus issue to the holders of its Shares, unless the Board determines otherwise, any Performance Rights will, when exercised, entitle the holder to one Share plus the number of bonus shares which would have been issued to the holder if the Performance Right had been exercised prior to the record date.

Other reorganisations of capital

- 13.3 If the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash) the terms of any Unvested Performance Rights of the Participant will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

General

- 13.4 Unless otherwise permitted by the Listing Rules, the number of Shares which the Participant is entitled to receive on exercise of a Performance Right will only be adjusted in accordance with this Rule 13.

- 13.5 The Company must give notice to Participants of any adjustment to the number of Shares which the Participant is entitled to receive on exercise of a Performance Right in accordance with the Listing Rules.
- 13.6 In the application of this Rule 13, the Board may as far as possible (subject to any applicable laws, regulations and, if the Company is Listed, the Listing Rules) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between Participants and the holders of other securities in the Company at that time.
- 13.7 The application of this Rule 13 is subject at all times to all applicable laws, regulations and, if the Company is Listed, the Listing Rules.
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14. Termination benefits

- 14.1 This Rule 14 applies to any benefit which may be required to be provided by any Group Member (**Benefit**). This Rule 14 applies notwithstanding, and prevails over, any other provision of this Plan, an Offer, a Performance Right or other agreement or arrangement.
- 14.2 No person will be entitled to any Benefit to the extent that the giving of the Benefit would give rise to a breach of Part 2D.2 of the Corporations Act, any other provision of the Corporations Act, or any other applicable law which limits or restricts the giving of such Benefits (**Limiting Legislation**).
- 14.3 If any Limiting Legislation limits the amount of the Benefit, or the amount of the Benefit that may be given without obtaining shareholder approval, the Benefit is capped at that amount and no further Benefit is required to be provided to the relevant person. The Company may reduce any Benefit in such manner as it determines appropriate to ensure compliance with Limiting Legislation and so that shareholder approval does not need to be obtained. No Group Member is required to seek or obtain the approval of its shareholders for the purpose of overcoming any limitation or restriction imposed by any Limiting Legislation, and the Board's determination as to the amount of the Benefit that may be given without obtaining shareholder approval will be final and conclusive.
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15. Tax compliance

Taxes and withholding

- 15.1 The Company is not responsible for any taxes which may become payable by a Participant in connection with the issue or transfer of Performance Rights, the issue, transfer or allocation of Shares, or any other dealing by a Participant with such Performance Rights or Shares including the payment of any cash amount. Participants are solely responsible for all such amounts.
- 15.2 Where a Group Member must account for any tax or social security contributions (in any jurisdiction) for which a Participant may be liable because of the issue or transfer of Shares, payment of cash, or the vesting or exercise of a Performance Right (the **Amount**), the Group Member may in its absolute discretion:
- (a) withhold up to the Amount from any cash payment; and / or
 - (b) withhold a number of Shares which would otherwise be provided to the Participant and sell them in order to realise the Amount (with any excess received over the Amount, net of costs of sale, being paid to the Participant).

The Group Member may also, either instead of or in addition to exercising the above discretion:

- (c) accept payment from the Participant of the relevant Amount; or
- (d) make acceptable arrangements with the Participant for the Amount to be made available.

Tax reporting

- 15.3 Participants acknowledge that the Company may have reporting obligations in relation to participation in the Plan. Participants authorise the Company to provide information regarding their participation in the Plan, and any related personal or financial information, to any tax authority or other government agency (in any jurisdiction) to the extent required by law, or by the official policy of the tax authority or a government agency.

16. Power of attorney

- 16.1 In consideration of the issue of the Performance Rights, each Participant irrevocably appoints each director and the secretary for the time being of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including share transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules or the terms of a Performance Right.
- 16.2 The Participant (or after his or her death, his or her legal personal representative) will be deemed to ratify and confirm any act or thing done under this power and must indemnify the attorney in respect of doing so.

17. Powers of the Board

General

- 17.1 The Plan will be administered by the Board, or a committee of the Board, in accordance with these Rules.

Administration

- 17.2 The Board may determine appropriate procedures for administration of the Plan consistent with these Rules, and may delegate any functions and powers under this Plan to an appropriate service provider, plan administrator, employee or committee capable of performing those functions and powers and implementing those procedures.

Obligations of the Board

- 17.3 The Board in exercising a power or discretion conferred on it by the Plan or these Rules is not under a fiduciary or other obligation to any other person.

Board decisions

- 17.4 The decision of the Board as to the interpretation, effect or application of the Plan or these Rules (including calculations or adjustments made in accordance with these Rules or applicable law) will be in its absolute discretion and final and binding.

Independent advice

- 17.5 The Board may take and rely upon independent professional or expert advice on the exercise of any powers or discretions under this Plan or these Rules.

Discretion

- 17.6 Where the Board, the Company or their delegates may exercise any right or discretion or make any decision under these Rules, it may do so in its absolute discretion, conditionally or unconditionally, and without being required to give reasons or act reasonably. This Rule applies unless these Rules expressly require otherwise.
- 17.7 Subject to the applicable law, any power or discretion which is conferred on the Board by these Rules may be exercised in the interests, or for the benefit, of the Company or the Group.

Additional documents

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

Rounding

- 17.9 Unless otherwise provided for in these Rules, where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of a Share, the fraction will be eliminated by rounding to the nearest whole number. For the avoidance of doubt, where the rounding of Shares results in a residual balance, the Company will not be liable to pay any person the residual balance.

18. Commencement, suspension, termination and amendment of Plan

- 18.1 Subject to the passing of any necessary resolution approving the establishment of the Plan and the issue of Performance Rights, the Plan will take effect when the Board decides.
- 18.2 The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules.

19. Amendments

Board may amend

- 19.1 Subject to Rule 19.3, the Company may at any time by written instrument or by resolution of the Board:
- (a) amend all or any provision of these Rules (including this Rule 19); and
 - (b) waive or amend the application of any of these Rules in relation to a Participant (including without limitation for the purposes of a takeover bid, as defined in section 9 of the Corporations Act).

Rights of Participants

- 19.2 Subject to Rule 19.3, any amendment to these Rules under Rule 19.1 that materially reduces any Participant's rights in relation to their participation in the Plan or in respect of

Performance Rights granted or Shares issued on exercise of a Performance Right before the date of the amendment requires the consent of the Participant.

- 19.3 The Board may amend these Rules without the written consent of Participants under Rule 19.2:
- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth or foreign legal requirement or legislation governing or regulating the maintenance or operation of the Plan or like plans;
 - (b) to correct any manifest error or mistake;
 - (c) to enable the Company to comply with any applicable law or a requirement, policy or practice of ASIC or other foreign or Australian regulatory body;
 - (d) to take into consideration possible adverse tax implications to the Plan arising from rulings from the Commissioner of Taxation, changes or proposed changes to tax legislation and/or changes in the interpretation of tax legislation by a competent court or tribunal; or
 - (e) for the purposes of enabling Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the Plan.

Retrospective effect

- 19.4 Subject to this Rule 19, any change made pursuant to Rule 19.1 may be given such retrospective effect as is specified in the resolution by which the amendment is made, and, if so stated, any amendments to these Rules, including the terms applicable to Performance Rights and Shares, will have the effect of automatically amending the terms of Performance Rights and Shares issued and still subject to these Rules.

20. Rights of Employees and Participants

Rights of Employees and Participants

- 20.1 Nothing in this Plan, the terms of any Offer or participation in the Plan:
- (a) confers on any Employee the right to:
 - (i) be granted Performance Rights or to participate in the Plan; or
 - (ii) continue as a director of the Company or an employee of, or consultant to, the Company or a Group Member;
 - (b) affects any rights which the Company or a Group Member may have to terminate the employment of any employee or any agreement with a director or consultant;
 - (c) affects the rights and obligations of any Employee or Participant under the terms of their employment, engagement or office with the Company or a Group Member;
 - (d) confers any legal or equitable right on an Employee or a Participant whatsoever to take action against the Company or a Group Member in respect of their employment, engagement or office;
 - (e) gives or confers on any Participant any rights to compensation or damages in consequence of the termination of their office, employment or other contract with the

Company or a Group Member for any reason whatsoever (including redundancy) insofar as those rights arise or may arise from their ceasing to have rights under the Plan as a result of such termination;

- (f) confers any responsibility or liability on any Employing Company or their respective directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Employee or Participant; or
- (g) may be used to increase damages in any action brought against the Company or any Group Member, other than an action arising solely out of a Participant's rights under the Plan (but subject at all times to Rules 20.1(a), 20.1(b) and 20.1(e).

No future rights

- 20.2 An Offer to participate in the Plan and the grant of Performance Rights on a particular basis does not create any right or expectation of an offer to participate in the Plan or the grant of Performance Rights on the same basis, or at all, in the future.

21. Liability

- 21.1 No Group Member or any plan administrator and their respective directors and employees and professional advisers are liable for anything done or omitted to be done by such person or any other person with respect to:
- (a) the price, time, quantity or other conditions and circumstances of the acquisition of Performance Rights;
 - (b) any fluctuations in the market price of Shares; and
 - (c) anything done in connection with the Plan, except for the gross negligence, dishonesty, fraud or wilful default of such person.

22. General provisions

Bound by Constitution and Securities Trading Policy

- 22.1 Participants who are issued or who exercise Performance Rights under this Plan are deemed to agree to be bound by:
- (a) the terms of the Offer (and any ancillary documentation which accompanies or forms part of the Offer);
 - (b) these Rules;
 - (c) the Constitution; and
 - (d) any Company or Group securities trading policy (by whatever name called),
- as each of those documents is in force from time to time.

Advice

- 22.2 There are legal and tax consequences associated with participation in the Plan. Employees should ensure that they understand these consequences before accepting an invitation to participate in the Plan.

- 22.3 Any advice given by or on behalf of the Company is general advice only, and Employees should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give such advice.

Notices

- 22.4 Any notice required to be given by the Company to a Participant or any correspondence to be made between the Company and a Participant may be given or made by the Board or its delegate on behalf of the Company.
- 22.5 Any notice to be given by the Company may be given by email, and any reference to the Company giving or providing information or documents in writing includes doing so by email.

Effect on employee entitlements

- 22.6 Participation in the Plan does not affect an Employee's terms of employment or appointment with the Group. In particular, participation in the Plan does not detract from any right the Group may have to terminate the employment or appointment of an Employee.
- 22.7 Participation in the Plan, or the issuing of any Performance Rights, does not form part of the Employee's remuneration for the purposes of determining payments in lieu of notice of termination of employment, severance payments, leave entitlements, or any other compensation payable to an Employee upon the termination of employment.
- 22.8 Participation in the Plan, or receipt of an Offer, does not confer on any person any expectation to receive an Offer in the future, or an expectation of benefits in lieu of participation in the Plan, even if participation is offered repeatedly.

Data protection

- 22.9 By participating in the Plan, each Participant consents to:
- (a) the collection, holding, use, processing and disclosure of personal data provided by the Participant to the Company and any Group Member for all purposes relating to the operation of the Plan (including, but not limited to, providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan and providing information to future purchasers of the Company or the business in which the Participant works); and
 - (b) the disclosure of information about the Plan and themselves to the Australian Taxation Office (or relevant tax authority in any other jurisdiction) which is required to be provided in accordance with the Company's reporting obligation under Australian tax legislation or relevant tax legislation in any other jurisdiction.

Governing law

- 22.10 These Rules are governed by and are to be construed in accordance with the laws of the State of Queensland and each Participant submits to the non-exclusive jurisdiction of the Courts of Queensland.