



Havilah Resources Limited

Havilah Resources Limited Performance Rights and Share Option Plan

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Plan Rules

1 Introduction

1.1 Purpose

- (a) The Company has established these Rules to govern the Plan.
- (b) The purposes of the Plan are to:
 - (i) provide incentive to Eligible Executives by enabling them to participate in the profits and financial performance of the Company;
 - (ii) attract, motivate and retain Eligible Executives; and
 - (iii) align the interests of Eligible Executives more closely with Shareholders in the Company and provide greater incentive for the Eligible Executives to focus on longer-term goals of the Company.

2 Definitions and Interpretation

2.1 Definitions

In this Plan, unless the context indicates otherwise the following words and phrases mean:

Applicable Law means any one or all of the following as the context requires:

- (a) the Corporations Act;
- (b) the ASX Listing Rules;
- (c) the Constitution; and
- (d) any other applicable legislation of every jurisdiction that may apply in relation to the Plan.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691) or the stock market operated by Australian Stock Exchange Limited (as the context requires).

Board means the board of directors of the Company.

Bonus Issue has the meaning given to that term in the Listing Rules.

Business Day means a day on which trading banks are open for business, excluding a Saturday, Sunday or a public holiday in Adelaide, South Australia.

Company means Havilah Resources Limited ACN 077 435 520.

Company Secretary means the secretary of the Company from time to time.

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

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Director means a director of the Group.

Eligible Executive means an Employee, who:

- (a) is an Australian resident for tax purposes; and
- (b) has provided to the Company a valid tax file number
- (c) determined by the Board as being entitled to receive an Invitation to participate in the Plan in accordance with rule 3.

Employee means:

- (a) an individual whom the Board determines to be in the full time, part time or casual employment of a body corporate in the Group (including any employee on parental leave, long service leave or other special leave as approved by the Board);
- (b) an individual otherwise in the employment of a body corporate in the Group whom the Board determines to be an Employee for the purposes of the Plan; or
- (c) an individual who provides services to the Group whom the Board determines to be an Employee for the purposes of the Plan,

but excludes a Director of the Company.

Exercise Condition means a condition (excluding a Performance Condition) relating to an Option which must be satisfied or waived before the Option may be exercised.

Exercise Price means the amount payable per security, if any, on the exercise of a Share Option calculated as determined by the Board and fixed at the date of grant or determined by methodology approved by the Board.

Expiry Date means the first to occur of the following:

- (a) the date which is 5 years after the Grant Date of that Performance Right and Share Option;
- (b) the date described in an Invitation as the expiry date;
- (c) such other date as the Board determines in its discretion with respect to that Performance Right and Share Option at the time of the grant of that Performance Right and Share Option; or
- (d) any earlier date on which the Performance Right and Share Option is taken to lapse under these Rules.

Grant Date means the date on which Performance Right and Share Options are granted to and registered in the name of a Participant.

Group means the Company and any Related Body Corporate of the Company by virtue of the Corporations Act and any other body corporate nominated by the Board from time to time.

Invitation means a written invitation to an Eligible Executive to participate in the Plan, issued by the Board under rule 3.1.

Issue Notice means a notice given by the Company to a Participant which states the number of Performance Rights or Share Options which have vested or become capable of being exercised (as applicable), in such form as is approved by the Board from time to time.

Listing Rules means the official listing rules of the ASX.

Measurement Period means any measurement period determined by the Board as part of a Performance Condition.

Nominee means, in respect of an Eligible Executive:

- (a) that person's spouse;
- (b) that person's biological or legally adopted child of at least 18 years of age;
- (c) a trust or trustees of a trust set up wholly for the benefit of one or more Eligible Executives or a person mentioned in subclause (a) or (b); or
- (d) a company in which all of the issued shares are beneficially held by, and all of the voting rights are beneficially held by:
 - (i) the Eligible Executive; and/or
 - (ii) a person or persons mentioned in sub-clauses (a), (b) or (c) above.

Notice of Exercise means a duly completed notice of exercise of a vested Performance Right or Share Option in respect of which any Performance Conditions have been satisfied and signed by the Participant, in a form approved by the Board from time to time, and lodged in accordance with rule 6.5.

Participant means an Eligible Executive or their Nominee (as the case may be) who has been granted Performance Rights and/or Share Options in the Plan under rule 5.

Performance Conditions means, in respect of a Performance Right or Share Option held by a Participant or Nominee (as the case may be), the performance, vesting or other conditions (if any) determined by the Board and specified in the Invitation, being conditions which must be satisfied or waived before a Performance Right or Share Option can vest or be exercised (as applicable).

Performance Rights means a right to subscribe for or acquire a Share as set out in, and subject to the terms and conditions of, these Rules for either nil consideration or such other amount as determined by the Board from time to time.

Plan means the Havilah Performance Rights and Share Options Plan as governed by these Rules.

Related Body Corporate means in relation to the Company, a body corporate that is related to the Company by operation of section 50 of the Corporations Act.

Relevant Person means:

- (a) in respect of an Eligible Executive, that person; and
- (b) in respect of the Nominee of an Eligible Executive, that Eligible Executive.

Rules means the rules governing the operation of the Plan as set out in this document.

Security Interest means a mortgage, charge, pledge, lien or other encumbrance of any nature.

Share means a fully paid ordinary share in the Company.

Share Option means a right to subscribe for or acquire a Share as set out in, and subject to the terms and conditions of, these Rules for either nil consideration or such other amount as determined by the Board from time to time.

Shareholder means a holder of Shares.

Takeover Bid has the meaning given to that term in section 9 of the Corporations Act.

Transfer means to sell, assign, transfer, convey or otherwise dispose of or deal with.

Vesting Date means the date that the Performance Rights or Share Options vest under these Rules, being the date (if any) determined by the Board on completion of the Measurement Period and following all other Performance Conditions applicable to the Performance Right and Share Option being satisfied.

2.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) the masculine gender shall include the feminine and neuter genders and vice versa;
- (c) a reference to a person includes the legal personal representative of that person and also corporations and other entities recognised by the Applicable Law;
- (d) a reference to a rule is a reference to a rule of these Rules as amended from time to time;
- (e) headings are for convenience only and do not affect the interpretation of these Rules;
- (f) references to any Applicable Law includes that Applicable Law as amended, modified, re-enacted or replaced and any Applicable Law that supersedes that Applicable Law;
- (g) references to any Applicable Law includes any legislation, statutory instrument, regulation, binding determination and ruling made in connection with that Applicable Law;
- (h) unless otherwise identified a word which is given a special meaning by the Corporations Act will where the context allows have the same meaning in these Rules;
- (i) where any word or phrase is given a defined meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (j) a term or expression starting with a capital letter;
 - (i) which is defined in rule 2.1, has the meaning given to it in rule 2.1; and
 - (ii) which is defined in the Corporations Act but is not defined in this document, has the same meaning as in the Corporations Act.
- (k) if an act must be done on a specified day which is not a Business Day, then it must be done on the next Business Day;
- (l) a reference to "including" means "including without limitation"; and
- (m) a reference to money (including a reference to dollars and expressions preceded by a "\$" symbol) is a reference to Australian currency.

2.3 Primary Instruments

These Rules are to be interpreted subject to any Applicable Law.

2.4 Rules are Binding on the Company, the Group and Participants

The Plan:

- (a) will operate in accordance with these Rules; and
- (b) binds the Company, the Group and each Participant.

2.5 Severability

If any part of these Rules is held by any Applicable Law to be void, voidable, unenforceable or illegal, that provision shall be deemed modified to the extent required to comply with that Applicable Law or, if necessary, shall be severed from the rest of the Rules and the remainder of the Rules shall have full force and effect.

3 Invitation to Participate

3.1 Issue of invitations

- (a) The Board may, from time to time and in its absolute discretion, issue Invitations to Eligible Executives inviting applications for participation in the Plan and setting out the number of Performance Rights or Share Options to be granted to the Eligible Executive as determined by the Board. Participation includes the granting of Performance Rights or Share Options as set out in the Plan, on such terms and conditions as the Board determines.
- (b) Participants are not required to pay any amount in consideration for the grant of, or vesting of, a Performance Right or Share Option (unless the Board determines otherwise).
- (c) An invitation to participate in the Plan will include as a minimum the following information:
 - (i) the number of Performance Rights or Share Options to be granted, as determined by the Board in its absolute discretion (each Performance Right or Share Option entitling the Participant to one Share upon vesting or exercise (as applicable) unless the Invitation states otherwise);
 - (ii) the details and due date for submission of applications for Performance Rights or Share Options;
 - (iii) any Vesting Date for the Performance Rights or Share Options;
 - (iv) the Expiry Date for the Performance Rights or Share Options;
 - (v) the Exercise Price (if any);
 - (vi) any Performance Conditions and/or Exercise Conditions attaching to the Performance Rights or Share Options including without limitation any Measurement Period; and
 - (vii) any conditions or restrictions attaching to Shares issued upon exercise of the Performance Rights or Share Options.

3.2 Determination by the Board

- (a) The Board acting in its absolute discretion may, from time to time, determine which Employees are to be Eligible Executives and entitled to participate in the Plan and may offer such number of Performance Rights or Share Options (if any) to those Eligible Executives in accordance with these Rules and Applicable Law.
- (b) In determining which Employees will receive an Invitation, and the number of Performance Rights or Share Options to be offered to those selected Eligible Executives, the Board will take into account the following:
 - (i) the Company's formal policy for remunerating its executives and/or employees;
 - (ii) the contribution (and potential contribution) made by an Employee to the Company (or any Group member);
 - (iii) the need to create an incentive for executives and/or employees to encourage retention and succession planning; and
 - (iv) an Employee's demonstrated capacity to add primary equity value to the Company.

4 Applications

4.1 Application for Performance Rights or Share Options

- (a) An Eligible Executive or, subject to clause 4.1(b), their Nominee, may apply for Performance Rights or Share Options after receipt of an Invitation (**Application**).
- (b) An Eligible Executive may nominate a Nominee to be granted all the Performance Rights or Share Options as specified in the Invitation by notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow the grant of the Performance Rights or Share Options to the Nominee without giving any reason for such decision.
- (c) The Eligible Executive or their Nominee (as the case may be) may apply for up to the number of Performance Rights or Share Options set out in the Invitation by sending the Application, duly completed and signed, to the Company in accordance with the instructions (including the due date) set out in the Invitation.
- (d) The Application must include an agreement on the part of the Eligible Executive or Nominee (as the case may be) to be bound by these Rules.

5 Grant of Performance Rights or Share Options

5.1 Company to grant

The Company may grant Performance Rights or Share Options to the Participant on receipt and acceptance of a duly signed and completed Application. The Performance Rights or Share Options will have effect on and from such date as the Board determines.

5.2 Transfer of Performance Rights or Share Options

- (a) Subject to rule 5.2(b), upon attempted Transfer of any Performance Right or Share Option, such Performance Right or Share Option will lapse.
- (b) Notwithstanding anything in this rule 5.2, a Performance Right or Share Option can be Transferred:

- (i) with the prior consent of the Board; or
- (ii) to a deceased Participant's legal personal representative.

6 Vesting or Exercise

6.1 Vesting or exercise of Performance Rights or Share Options

- (a) A Performance Right or Share Option may only be vested or exercised (as applicable) in accordance with these Rules and the terms of the Invitation.
- (b) The Company must provide an Issue Notice to the Participant once a Participant's Performance Rights or Share Options have been vested or are capable of being exercised (as applicable).
- (c) Notwithstanding any other provision of these Rules, a Participant's Performance Rights or Share Options may only be vested or exercised (as applicable) if:
 - (i) the Performance Right or Share Option has not lapsed in accordance with these Rules; and
 - (ii) provided any Performance Conditions, any Exercise Conditions and any other relevant conditions attaching to the Performance Right or Share Option have been satisfied including, without limitation, the lodgement of a Notice of Exercise pursuant to clause 6.3 (if applicable).
- (d) The vesting or exercise of a Performance Right or Share Option (as applicable) will constitute satisfaction of the condition precedent to performance of the Company's obligation to provide a Share to the Participant under that Performance Right or Share Option pursuant to rule 6.1.

6.2 Vesting of Performance Rights

The vesting of any Performance Right granted under the Plan will be effected in accordance with these rules and in the form and manner determined by the Board.

6.3 Exercise of Share Options

- (a) Notwithstanding anything contained in rule 6.1, a Share Option may only be exercised by a Participant if the Participant lodges with the Company a duly signed and completed Notice of Exercise, together with payment of the Exercise Price (if any) for the Share Options being exercised.
- (b) All payments pursuant to rule 6.3(a) shall be made by cheque or bank draft made out in favour of the Company, or by any other process approved by the Board in its absolute discretion.

6.4 Lapse of a Performance Right or Share Option

A Performance Right or Share Option will lapse on the earliest to occur of:

- (a) the Performance Right or Share Option lapsing in accordance these Rules;
- (b) the Expiry Date;

- (c) the applicable Performance Conditions (if any) not being achieved within the Measurement Period; and
- (d) the applicable Exercise Conditions (if any) not being being satisfied;

unless otherwise determined by the Board.

6.5 Cancellation

Subject to the Listing Rules, and notwithstanding any other provisions in these Rules, if the Board and the Participant have agreed that on the occurrence of a particular event or on a particular date some or all of the Performance Rights or Share Options granted to that Participant may be cancelled, the Board may cancel some or all of the Participant's Performance Rights or Share Options on the occurrence of that event or on that date.

6.6 Issue of Shares

- (a) Upon the vesting or exercise of a Performance Right or Share Option (as applicable), the Company must issue or allocate to, or procure the transfer to, the Participant the number of Shares in respect of which Performance Right or Share Option have been vested or exercised (as applicable).
- (b) The Company is authorised, but not required, to bear all brokerage, commission, stamp duty or other transaction costs payable in relation to the acquisition of Shares by the Participants under the Plan.
- (c) The Company will apply for quotation of Shares issued under the Plan within the period required by ASX.

6.7 Earlier Vesting

- (a) The Board may, in its absolute discretion, vest any or all Performance Rights or Share Options of a Participant where in the Board's discretion, pro rata performance is in line with the Performance Conditions (if any) applicable to those Performance Right or Share Options, giving regard to the time that has elapsed since the Grant Date, upon:
 - (i) the occurrence of a Takeover Bid;
 - (ii) a person becoming bound or entitled to acquire shares in the Company under section 414 or Chapter 6A of the Corporations Act; or
 - (iii) a Court ordering a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies.
- (b) If, in the circumstances set out in paragraphs 6.7(a)(i) to 6.7(a)(iii), the Board does not determine that any or all of the Performance Rights or Share Options of a Participant should vest, the unvested Performance Rights or Share Options will automatically lapse (unless the Board determines otherwise).

7 Restrictions on Share dealings

7.1 Board may restrict dealings

- (a) The Board may, in its absolute discretion and by notice to an Eligible Executive in an Invitation, impose a restriction on the Transfer of Shares (**Restriction**) for a period of up to seven years from the Grant Date (**Restricted Period**).
- (b) The Board may in its absolute discretion waive any Restricted Period in part or in full.

7.2 Restriction to apply

During the Restricted Period, the relevant Participant must not Transfer any Shares the subject of the restriction.

7.3 Enforcement of Restriction

During the Restricted Period, the Board may do any acts, take any steps and make any arrangement it considers necessary or desirable to enforce the Restriction and to give effect to the provisions of this rule 7. The Participant agrees to do anything reasonably required to give effect to any such Restriction.

7.4 Hedging Invested Options or Performance Rights

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 Option or Performance Rights.

8 Rights attaching to Shares

8.1 Ranking

All Shares issued, acquired or allocated upon vesting or exercise of a Performance Right or Share Option (as applicable) will rank equally in all respects with the Shares of the same class on issue at that time, except that:

- (a) any rights attaching to the Shares by reference to a record date prior to the date of the issue, acquisition or allocation of the Shares are not affected; and
- (b) any Restrictions imposed under rule 7 apply.

9 Duration of Performance Rights and Share Options

9.1 Expiry

Subject to rule 9.3, the Performance Rights and Share Options expire at 5.00 pm Australian Eastern Standard Time on the Expiry Date.

9.2 Lapse

Performance Rights or Share Options that have not vested on or before 5.00pm Australian Eastern Standard Time on the Expiry Date will automatically lapse.

9.3 Adjustment to Terms of Performance Rights and Share Options

- (a) Subject to rule 9.3(b), the Board has the power to make adjustments to or vary the terms Performance Rights or Share Options.
- (b) No adjustment or variation of the terms a Performance Right or Share Option will be made without the prior written consent of the Participant who holds the relevant Performance Right or Share Option if such adjustment or variation would have a materially prejudicial affect upon the Participant, other than an adjustment or variation introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
 - (ii) to correct any manifest error or mistake;
 - (iii) to enable the Company to comply with the Corporations Act, the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, any other Applicable Law or a requirement, policy or practice of the Australian Securities and Investments Commission or other relevant Australian regulatory body; or
 - (iv) to comply with the terms of the Plan.

9.4 Waiver of Performance Conditions

The Board may, in its discretion by giving notice to a Participant:

- (a) reduce or waive, in whole or in part, the Performance Conditions (if any) and Restrictions applicable to all or a specified number of Performance Rights or Share Options held by the Participant; or
 - (b) vary the Vesting Date of any Performance Right or Share Options,
- at any time and in any particular case.

10 Notices

Any notice or direction given under these Rules is validly given if it is handed to the person concerned or sent by ordinary prepaid post or email transmission to the person's last known address or email address or otherwise in such manner as the Board from time to time determines.

11 Variation and Termination

11.1 Variation of Rules

- (a) The Board may add to or vary any of these Rules or waive or modify the application of any of these Rules in relation to any Participant at any time by resolution of the Board.
- (b) If an addition, variation, waiver or modification under rule 11.1 derogates from the terms of the Performance Rights or Share Options held by Participants the amendment must not be made unless the additions, variations, waivers or modifications to the Rules are introduced primarily:
 - (i) for the purpose of complying with or conforming to law;
 - (ii) in order to comply with the listing rules of any stock exchange upon which shares in the Company are listed (or proposed to be listed); or

- (iii) 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
 - (iv) to correct a manifest error or mistake.
- (c) Subject to this rule 11, any amendment made pursuant to rule 11.1 may be given such retrospective effect as is specified in written instrument or resolution by which the amendment is made.
 - (d) As soon as reasonably practicable after the Company makes an amendment under rule 11.1 the Company must notify the Participants of the amendment.
 - (e) Notwithstanding rule 11.1(b), the Company may amend all or any of the provisions of the Plan, provided that the Company provides to any affected Participant appropriate compensation, such that the Participant remains no worse off as a result of any such amendment.

11.2 Termination and Suspension

The Board may, at any time and in its absolute discretion, suspend or terminate the operation of the Plan.

12 Administration of the Plan

12.1 Discretion

- (a) Where these Rules provide for a determination, decision, approval or opinion of the Board, such determination, decision, approval or opinion may be made or given by the Board 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, in exercising such power or discretion, under any fiduciary or other obligation to any other person.

12.2 Costs and Tax

- (a) Subject to these Rules, the Company and the Group must pay all expenses, costs and charges incurred in the administration of the Plan in such amounts and proportions as they shall agree.
- (b) The Company is not responsible for any tax which may become payable by a Participant in connection with the acquisition of Performance Rights or Share Options or Shares or any other dealing by a Participant with Performance Rights or Share Options or Shares.

13 No interest in Shares

A Participant will have no interest in the Shares the subject of his or her Performance Rights or Share Options unless and until those Performance Rights or Share Options have vested or exercised (as applicable) in accordance with these Rules and Shares are issued or allocated to, or acquired by that Participant.

14 Rights and obligations of Participants

14.1 Rights of Participants

Nothing in these Rules:

- (a) confers on any Eligible Executive the right to receive an Invitation or to acquire any Performance Right or Share Options or Shares under the Plan;
- (b) confers on any Relevant Person the right to continue as an Employee;
- (c) affects any rights which the Company or any member of the Group may have to terminate the employment or contract of services of any Relevant Person;
- (d) causes the value of the Performance Rights or Share Options to increase an Employee's income for the purpose of calculating any employee benefits; or
- (e) may be used to increase damages in any action brought against the Company or any member of the Group in respect of any termination or for any other reason connected with the Relevant Person's employment.

14.2 Employment Contracts

It is acknowledged and accepted by each Participant that the terms of the Plan do not form part of the terms and conditions of a Relevant Person's employment contract, nor do the terms of the Plan constitute a contract or arrangement (including any related condition or collateral arrangement) in relation to the Relevant Person's employment contract.

14.3 Rights of Performance Rights and Share Options holders prior to Vesting

A grant of a Performance Right or Share Option does not confer on a Participant any right to receive notice of, or to vote at, a meeting of members of the Company or any right to receive a dividend, before the vesting or exercised of that Performance Right or Share Option (as applicable).

14.4 Obligations

In consideration of Shares being issued to a Participant following the vesting or exercise of the Performance Rights or Share Options (as applicable), the holder of Shares agrees to be bound by the terms of the Constitution.

15 Cessation of Employment of a Relevant Person

15.1 Early cessation of employment

- (a) Unless otherwise determined by the Board in its absolute and unfettered discretion, where a Relevant Person ceases to be an employee of the Group before a Performance Right or Share Option has vested or become capable of being exercised (as applicable) by reason of his or her death, disability, bona fide redundancy or any other reason approved by the Board and at that time the Relevant Person continues to satisfy any other relevant conditions attaching to the Performance Right or Share Option, the Board will have the discretion to allow some or all of the Performance Rights or Share Options to vest or be exercised (as applicable) or otherwise to lapse.

- (b) Should the Board make a determination pursuant to rule 15.1(a), the Board will give written notice to the Participant advising:
 - (i) the number (if any) of Performance Rights or Share Options that vest or become capable of being exercised (as applicable) and the period in which any such Options must be exercised (before those Options lapse); and/or
 - (ii) the number of Performance Rights or Share Options which lapse.

15.2 Cessation of employment after Share Options capable of being exercised

- (a) Unless otherwise determined by the Board, where a Relevant Person ceases to be an Employee of the Group after a Share Option becomes capable of being exercised by reason of his or her death, disability, bona fide redundancy or other reason with the approval of the Board and at that time the Relevant Person continues to satisfy any other relevant conditions attaching to the Share Option, those Share Options will lapse on the date which is 60 days after the date of cessation of employment, or any other period determined by the Board, unless they are exercised.
- (b) Should the Board make a determination pursuant to rule 15.2(a), the Board will give written notice to the Participant advising the period in which any such Share Options must be exercised (before those Share Options lapse).

15.3 Ceasing to satisfy relevant conditions

If the Relevant Person ceases to be an Employee of the Group for any reason other than those set out in rules 15.1 and 15.2(a) or ceases to satisfy any other relevant conditions attaching to the Performance Right or Share Option, all Performance Rights or Share Options held by the Participant will lapse, unless otherwise determined by the Board.

15.4 When employment ceases

For the purposes of this Plan, a Relevant Person will not be treated as ceasing to be an Employee of the Group until such time as the Relevant Person is no longer an Employee of any Group Company. Subject to Applicable Laws, at the discretion of the Board, a Relevant Person who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before a Performance Right or Share Option has vested or become capable of being exercised (as applicable) under the Plan will be treated for those purposes as not having ceased to be such an employee.

15.5 Resignation

Where a Relevant Person resigns or whose employment is terminated by the Group on the basis performance, behavioural or misconduct issues before a Performance Right or Share Option has vested or become capable of being exercised (as applicable), then unless the Board in its absolute and unfettered discretion otherwise determines, any Performance Rights or Share Options held by the Participant lapse.

16 Bonus Issues and Reconstructions

16.1 Adjustment for Bonus Issues

If, after the issue of a Performance Right or Share Option but prior to its vesting or exercise (as applicable), Shares in the Company are issued to the Company's Shareholders by way of a Bonus Issue, the Participant will be entitled, upon any later vesting or exercise of that Performance Right or Share Option (as applicable), to receive such number of Shares upon vesting or exercise as the Participant would have received if the Performance Right or Share Option had vested or exercised prior to the record date for determining entitlements under the Bonus Issue.

16.2 Reconstruction

If, at any time prior to the vesting or exercise of a Performance Right or Share Option (as applicable), there is any reconstruction or re-organisation (including a consolidation, subdivision, reduction or return), other than a Bonus Issue, the Performance Rights or Share Options will be reorganised in the following manner:

- (a) in a consolidation of capital - the number of Performance Rights or Share Options must be consolidated in the same ratio as the share capital;
- (b) in a sub-division of capital - the number of Performance Rights or Share Options must be sub-divided in the same ratio as the share capital;
- (c) in a return of capital - the number of Performance Rights or Share Options must remain unaltered;
- (d) in a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no Company Shares are cancelled - the number of Performance Rights or Share Options must remain unaltered;
- (e) in a pro rata cancellation of capital - the number of Performance Rights or Share Options must be reduced in the same ratio as the share capital;
- (f) in any other case - the number of Performance Rights or Share Options must be reorganised so that the holder of the Performance Rights or Share Options will not receive a benefit or a detriment that Shareholders do not receive. This rule does not prevent a rounding up of the number of Shares to be received on vesting if the rounding up is approved at the Shareholders' meeting which approves the reorganisation.

16.3 New issues

Subject to rules 16.1 and 16.2, prior to the vesting or exercised of any Performance Rights or Share Options (as applicable), a Participant does not have the right to participate in any new issue of securities in the Company.

16.4 Calculations

- (a) The Board will be entitled to have any calculations or adjustments which are required to be made under this rule 15 made by the auditors of the Company for the time being and such calculations, in the absence of error, will be final and conclusive, and binding on the Participant.
- (b) The Company must notify each Participant and the ASX (if applicable) of any adjustments made to the number of Performance Rights or Share Options or the number of Shares

underlying each Performance Rights or Share Option at least five Business Days before the change becomes effective.

17 Issue limitations

- (a) The number of Shares that may be issued under the Plan is set with regard to the limits prescribed by the Australian Securities & Investments Commission (**ASIC**) with respect to employee share scheme offers that may be made without the issue of a prospectus.
- (b) Where an offer of Performance Rights or Share Options under this Plan is made in reliance of Class Order 14/1000 the Company must, at the time of making the offer, have reasonable grounds to believe that the number of underlying eligible products in a class of underlying eligible products that form part of the issued capital of the listed body that have been or may be issued in any of the circumstances covered by the following paragraphs will not exceed 5% of the total number of underlying eligible products in that class on issue:
 - (i) underlying eligible products that may be issued under the offer;
 - (ii) underlying eligible products issued or that may be issued as a result of offers made at any time during the previous 3 year period under:
 - A. an employee incentive scheme covered by this instrument; or
 - B. an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

18 Attorney and agent

Each Participant, in consideration of an Invitation:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an **Attorney**), severally, as the Participant's attorney and agent to complete and execute any documents and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the terms and conditions of this Plan;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power; and
- (c) releases the Company and the Attorney from any liability whatsoever arising from the exercise of the powers conferred by this Plan.

19 Advice

Participants should obtain their own independent advice from a licensed financial product and taxation advisor on the financial, taxation and other consequences to them of, or relating to, participation in the Plan.

20 Security Interests

Without approval from the Board, Participants shall not grant any Security Interest in or over or otherwise Transfer or deal with any Performance Right or Share Options or any interest therein, and any such Security Interest, Transfer or dealing will not be recognised in any manner by the Company.

21 Exclusion of Liability

Notwithstanding anything contained in these Rules, each Participant acknowledges and agrees that neither the Company nor any of its directors or officers or any contract administration will be liable for any loss or damage to any Participant or any person claiming through a Participant including any transferee which loss or damage arises from:

- (a) any omission on the part of the Company to notify any Participant of the terms and conditions of the Performance Right or Share Options;
- (b) any change in the financial position of the Company and/or any change in the value of the securities of the Company;
- (c) the lapsing of any Performance Rights or Share Options under this Plan; or
- (d) anything done in connection with the Plan,

unless such act or omission constitutes wilful misconduct on such person's part.

22 Governing Law

These Rules and the rights and obligations of Participants under the Plan are governed by the law of South Australia, Australia, and each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of South Australia, Australia.

23 Approved and adopted

This Plan was approved and adopted by the Board:

Date 15 March 2019

Signed 

Mr Mark Stewart
Chairman