

## Clearvue Loan Funded Share Plan Rules

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## 1. INTRODUCTION

### 1.1 Plan

The Plan is called the Clearvue Plan Share Plan.

### 1.2 Objects of Plan

The objects of the Plan are to:

- (a) provide an incentive and to reward, retain and motivate Plan Participants;
- (b) recognise the abilities, efforts and contributions of Plan Participants to the performance and success of the Group; and
- (c) provide Plan Participants with the opportunity to acquire or increase their ownership interest in the Group.

### 1.3 Consequences

Participation in the Plan has legal, financial and tax consequences. Plan Participants should ensure that they understand those consequences before accepting an Offer.

### 1.4 General Advice

Advice (if any) given by or on behalf of the Company is general advice only. Plan Participants should obtain their own independent advice (at their own expense) on the legal, financial, taxation and other consequences to them associated with participation in the Plan

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definitions and Interpretation

In these Rules, unless the context otherwise requires:

**“Acceptance”** means the acceptance of an Offer by an Eligible Person in accordance with Rule 5(c).

**“After-tax Amount”** means in respect of a financial year the dividend amount paid in cash by the Company multiplied by the After-tax Rate.

**“After-tax Rate”** means in respect of a financial year during which a Company dividend is paid on a Plan Share, the rate that will be calculated as 1 minus the top marginal income tax rate for resident individuals for that year inclusive of Medicare Levy but exclusive of any Medicare Levy Surcharge.

**“ASIC”** means Australian Securities and Investments Commission.

**“Associated Body Corporate”** means each:

- (a) related body corporate of the Company, within the meaning of section 50 of the Corporations Act;

- (b) body corporate that has voting power in the Company of not less than 20%; or
- (c) body corporate in which the Company has voting power of not less than 20%, where "voting power" has the meaning in section 610 of the Corporations Act.

**"ASX"** means Australian Stock Exchange Limited (ABN 98 008 624 691) or the market operation by it, as the context required.

**"Bad Leaver"** is a Plan Participant who ceases to be employed by the Group and who the Board has determined has:

- (a) breached any term of the Loan Agreement;
- (b) committed any serious or persistent breach of any provisions of employment;
- (c) been convicted of any criminal offence which involves fraud or dishonesty;
- (d) engaged in any conduct which brings the Company into substantial disrepute;
- (e) committed any wrongful or negligent act or omission which has caused the Company substantial liability;
- (f) engaged in grave misconduct or recklessness in the discharge of the Plan Participant's duties;
- (g) become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Plan Participant being banned from managing a corporation; or
- (h) engaged in any other conduct which the Board reasonably considers to be analogous to, or having a substantially similar seriousness to, any of the circumstances specified in paragraphs (a) to (g) above of this definition.

**"Board"** means the board of directors of the Company or a person or committee to whom the Board has delegated authority in accordance with Rule 16(b).

**"Bonus Share"** means a Share issued as a part of a pro rata bonus issue to shareholders of the Company and extends to securities acquired in replacement of Bonus Shares.

**"Business Day"** means a day other than a Saturday, Sunday or public holiday in Perth, Western Australia.

**"Buy-back"** means the procedure by which the Company may buy-back Shares held by Plan Participants as specified under Rule 12(b).

**"Capital Reconstruction"** means any of the following events:

- (a) the Company issues Shares by way of capitalisation of profits or reserves;
- (b) the Company gives shareholders the right (pro-rata with existing shareholding and on terms including the payment of some consideration by the shareholders on exercising the right) to subscribe for additional Shares;

- (c) the Company subdivides or consolidates its Shares;
- (d) the Company returns issued capital to holders of Shares;
- (e) the Company issues or cancels Shares on a pro-rata basis; or
- (f) the Company reorganises its issued capital in any other manner (other than in lieu of dividends or by way of dividend reinvestment).

**"Cash Distributions"** means distributions declared or paid with respect to Shares (including distributions of capital) which are payable wholly in cash or, in the case of a dividend or distribution declared or paid with respect to Shares which is payable only partly in cash, that part of the dividend or distribution which is payable in cash.

**"Change of Control Event"** has the meaning ascribed to it in Rule 12(a).

**"Company"** means Clearvue Technologies Limited ACN 071 397 487.

**"Condition"** means any or all of the Vesting Conditions and Forfeiture Conditions.

**"Constitution"** means the constitution of the Company.

**"Control"** has the meaning given to that term by section 50AA of the Corporations Act.

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

**"Disposal Restriction"** has the meaning given to that term in Rule 8(a).

**"Eligible Person"** means a full-time or part-time employee, executive or director of the Company or of any Associated Body Corporate or any other person who the Board determines is eligible to participate in the Plan.

**"Forfeiture Conditions"** has the meaning given to that term in Rule 11(a).

**"Good Leaver"** means a Plan Participant who ceases employment with the Group for reasons of ill-health, Total and Permanent disablement, death, redundancy, retirement with the agreement of the Board or the sale by the Group of its interest in the Associated Body Corporate in which the Plan Participant is employed such that it is no longer an Associated Body Corporate of the Company.

**"Grant Date"** has the meaning given to that term in Rule 5(f).

**"Group"** means the Company and each Associated Body Corporate of the Company.

**"Holding Lock"** has the same meaning as in Section 2 of the ASTC Settlement Rules issued by ASX Settlement and Transfer Corporation Pty Ltd.

**"Leaver"** means a Plan Participant who ceases employment with the Group and who is not a Bad Leaver or a Good Leaver, including a Plan Participant who ceases employment due to resignation or retirement, without the agreement of the Board.

**"Listing Rules"** means the official listing rules of the ASX, except to the extent of any express waiver by ASX.

**"Loan"** means a loan made or to be made by the Company to an Eligible Person

under Rule 6 for the purpose of acquiring an Plan Share.

**“Loan Agreement”** means an agreement between the Company and the Eligible Person evidencing the terms and conditions of the Loan in the form set out in the Schedule or such other form as the Board may determine from time to time.

**“Loan Term”** means, in respect of each Loan, the term of that Loan determined under Rule 7(e), which in any case must not exceed 10 years from the Grant Date.

**“Market Value”** means the value of an Plan Share determined in accordance with Rule 13(d).

**“Offer”** means an offer of Plan Shares made by the Company to an Eligible Person under this Plan.

**“Plan”** means this Clearvue Plan Share Plan.

**“Plan Participant”** means an Eligible Person to whom the Board has resolved to grant Plan Shares under this Plan.

**“Plan Share”** means a Share for which some or all of the Price is funded by way of a Loan including any subdivisions, consolidations or other reconstructions of those Shares.

**“Price”** means the amount, as set out in the Offer, that a Plan Participant is required pay to acquire a Plan Share.

**“Rules”** means these rules.

**“Security Interest”** has the meaning given in the Personal Property Securities Register Act 2009 (Cth).

**“Security Trading Policies”** means the Company’s security trading policies (if any).

**“Share”** means an ordinary share in the capital of the Company.

**“Total and Permanent Disablement”** means, in respect of a Plan Participant, that the Plan Participant has, in the opinion of the Board, after having regard to such medical and other evidence as the Board may consider appropriate, become incapacitated to such an extent as to render the Plan Participant unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

**“Trustee”** means a trustee (if any) appointed by the Board under Rule 17.

**“Unvested Plan Share”** means a Plan Share in respect of which all Vesting Conditions have not been satisfied or removed in accordance with Rule 9(b).

**“Vested Plan Share”** means a Plan Share in respect of which all Vesting Conditions have been satisfied or removed in accordance with Rule 9(b).

**“Vesting Conditions”** means any condition described in the Offer that must be satisfied before a Plan Share is no longer subject to forfeiture under the Rules or the terms of the Offer.

## 2.2 Words and expressions

In these Rules, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) words denoting any gender include all genders;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a Rule, paragraph, schedule or annexure is a reference to a Rule, paragraph, schedule or annexure to or of this document;
- (e) a reference to this document includes any schedules or annexures;
- (f) headings are for convenience and do not affect interpretation;
- (g) the introduction to these Rules is adopted as and forms part of these Rules;
- (h) a reference to any document or agreement includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (i) a reference to "\$", "A\$" or "dollar" is a reference to Australian currency;
- (j) a reference to a time is a reference to Australian Eastern Standard Time or Australian Eastern Daylight Time, whichever is appropriate;
- (k) a reference to a party includes its executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (l) a reference to writing includes any method of representing words, figures or symbols in a permanent and visible form;
- (m) words and expressions denoting natural persons include bodies corporate, partnerships, associations, firms, governments and governmental authorities and agencies and vice versa;
- (n) a reference to any legislation or to any provision of any legislation includes:
  - (i) any modification or re-enactment of the legislation;
  - (ii) any legislative provision substituted for, and all legislation, statutory instruments and regulations issued under, the legislation or provision; and
  - (iii) where relevant, corresponding legislation in any Australian State or Territory;
- (o) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this document or any part of it; and



- (p) the words “including”, “for example”, “such as” or other similar expressions (in any form) are not words of limitation.

## 2.3 Other rules of interpretation

In this document, unless expressly provided otherwise:

- (a) **(method of payment)** any payment of money by one party to another will be made in Australian currency by Bank cheque or by credit of cleared funds to a Bank account specified by the recipient;
- (b) **(consents and approvals)** if the doing of any act, matter or thing requires the consent, approval or agreement of any party, that consent, approval or agreement may be given conditionally or unconditionally or withheld in that party’s absolute discretion; and
- (c) **(Business Days)** if:
  - (i) the day on or by which any act, matter or thing is to be done is a day other than a Business Day, the act, matter or thing will be done on the next Business Day; and
  - (ii) any money falls due for payment on a date other than a Business Day, that money will be paid on the next Business Day (without interest or any other amount being payable in respect of the intervening period).

## 3. DURATION OF THE PLAN

- (a) Subject to the passing of any necessary resolution approving the establishment of the Plan and the issue of the Offers, the Plan will take effect when the Board decides.
- (b) The Board may suspend (either for a fixed period or indefinitely), end any period of suspension, terminate or amend the Plan at any time, subject to any resolution of the Company required by the Listing Rules
- (c) If the Plan terminates, is suspended or is discontinued for any reason, the accrued rights of the Plan Participants will not be prejudiced.

## 4. PLAN SHARES

- (a) Subject to Rules 4(d) and 6 the Company may, at the discretion of the Board, make Offers and issue Plan Shares to Eligible Persons under the Plan.
- (b) Subject to Rule 13(b), Vested Plan Shares are subject to the Disposal Restrictions until the relevant Loan is repaid or discharged in full.
- (c) Once a Loan in respect of a Vested Plan Share is repaid or discharged in full, the relevant Vested Plan Shares cease to be classified as Plan Shares and are, for all purposes, Shares.
- (d) Unvested Plan Shares are subject to the Disposal Restrictions until the relevant Vesting Conditions are satisfied or waived and the relevant Loan is repaid or discharged in full.

- (e) If a Loan in respect of an Unvested Plan Share is repaid or discharged in full, the relevant unvested Plan Shares remain Plan Shares until the relevant Vesting Conditions are satisfied or waived.

## 5. OFFER TO PARTICIPATE

- (a) An Offer must be made in writing and must include the following particulars:
  - (i) the name of the Eligible Person;
  - (ii) the number of Plan Shares being offered;
  - (iii) the Price of each Plan Share, or the manner in which the Price is to be determined;
  - (iv) the amount of the Loan that is offered in connection with the Plan Shares, or the manner in which the amount of the Loan is to be determined;
  - (v) the Loan Term;
  - (vi) the Conditions (if any) applying to the Plan Shares;
  - (vii) the Disposal Restrictions applying to the Plan Shares;
  - (viii) the closing date for accepting the Offer; and
  - (ix) any other terms and conditions the Board considers appropriate or which are required to be specified in the Offer by either the Corporations Act or the Listing Rules.
- (b) An Offer is not transferable by an Eligible Person.
- (c) If the Eligible Person wishes to participate in the Plan, he or she must, on or before the closing date for accepting the Offer stated in the Offer (or any other date that the Company may allow either generally or in a particular case) do what is specified in the Offer in order to accept it.
- (d) An Offer lapses if it is not accepted by the Eligible Person to whom the Offer is made as required under Rule 5(c).
- (e) An Eligible Person may accept an Offer in whole or in part.
- (f) Upon receiving the Acceptance, the Board will determine the number of Plan Shares to grant to the Eligible Person having regard to the amount of the Loan that has been accepted by the Eligible Person. The Offer and Acceptance will become binding on the date on which this determination is made by the Board (**Grant Date**).
- (g) As soon as reasonably practicable after the Board making the determination referred to in Rule 5(f), the Company will allot or transfer the relevant Plan Shares to the Plan Participant.

## 6. ISSUE LIMITATIONS

- (a) An Offer must not be made if the total number of Shares to be issued to Eligible Persons pursuant to the following would exceed 10% of the number of Shares on issue at the time of the Offer:
- (i) the number of Shares which are the subject of the proposed Offer;
  - (ii) the total number of Shares which are the subject of any outstanding Offers under this Plan or any other employee share plan of the Company; and
  - (iii) the total number of new Shares issued in the previous five years pursuant to this Plan or any other employee share plan of the Company (adjusted if necessary in each case for Capital Reconstruction), but excluding existing Shares transferred to a Plan Participant under the Plan that were acquired on-market or off-market for that purpose;
  - (iv) but excluding:
    - (A) an offer to a person situated outside Australia at the time of receipt of the offer;
    - (B) an offer that did not need disclosure to investors pursuant to section 708 of the Corporations Act;
    - (C) an offer made under a disclosure document as defined in the Corporations Act; and
    - (D) the total number of Shares granted pursuant to this Plan that have subsequently been forfeited.
- (b) No Offer will be made to the extent that any such Offer would contravene the Constitution, the Listing rules, the Corporations Act or any other applicable law.

## 7. LOANS

- (a) The Board may determine the amount of the Loan that will be provided to the Eligible Person to facilitate the acquisition of the Plan Shares, or the manner in which the amount of the Loan will be determined.
- (b) A Plan Participant who accepts a Loan irrevocably authorises the Company to apply the Loan funds on behalf of the Plan Participant in payment of the Price of the Plan Shares to be acquired in accordance with the Offer and the Acceptance.
- (c) The Board may determine that the terms of the Loan will be varied for one or more Plan Participants.
- (d) Unless the terms of the Offer specify otherwise, Loans will be interest-free.
- (e) Unless the parties otherwise agree, the term of the Loan commences on the Grant Date and ends on the first to occur of:

- (i) the expiry of 10 years from the Grant Date;
  - (ii) the date determined in accordance with Rule 11(a)(iii)(B) or 11(a)(iv)(B) (if applicable) to the extent Vested Plan Shares are retained on cessation of employment by the Company;
  - (iii) Plan Shares being forfeited by the Plan Participant in accordance with Rule 11; and
  - (iv) Plan Shares being disposed of or Bought-back in accordance with Rule 13 (**Loan Term**).
- (f) Without limiting clause 7(g), a Plan Participant may repay to the Company at any time all or part of a Loan in respect of Vested Plan Shares.
- (g) Unless the terms of the Offer specify otherwise, the Company will apply, and each Plan Participant irrevocably directs the Company to so apply, the After-tax Amount of any:
  - (i) dividends payable in respect of the Plan Participant's Plan Shares towards repayment of the outstanding balance of the Loan;
  - (ii) cash Distributions payable in respect of the Plan Participant's Plan Shares, towards repayment
- (h) The balance of any dividends remaining after the application of Rule 7(g) will be paid in cash to the Plan Participant.
- (i) In the event of a capital distribution, unless otherwise determined by the Board, any capital distribution in respect of a Plan Participant's Plan Shares must first be applied in payment of the outstanding balance of the Loan.
- (j) At the end of the Loan Term, the Plan Participant must pay the lesser of the following amounts in repayment of the Loan:
  - (i) the Loan less any amounts already paid, repaid or applied, in the case of dividends and capital distributions or set-off amounts, in reduction of the Loan; and
  - (ii) the Market Value of the Plan Shares to which the Loan relates as at the end of the Loan Term.
- (k) The Company must accept this amount in full and complete satisfaction of the Plan Participant's indebtedness and obligations to it under the Loan.
- (l) If a Plan Participant forfeits his or her interest in Plan Shares, the Plan Participant's Plan Shares will be Bought-back or sold in accordance with Rule 13 and the application of the proceeds of that Buy-back or sale in repayment of the Loan will be taken to repay the Loan in full and the Plan Participant is discharged from any further liability or obligation in respect of the Loan.
- (m) No proceeds of a Loan may be applied towards subscribing for or purchasing a Share other than under the Plan.

- (n) If required by the Board, a Plan Participant must also pay interest on the daily balance of the principal amount outstanding under a Loan (or part of a Loan) from when the Loan (or that part of the Loan) becomes due for repayment during the period that it remains unpaid. The rate of interest payable by a Plan Participant is the rate per annum determined by the Board from time to time with respect to the Plan.

## 8. DISPOSAL RESTRICTIONS

Plan Shares are subject to the following restrictions (**Disposal Restrictions**):

- (a) a Plan Participant must not sell, transfer, grant a Security Interest over, or otherwise dispose of any Plan Shares, or agree to do any of those things, without the consent of the Board or as expressly permitted under the terms of the Plan; and
- (b) the Company may with agreement of the Plan Participant implement procedures it considers appropriate to ensure that Plan Shares are not sold, transferred or otherwise disposed of in breach of Rule 8(a), including applying a Holding Lock in respect of the Plan Shares or refusing to register any changes to ownership Plan Shares in the Company's share register.

## 9. CONDITIONS GENERALLY

- (a) The Board may determine that Plan Shares offered will be subject to such Conditions as are detailed in the Offer.
- (b) The Board may determine at any time that any or all of the Conditions and Disposal Restrictions applicable to any or all of a Plan Participant's Plan Shares have been removed or, in the case of Vesting Conditions, have been deemed satisfied.
- (c) Without limiting this Rule 9, the Board may require a Plan Participant to, in order to secure the Plan Participant's indebtedness to the Company under this Plan,:
  - (i) give an equitable mortgage, in a form stipulated by the Company, in respect of:
    - (A) the Plan Shares acquired using a Loan; and
    - (B) all Bonus Shares which are acquired as a result of a Plan Participant's holdings of those Plan Shares; and
  - (ii) permit and not object to the Company or any officer thereof signing any documents and taking any steps that are necessary to cause a Holding Lock or other restriction on transfer to be applied in relation to shares referred to in this rule 9(c).

## 10. VESTING CONDITIONS

The nature and content of the Vesting Conditions are determined by the Board and may include conditions relating to any or all of:

- (a) continuing employment;

- (b) performance of the Plan Participant;
- (c) performance of the Company; or
- (d) the occurrence of specific events.

## 11. FORFEITURE CONDITIONS

- (a) Unless determined otherwise by the Board, while Plan Shares are held by a Plan Participant, they are subject to forfeiture if any of the following conditions (**Forfeiture Conditions**), are satisfied:
  - (i) if the Plan Participant breaches any term of the Loan Agreement all of the Plan Participant's Plan Shares will be forfeited;
  - (ii) if the Plan Participant is determined by the Board to be a Bad Leaver, in which case on the cessation of their employment all rights, entitlements and interests in any Vested Plan Shares and Unvested Plan Shares held by the Plan Participant will be forfeited;
  - (iii) if the Plan Participant is determined by the Board to be a Leaver, in which case:
    - (A) on the cessation of their employment, all rights, entitlements and interests in any Unvested Plan Shares held by the Plan Participant will normally be forfeited, subject to the Board's discretion to permit some or all of those Unvested Plan Shares to vest having regard to the Board's assessment of the circumstances in which the Plan Participant has ceased employment; and
    - (B) on the date which is 6 months after the cessation of their employment, unless the outstanding Loan balance in respect of the Vested Plan Shares has been repaid, all rights, entitlements and interests in any Vested Plan Shares held by the Plan Participant will be forfeited; and
  - (iv) if the Plan Participant is determined by the Board to be a Good Leaver, in which case:
    - (A) on the cessation of their employment, Unvested Plan Shares will vest pro rata to the proportion of the Vesting Period that has elapsed as at that date, and all rights, entitlements and interests in any remaining Unvested Plan Shares held by the Plan Participant will normally be forfeited, subject to the Board's discretion to permit some or all of those Unvested Plan Shares to vest having regard to the Board's assessment of the circumstances in which the Plan Participant has ceased employment; and
    - (B) on the date which is 6 months after the cessation of their employment (or 12 months in the case of a Plan Participant who ceases employment due to death, total and or permanent disablement), unless the outstanding Loan balance in respect of the Vested Plan Shares has been

repaid, all rights, entitlements and interests in any Vested Plan Shares held by the Plan Participant will be forfeited; and

- (v) if, in the opinion of the Board, any of the Vesting Conditions have not been or cannot be satisfied for any reason, all of the Plan Participant's Plan Shares which are subject to those Vesting Conditions will be forfeited.
- (b) The Board may waive any or all of the Forfeiture Conditions.
- (c) If some or all of a Plan Participant's Plan Shares are forfeited, the forfeited Plan Shares will be Bought-back in accordance with Rule 13, the proceeds from any forfeited Plan Shares will be applied in accordance with Rule 14 and the Plan Participant will forfeit any right, interest or entitlements in respect of those Plan Shares.
- (d) Unless communicated otherwise in the Offer and except to the extent necessary to enable the Plan Participant to give the direction contemplated in Rule 14, a Plan Participant will have no right to the proceeds from any Plan Shares forfeited under this Rule 11 and will release and hold harmless the Company from any claim in respect thereof.

## 12. CHANGE OF CONTROL

- (a) A "Change of Control Event" occurs in the following circumstances:
  - (i) an offer is made by a person for the whole of the issued ordinary share capital of the Company (or any part as is not at the time owned by the offeror or any person acting in concert with the offeror) and after announcement of the offer the offeror (being a person who did not Control the Company prior to the offer) acquires Control of the Company;
  - (ii) a company which is a member of the Group ceases to be a member of the Group;
  - (iii) any other reorganisation of the Group which results in a Plan Participant ceasing to be an Eligible Person; or
  - (iv) any other event which the Board reasonably considers should be regarded as a Change of Control Event.
- (b) If the Company becomes, or in the opinion of the Board is likely to become, subject to a Change of Control Event, the Board may determine that an Unvested Plan Share may vest, whether or not any or all applicable Vesting Conditions have been met, on the occurrence of a Change of Control Event.
- (c) If the Company becomes, or in the opinion of the Board is likely to become, subject to a Change of Control Event, and providing the terms of the Loan are complied with, a Plan Participant may dispose of their Vested Plan Shares by way of:
  - (i) sale on his or her own behalf: or

- (ii) requesting the Company Buy-back the Vested Plan Shares pursuant to Rule 13.

### **13. DISPOSAL OF SHARES OR BUY-BACK**

- (a) The Company may determine that Plan Shares held by a Plan Participant may be Bought-back (in accordance with the requirements of the Constitution and the Corporations Act) if any of the following occur:
  - (i) Plan Shares are forfeited under Rule 11;
  - (ii) the Plan Participant requests a Buy-Back pursuant to Rule 13(b)(ii); or
  - (iii) the Loan Term ends.
- (b) In the case of Vested Plan Shares, a Plan Participant may, providing that the terms of the Loan Agreement are complied with:
  - (i) dispose of those Vested Plan Shares on his or her own behalf; or
  - (ii) request in writing that those Vested Plan Shares be Bought-back.
- (c) Unless otherwise specified in these Rules, Plan Shares will be sold or Bought-back at:
  - (i) an amount agreed with the Plan Participant at any time; or
  - (ii) at an amount equal to Market Value (determined in accordance with Rule 13(d)).
- (d) The Market Value is the weighted average price of a Share traded on the ASX on the 5 trading days preceding the day of the Buy-back or, if the Shares are not traded on ASX, such other method as the Board determines.
- (e) A Plan Participant and the Company must do whatever is necessary or desirable to effect a Buy-back of Plan Shares when required under this Rule 13.
- (f) If it is impractical to Buy-back Plan Shares to which this Rule 13 applies, or if the Board in its discretion otherwise determines, the Company may instead of Buying-back the relevant Plan Shares direct that they be transferred to a person nominated by the Company. Any such transfer will discharge the Plan Participant's Loan in the same way as a Buy-back would have done if conducted under this Rule 13.

### **14. PROCEEDS OF DISPOSAL OR BUY-BACK**

- (a) If Plan Shares are sold by or on behalf of the Plan Participant or there is a Buy-back of Plan Shares, the Plan Participant agrees and irrevocably directs that the proceeds of sale or Buy-back be applied in the following order:
  - (i) in reduction of the outstanding amount of the Loan (if any) in accordance with Rule 7;



- (ii) in payment of any costs and expenses of the sale incurred by the Company; and
- (iii) the remainder, if any:
  - (A) in payment to the Plan Participant to the extent the Plan Participant is entitled to the proceeds; or
  - (B) if the Plan Participant is not entitled to the proceeds, for retention by the Company to be applied for the purposes, and for the benefit of the Plan as determined by the Board.
- (b) Where Plan Shares are Bought-back by the Company, the Company will:
  - (i) prepare all necessary transfer documents and arrange for the Plan Participant or an agent or attorney of the Plan Participant to complete the transfer documents on their behalf;
  - (ii) pay all relevant taxes, duties or other imposts in respect of the transfer other than any taxes, duties or imposts which are for the account of the Plan Participant; and
  - (iii) cancel the Plan Shares which are Bought-back and, where a limit on the number of Shares able to be issued under the Plan has been set by the Board, the cancelled Shares will not be counted in the number of Shares issued under the Plan.

## 15. RIGHTS ATTACHING TO PLAN SHARES

- (a) Subject to Rule 15(b), a Plan Participant is entitled to any rights which accrue to Plan Shares held by the Plan Participant and may deal with those rights in accordance with the terms of these Rules and the Offer.
- (b) Shares acquired under the Plan rank equally in all respects with all Shares of the same class which have a record date for determining entitlements on or after the Grant Date of the Plan Shares.
- (c) Subject to Rule 15(d), a Plan Participant is entitled to any Bonus Shares which accrue to any Plan Shares held by the Plan Participant.
- (d) Upon allotment of Bonus Shares to a Plan Participant, the Bonus Shares are deemed, for the purposes of the Plan, to be Shares which were allotted to the Plan Participant at the time the Plan Shares to which the Bonus Shares accrued were allotted to the Plan Participant and are therefore bound by the same terms and conditions applicable to those Plan Shares including Conditions and Disposal Restrictions (if any).
- (e) In the event of a Capital Reconstruction, subject to the Listing Rules, the Board may adjust the number of Plan Shares held by a Plan Participant.
- (f) Any offer made to shareholders in the Company (including but not limited to a rights issue) must be made to any Plan Participant.
- (g) Any adjustment made in accordance with Rule 15(e) must result in an outcome where the benefits conferred on Plan Participants are the same as

(to the extent possible) or better than the benefits conferred on Plan Participants prior to the Capital Reconstruction but will not confer on Plan Participants any benefit to which the shareholders in the Company will not be entitled. This Rule does not prevent a rounding up of the number of Shares the Plan Participant may receive on Vested Plan Shares if the rounding up is approved at the meeting of shareholders which approves the Capital Reconstruction.

- (h) Nothing in these Rules:
- (i) confers on a Plan Participant the right to receive any Plan Shares;
  - (ii) confers on a Plan Participant the right to continue as an Eligible Person;
  - (iii) confers on any Plan Participant the right to continue to be engaged as an employee of the Company or any member of the Group;
  - (iv) affects any rights which the Company may have to terminate the employment of any Eligible Person; or
  - (v) may be used to increase damages in any action brought against the Company in respect of any such termination.
- (i) These Rules, any determination of the Board made pursuant to the Rules, and the terms and conditions of any Plan Shares granted under the Plan will be deemed to form a contract between the Company and the Plan Participant in a court of competent jurisdiction. Each party will in addition to damages be able to seek specific performance of the contract between them as far as specific performance is applicable under a court of competent jurisdiction.
- (j) The Plan Participant irrevocably appoints the person who from time to time occupies the position of secretary of the Company (or the secretary's authorised delegate) as his or her attorney to complete and execute any documents including share transfers and to do all acts or things in his or her name on his or her behalf which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules.
- (k) The Plan Participant covenants that the Plan Participant will ratify and confirm any act, or thing done, pursuant to power granted to the attorney (or the attorney's duly authorised delegate) under Rule 15(j) and will indemnify the attorney (or his duly authorised delegate) in respect of any or act, or thing done, by the attorney in exercising the power.
- (l) Where a grant is made under this Plan to an Eligible Person who does not reside in Australia, the Rules of the Plan apply subject to any alterations or additions as the Board sees fit having regard to any applicable laws, matters of convenience or similar factors which may have application to the Eligible Person or to the Company in relation to the grant.

## **16. ADMINISTRATION OF THE PLAN**

- (a) In administering the Plan:

- (i) the Board will comply with these Rules, the Constitution the Listing Rules (if applicable) and any applicable laws;
- (ii) no act will be done or determination made in accordance with these Rules where to do so would be a breach of any applicable laws, Listing Rules, or the constituent documents of the Company and where any such act is done or determination made, it will be considered voidable and to the extent possible be unwound and of no effect in respect of the Plan Shares;
- (iii) every exercise of a power or discretion by the Company or the Board and any decision by the Company or the Board regarding the interpretation, effect or application of these Rules:
  - (A) is made at its absolute and sole discretion;
  - (B) may be made at any time; and
  - (C) is final, conclusive and binding; and
- (iv) the Board may exercise any power or discretion conferred on them by these Rules in the interest of, or for the benefit of the Company, and in so doing 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.
- (b) The Board may delegate some or all of its powers and functions under the Plan to a person or to a committee of two or more persons. Where the Board has delegated a power or function to a person or to a committee, references in this Plan to the Company or Board in relation to that power or function will be read as references to that person or committee, as the case may be.
- (c) The Company may determine that any or all of the Plan Participant's Plan Shares will be held by a Trustee on behalf of the Plan Participant
- (d) Plan Shares held in Trust for a Plan Participant will be transferred to the Plan Participant, upon the Plan Participant's request, after satisfaction (whether by performance or by exercise of the Board's discretion) of any Conditions.
- (e) Any communication received by the Company from a Plan Participant's duly appointed legal representative will be deemed a communication from the Plan Participant. The Board reserves the right to make any inquiries or investigations that are necessary to satisfy itself, should there be any doubt, that the representative has been properly appointed.

## 17. APPOINTMENT OF TRUSTEE

- (a) The Company may appoint a Trustee, on terms and conditions that it considers appropriate, to do all such things and perform all such functions as considered appropriate to enable the implementation of the Plan, including to acquire and hold Shares, or other securities of the Company, on behalf of Plan Participants, for transfer to future Plan Participants or otherwise for the purposes of the Plan.

- (b) If the Company appoints a Trustee, subject to the terms of the relevant trust deed appointing that Trustee:
- (i) every exercise of a power or discretion by the Company or the Board in these Rules may be exercised by the Trustee;
  - (ii) any reference to the Company or the Board in these Rules will accordingly be interpreted as a reference to the Trustee (as applicable);
  - (iii) Shares may be issued or transferred to the Trustee on behalf of the Plan Participant; and
  - (iv) The Trustee on behalf of each and all of the Plan Participants will be entitled to any rights specified in Rule 15 which accrue to Shares held for the benefit of those Plan Participants.

## 18. LISTING RULES

- (a) If the Company is listed on ASX, as soon as practicable after the date of allotment of Plan Shares under the Plan, the Company will, unless the Board otherwise resolves, apply for official quotation of those Plan Shares on the ASX.
- (b) In addition, or as an alternative, to the Shares being held by a Trustee, the Company may use a Holding Lock (or any other mechanism that it deems appropriate), to enforce the terms and conditions of the Plan Shares.
- (c) The provisions of the Listing Rules apply to the Plan, and to the extent that the Plan and the Rules are inconsistent, the Listing Rules apply.

## 19. ALTERATION OF THE PLAN

- (a) Subject to Rule 19(b), the Board may at any time and from time to time amend or vary these Rules and all or any rights or obligations of the Plan Participants or any of them.
- (b) No addition, repeal, amendment, alteration or variation of these terms and conditions may:
  - (i) without the Plan Participant's consent in writing, materially reduce the Plan Participant's accrued benefits or entitlements as they existed before the date of the amendment
  - (ii) without the Plan Participant's consent in writing, impose additional obligations on the Plan Participant in respect of his or her Plan Shares; or
  - (iii) repeal, amend, alter or vary this Rule 19(b),

unless the addition, repeal, amendment, alteration or variation is introduced primarily:

- (iv) for the purpose of complying with or conforming to present or future laws or regulating the maintenance or operation of the Plan or like plans; or
  - (v) to correct any manifest error or mistake; or
  - (vi) to enable the Plan or the Company to comply with the Corporations Act, the Listing Rules or its Constitution; or
  - (vii) to enable contributions or other amounts paid by the Company to qualify as income tax deductions for the Company; or
  - (viii) to enable the Plan Participant or the Company to reduce the amount of fringe benefits tax under the Fringe Benefits Tax Assessment Act 1986, the amount of tax under the Income Tax Assessment Act 1936 or the amount of any other tax or impost that may otherwise be payable by the Plan Participant or Company; or
  - (ix) for the purpose of enabling the Plan Participants generally (but not necessarily each Plan Participant) to receive a more favourable taxation treatment.
- (c) Subject to the above provisions of this Rule 19, any amendment made pursuant to this Rule 19 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

## **20. OTHER SCHEMES**

- (a) The Company and Group are not restricted to using the Plan as the only method of providing incentive rewards to Eligible Persons and may approve other incentive schemes.
- (b) Participation in the Plan does not affect, and is not affected by, participation in any other incentive scheme of the Company or Group unless the terms of that incentive scheme provide otherwise and unless participation in any other incentive scheme of the Company or Group would have the effect of exceeding the issue limitations set out in Rule 6(a).

## **21. EFFECT OF PARTICIPATION**

- (a) Plan Participants issued Plan Shares under this Plan are bound by these Rules and by the Constitution of the Company.

## **22. TRANSACTION COSTS AND TAXATION**

- (a) The Company may, but is not required to, bear all brokerage, commission or other transaction costs (if any) payable by a Plan Participant in relation to acquisition of Shares under the Plan.
- (b) Neither the Company nor its directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Plan Participants.

## 23. NOTICES

- (a) All notices or other communications required to be given by a party must be
  - (i) in writing;
  - (ii) signed by a person duly authorised by the sender or, where transmitted by e-mail, sent by a person duly authorised by the sender;
  - (iii) directed to the intended recipient's address; and
  - (iv) hand delivered, sent by prepaid post or transmitted by e-mail to that address.
- (b) Each party's address for service of a notice is the address specified in the Loan Agreement.
- (c) A notice which is hand-delivered before 5.00 pm on a Business Day will be deemed to be received on that day and, in any other case of hand delivery, will be regarded as having been received on the next Business Day.
- (d) A notice which is sent by pre-paid post will be deemed to have been received on the third Business Day following the date of posting of the notice.
- (e) A notice which is transmitted by e-mail will be deemed to be received at the time shown on a delivery or transmission report indicating successful transmission of the entire notice.
- (f) If delivery or transmission is not on a Business Day or is after 5.00pm (recipient's time) on a Business Day, the notice is taken to be received at 9.00am (recipient's time) on the next Business Day.
- (g) Any notice given under or for the purposes of these terms and conditions will be given in writing, signed, and addressed to:
  - (i) in the case of the Company — the secretary of the Company at such address as is nominated by the Company; or
  - (ii) in the case of an Eligible Person or Plan Participant — the Eligible Person or the Plan Participant at the address nominated by the Eligible Person or the Plan Participant.

## 24. GOVERNING LAW

The Plan, the Rules and the operation of the Plan shall be governed by the laws of the State of Western Australia and the Company, each Eligible Person and each Plan Participant submits to the non-exclusive jurisdiction of the courts of that State.

**SCHEDULE**

**See next page**

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