



Cryosite Employee Option Plan

Plan Rules

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Purpose

These are the rules of the Company's Employee Option Plan. The purpose of the Plan is to provide Eligible Employees with an opportunity to acquire Options. 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 19.1;

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) the Tax Act and applicable tax laws;
- (c) the Constitution;
- (d) the 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 applicable laws;

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

ASIC means the Australian Securities and Investments Commission;

Bad Leaver means a Participant or, if applicable, the underlying Eligible Employee where the Participant is a Nominee of the Eligible Employee, who ceases employment or office or contractual relations with any Group Company in circumstances of or in connection with:

- (a) termination of their employment, office or contract by the relevant Group Company for cause;
- (b) their commitment of an indictable offence;
- (c) their wilful misconduct, negligence or breach of law;
- (d) material breach of their contractual or other legal or equitable duties as an employee or officer of a Group Company;
- (e) their employment or engagement by a competitor of any Group Company; or
- (f) any other circumstances which the Board reasonably considers to be contrary or detrimental to the interests of the relevant 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 an Option, the certificate or statement (in a form approved by the Board) issued to the Participant which discloses the number of Options held by the Participant;

Company means Cryosite Limited ACN 090 919 476;

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

Contractor means:

- (a) an individual with whom a Group Company has entered into a contract for provision of services under which the individual performs work for that Group Company; or
- (b) a company with whom a Group Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for that Group Company;

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;

Director means a director for the time being of the Company;

Dispose has the meaning set out in s 83A-45(4) and s 83A-105(6)(b) of the Tax Act (as applicable) and includes to dispose of, 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) a full or part time employee of a Group Company; or
- (b) an executive Director, a non-executive Director or a company secretary of a Group Company,

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);

- (c) a Contractor; or
- (d) a Prospective Participant;

Employee Incentive Scheme means any employee equity scheme extended to senior managers, other employees 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;

Exchange means the stock exchange operated by ASX Limited (ACN 008 624 691);

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

Good Leaver means a Participant or, if applicable, the underlying Eligible Employee where the Participant is a Nominee of the Eligible Employee, who ceases employment or office or contractual relations with any Group Company in circumstances other than as a Bad Leaver;

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

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

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

Leaver Date means, in relation to a Participant or, if applicable, the underlying Eligible Employee where the Participant is a Nominee of the Eligible Employee, the date of cessation of the Participant's/Eligible Employee's employment, office or contract with the Group;

Listing Rules means the official listing rules of the Exchange;

Market Value means the market value of a Vested Option or a Share as determined in accordance with Rule 12;

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 has the meaning given to that term in Rule 20.7(a)(i);

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

Offer means an offer to an Eligible Employee to acquire Options;

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

Option means an option to subscribe for Share/s;

Participant means a participant in the Plan, being:

- (a) 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 Options in accordance with the invitation is accepted by the Board; or
- (b) 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 Options 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 Exchange) and/or conditions which may require that the number of Options able to be vested be reduced, or that some or all the Options are forfeited or lapse in circumstances determined by the Board;

Performance Right means an Option;

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

Prospective Participant means a person to whom an Offer is made but who can only accept that Offer if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (a), (b) or (c) of the definition of Employee under these Rules;

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

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

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

Securities has the meaning given in Rule 11(b);

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

Shareholder means a registered holder of a Share in the Company;

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

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

Trust has the meaning given to that term in Rule 11(a)(ii);

Trust Deed has the meaning given to that term in Rule 11(b)(i);

Trustee has the meaning given to that term in Rule 11(a)(i);

Unvested Option means an Option that is not a Vested Option;

Vested Option means an Option in respect of which all Vesting Conditions have been satisfied or which otherwise becomes vested in accordance with these Rules and the Participant's Offer Letter;

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

Volume Weighted Average Price means the (five-day) volume weighted average price of Shares as traded on the Exchange (comprising the last five days shares were traded) up to but excluding the valuation date and is calculated by dividing the total value of Shares traded by the total number of Shares traded for every transaction during the relevant period to calculate an average price for Shares.

1.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) a reference to:
 - (i) one gender includes the others;
 - (ii) the singular includes the plural and the plural includes the singular;
 - (iii) a person or entity includes an individual, a firm, a body corporate, a trust, an unincorporated association or an authority;
 - (iv) a person includes their legal personal representatives (including executors), administrators, successors, substitutes (including by way of novation) and permitted assigns;

- (v) time is a reference to legal time in Sydney, New South Wales, Australia;
 - (vi) a day or a month means a calendar day or calendar month;
 - (vii) money (including '\$', 'AUD' or 'dollars') is to Australian currency;
 - (viii) any Applicable Law includes that Applicable Law as amended, re-enacted or replaced and any law that supersedes that law;
 - (ix) a document includes any variation or replacement of it; and
 - (x) an 'Option' shall be taken to include a reference to a 'Performance Right' and vice versa;
- (b) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as', 'for example' or similar words are not words of limitation;
 - (c) headings and the table of contents are for convenience only and do not affect the interpretation of these Rules; and
 - (d) if Indeterminate Rights are issued to an Eligible Employee under the Plan, and unless otherwise specified in the Eligible Employee's Offer Letter, a reference to an 'Option' in these Rules shall be taken to include a 'Indeterminate Right' and these Rules shall apply to the Indeterminate Rights with any other amendments as may be necessary to ensure these Rules apply to the Indeterminate Rights in substantially the same way as they do to Options.

1.3 Constitution

These Rules are subject to the Constitution, and to the extent of any inconsistency, the Constitution shall prevail over these Rules.

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 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 and each Participant.

2.4 Name

The name of the Plan shall be 'Cryosite Employee Option Plan' or such other name as determined by the Board from time to time.

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 Options 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 Options, 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 Options under the Plan an Offer Letter setting out the following information in relation to the Options:

- (a) the number of Options for which the Eligible Employee may apply;
- (b) the consideration (if any) for the grant of the Options;
- (c) the Exercise Price (if any) of the Options or the method of determining such Exercise Price (if any);
- (d) the latest time at which the Options may be exercised;
- (e) any applicable Vesting Conditions (including, without limitation, the period(s) during which the Options or any of them may be exercised and any applicable Performance Hurdles);
- (f) the conditions of any Holding Lock which apply to:
 - (i) the Options; or
 - (ii) the Shares issued on exercise of the Options;
- (g) any other terms and conditions relating to the Offer or the Options, which in the opinion of the Board, are fair and reasonable and not inconsistent with these Rules or the Applicable Law;
- (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 requires 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 Options 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 Options 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 and the Constitution.

4 Grant of Options

4.1 Grant of Options

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 Options applied for by the Participant in the Application Form or set out in the Offer Letter (as applicable); and
- (b) complete a register of Options in accordance with the Applicable Law,

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 Options

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

4.3 Certificate

If required by the Applicable Law, the Company will issue a Certificate to a Participant in respect of the Options granted to that Participant. The Company must comply with the Applicable Law with respect to the issue of the Certificate.

4.4 Quotation on Exchange

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

- (a) no Options will be quoted on the Exchange, unless the Board determines otherwise; and
- (b) the Company must apply for quotation on the official list of the Exchange of Shares issued on the exercise of Options granted under the Offer.

4.5 Indeterminate Rights

- (a) The Board may, in its absolute discretion, issue Indeterminate Rights to an Eligible Employee on any terms it considers fit.
 - (b) The terms attaching to any Indeterminate Rights issued under these Rules must be specified in the Offer Letter issued to the Eligible Employee.
 - (c) If the Board issues Indeterminate Rights to an Eligible Employee under these Rules:
 - (i) unless otherwise specified in the Eligible Employee's Offer Letter, these Rules shall apply to the Indeterminate Rights such that any reference to 'Option' shall be taken to include 'Indeterminate Right' and with any other amendments as may be necessary to ensure these Rules apply to the Indeterminate Rights in substantially the same way; and
 - (ii) the Board may satisfy the Indeterminate Rights by, at the Board's election:
 - (A) paying an amount of cash to the Eligible Employee; or
 - (B) issuing a number of Options or Shares to the Eligible Employee.
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- (d) The applicable Eligible Employee has no discretion as to how the Indeterminate Rights are to be satisfied.

5 Restrictions on transfer

5.1 No Disposal

Options 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 an Option (or a Share acquired on exercise of an Option) that is subject to a Holding Lock without the prior written approval of the Board. For the avoidance of doubt, an Option (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 Options granted under the Plan prior to them becoming Vested Options.

6 Vesting of Options

6.1 Manner of vesting and exercise

- (a) The vesting of Options and the exercise of any Options 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 of Exercise Form if the Participant has satisfied any relevant Vesting Conditions and wishes to exercise the Options.

6.2 Accelerated vesting

An Option will automatically become a Vested Option, whether or not any or all applicable Vesting Conditions have been satisfied if one of the following events has occurred:

- (a) a takeover bid is made in respect of the Company and the Board recommends acceptance to Shareholders or the bidder acquires a Relevant Interest in more than 50% of the Shares;
- (b) a scheme of arrangement is made or undertaken in respect of the Company; or
- (c) any event similar to those described in Rules 6.2(a) to 6.2(b) (inclusive) involving a change in ownership or control of the Company or a sale of all or substantially all of the assets of the Company.

6.3 Specific Vesting Conditions and exercise procedure for Options

- (a) Subject to Rule 6.2, an Option granted under the Plan may only be exercised if, at the time of exercise:
 - (i) the Option is a Vested Option;
 - (ii) the Option has not been forfeited or lapsed under Rule 8;
 - (iii) a Notice of Exercise Form has been completed; and

- (iv) if applicable, the Exercise Price (as adjusted under Rule 9, if applicable) has been paid.
- (b) The exercise of some Options does not affect the Participant's right to exercise other Options at a later time.
- (c) Following exercise of an Option, the Company must, within such time as the Board determines:
 - (i) issue (or transfer) to the person exercising the Option, that number of Shares in respect of which the Option has been exercised (as adjusted under Rule 9, if applicable), credited as fully paid; and
 - (ii) apply for quotation on the official list of the Exchange of the Shares described in Rule 6.3(c)(i).
- (d) Unless the terms of issue of the Options provide otherwise, Shares acquired by a Participant on the exercise of Options 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 Options**

The Board may in its absolute discretion redeem or cancel:

- (a) any Unvested Options held by a Participant with the consent of that Participant; and
- (b) any Vested Options held by a Participant with the consent of that Participant, and if the Participant is not (or has not become) a Good Leaver or a Bad Leaver as at the time of the redemption, the redemption must be for monetary consideration at least equal to the Market Value of the Vested Options.

7 **Subdivision 83A-C**

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

8 **Lapse and forfeiture**

8.1 **End of exercise period**

Subject to Rules 8.2, 8.3 and 8.4, an Option automatically lapses as at the moment immediately after:

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

If a Participant is a Good Leaver:

- (a) all Unvested Options held by the Participant will be automatically forfeited and will automatically lapse, and the Participant will automatically forfeit all of his/her rights, title and interest in all Unvested Options, for no monetary consideration on the Participant's Leaver Date, unless otherwise determined by the Board;
- (b) all Offer Letters which have not been accepted by the Participant are automatically revoked on the Participant's Leaver Date;
- (c) subject to Rule 8.2(d) below, the Participant may exercise any of their Vested Options during the 30-day period following the Participant's Leaver Date, after which time all unexercised Vested Options held by the Participant will be automatically forfeited and automatically lapse for no monetary consideration; and
- (d) the Board may, in its absolute and sole discretion:
 - (i) at any time following the Participant's Leaver Date, redeem and cancel any of the Participant's Vested Options for monetary consideration at least equal to the Market Value of the Vested Options as at the Participant's Leaver Date; and/or
 - (ii) permit the Participant to retain any of their Vested Options and determine the terms and conditions on which the Participant is entitled to retain such Vested Options.

8.3 Bad Leaver

If a Participant is a Bad Leaver:

- (a) all Options (Vested or Unvested) held by the Participant will be automatically forfeited and will automatically lapse, and the Participant will automatically forfeit all of his/her rights, title and interest in all Options (Vested or Unvested), for no monetary consideration on the Participant's Leaver Date except to the extent that the Board determines to redeem and cancel any Vested Options under Rule 8.3(c) below;
- (b) all Offer Letters which have not been accepted by the Participant are automatically revoked on the Participant's Leaver Date; and
- (c) the Board may, in its absolute and sole discretion, at any time following the Participant's Leaver Date, redeem and cancel any or all of the Participant's Vested Options for monetary consideration determined by the Board.

8.4 Cessation of employment – interpretation

For the purposes of these Rules, a Participant will not be deemed to be 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:
 - (i) the Participant leaves the employment or office of a Group Company; or
 - (ii) contractual relations between the Participant and a Group Company end, 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;
- (d) immediately after:
 - (i) the Participant leaves the employment or office of a Group Company; or
 - (ii) contractual relations between the Participant and a Group Company end,
 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; or
- (e) the Participant is employed or engaged by another entity or business which has been approved by the Board as an associated entity or business for the purposes of the Plan.

9 Capital reconstructions and new issues

9.1 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 Options issued under the Plan (including, without limitation, to the number of Shares which may be acquired on exercise of the Options and the Exercise Price of an Option) on any basis it deems fit in its absolute discretion.

9.2 New issues

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

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 Options 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. For the avoidance of doubt, the Board may determine to use an electronic system or software to administer or manage the Plan (including, but not limited to, administering or managing the provision and acceptance of Offers).

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 Options, 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 Options or Shares (**Securities**) that are to be delivered to a Participant under this Plan:
 - (i) the 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 Securities to, or holding, acquiring, receiving, subscribing for or disposing of Securities by the Participant, it will mean granting, issuing, transferring or allotting Securities to, or holding, acquiring, receiving, subscribing for or disposing of 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 Securities held for the benefit of that Participant and will exercise those rights in accordance with the Trust Deed.

12 Market Value

The market value of a Vested Option and a Share will be calculated as follows (**Market Value**):

- (a) the Market Value of a Share is equal to the Volume Weighted Average Price; and
 - (b) the Market Value of a Vested Option is equal to the difference between the Volume Weighted Average Price and the Exercise Price of the Vested Option (if any) and, if such result is negative, the Market Value of a Vested Option will be zero (i.e. nil).
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13 Contracts of Employment and Other Employment Rights

13.1 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 Options.
- (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.

13.2 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.

14 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.

15 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 an Option) 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 Options held by any Participant.

16 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.

17 General restrictions

17.1 General

Notwithstanding any Rule, Options 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.

17.2 Limit on aggregate number of Options

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

- (a) the total 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 total 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 5% of the total number of issued Shares as of the time of the offer.

18 Relief

18.1 ASIC relief

Notwithstanding any other provision of the Plan, every covenant or other provision 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 18.1 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

18.2 Corporations Act relief

Notwithstanding any other provision of the Plan, and unless otherwise determined by the Board, every provision set out in Division 1A (Employee share schemes) of Part 7.12 of the Corporations Act which must be included in the Plan or a Participant's Offer Letter in order for an Option or a Share issued to the Participant under the Plan to be eligible for disclosure relief under Division 1A is deemed to be contained in, and part of, the Plan and the Participant's Offer Letter. To the extent that any provision deemed by this Rule 18.2 to be contained in the Plan and the Participant's Offer Letter is inconsistent with any other provision in the Plan or the Participant's Offer Letter, the deemed provision will prevail.

19 Amendment

19.1 General

Subject to Rule 19.2 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 an Option, or these Rules at any time in any manner it thinks fit in its absolute discretion (**Amendment**).

19.2 Limitation on Amendments

No Amendment to the provisions of these Rules may be made which reduces the rights of Participants in respect of Options 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.

20 Administration of Plan

20.1 Advice

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

20.2 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.

20.3 Dispute

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

20.4 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.

20.5 Enforcement

These Rules, any determination by the Board made pursuant to the Rules and the terms of any Options granted under the Plan as set out in a Participant's Offer Letter will be deemed to form a legally binding contract between the Company and the Participant.

20.6 Listing Rules

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

20.7 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 Rule 20.7 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.

20.8 Governing Law

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