

# **PERFORMANCE SHARE PLAN RULES**

**Resolution Minerals Ltd**

**ACN 617 789 732**

**Adopted 13 June 2017**

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## 1 DEFINITION AND INTERPRETATION

### 1.1 Definition

In these Rules, unless the contrary intention appears:

“**Associate**” has the meaning given under the Corporations Act;

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

- (a) related body corporate of the Company under 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%;

“**ASX**” means ASX Limited ABN 98 008 624 691;

“**Board**” means all or some of the directors of the Company acting as a board;

“**Business Day**” means any day that is not Saturday, Sunday or a public holiday in South Australia;

“**Change of Control**” means:

- (a) in the case of a Takeover Bid, an offeror who previously had voting power of less than 50% in the Company obtains voting power of more than 50%;
- (b) shareholders of the Company approve a proposed compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies at a meeting convened by the Court pursuant to section 411(4)(a) of the Corporations Act;
- (c) any person becomes bound or entitled to acquire shares in the Company under:
  - (i) section 414 of the Corporations Act (compulsory acquisition following a scheme or contract); or
  - (ii) Chapter 6A of the Corporations Act (compulsory acquisition of securities);
- (d) a selective capital reduction is approved by shareholders of the Company pursuant to section 256C(2) of the Corporations Act which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; or
- (e) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those directors holding office immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board;

“**Class Order**” means a class order published by the Australian Securities and Investments Commission;

“**Company**” means Resolution Minerals Ltd ACN 617 789 732;

“**Control**” has the meaning given to that term in section 50AA of the Corporations Act;

“**Corporations Act**” means the *Corporations Act* 2001 (Cth);

**“Eligible Employee”** means a director, senior executive or full or part time employee or contractor of the Company or an Associated Body Corporate, who is invited by the Board to participate in the Plan and is granted Performance Rights under the Plan, and includes a nominee of the director, senior executive or employee or contractor;

**“Essential Terms”** means the terms of grant of Performance Rights set out in the Schedule;

**“Exercise Period”** means in relation to a Performance Right which has vested the period during which it must be exercised, after which it will lapse;

**“Expiry Date”** means in relation to an unvested Performance Right, the date and time that it will lapse if before that date the Performance Right has not vested;

**“Listing Rules”** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any waiver by ASX;

**“Nominee”** is defined in Rule 2.4.

**“Offer”** means an offer made to an Eligible Employee to subscribe for one or more Performance Shares under the Plan as set out in an Offer Document.

**“Offer Document”** means an offer document in a form as required by the Board from time to time consistent with the Corporations Act and the Class Order.

**“Official List”** means the official list of entities that ASX has admitted and not removed;

**“Participant”** means an Eligible Employee to whom a Performance Right has been granted or, following the death or bankruptcy of the Eligible Employee, his or her personal representative or trustee in bankruptcy;

**“Performance Condition”** means one or more conditions which must be satisfied or circumstances which must exist before a Performance Right vests, as determined by the Board;

**“Performance Right”** means an entitlement to a Share subject to satisfaction of Performance Conditions and the corresponding obligation of the Company to provide the Share, pursuant to a binding contract made by the Company and an Eligible Employee in the manner set out in these Rules;

**“Share”** means a Share to be issued upon vesting and exercise of a Performance Right;

**“Plan”** means this Performance Share Plan as in force and amended from time to time;

**“Relevant Interest”** has the meaning set out in sections 608 and 609 of the Corporations Act;

**“Rules”** means these rules as altered or added to from time to time and a reference to a provision of these rules is a reference to that provision as altered or added to from time to time, and for the avoidance of doubt, includes the Essential Terms;

**“Schedule”** means the schedule to, and forming part of, these Rules;

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

**“Takeover Bid”** has the meaning given to that term in section 9 of the Corporations Act; and

**“Takeover Period”** means in relation to a Takeover Bid in respect of Shares, the period referred to in section 624 of the Corporations Act, provided that where a Takeover Bid is publicly announced prior to the service of a bidder’s statement on the Company in relation to that Takeover Bid, the takeover period shall be deemed to have commenced at the time of that announcement; and

“**Tax Act**” means the *Income Tax Assessment Act 1997* (Cth).

## **1.2 Interpretation**

For the purposes of these Rules, unless the contrary intention appears:

- (a) the singular includes the plural and vice-versa;
- (b) words denoting a gender include all genders;
- (c) if a word or phrase is defined cognate words and phrases have corresponding definitions;
- (d) a reference to a related body corporate of the Company is a reference to a body corporate which is so related within the meaning of the Corporations Act;
- (e) a reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements or any of them; and
- (f) any power, authority or discretion vested in the Company or the Board may be exercised at any time and from time to time and unless expressed otherwise, in their absolute discretion.

## **1.3 Application of subdivision 83A-C**

For the purposes of sections 83A-105(4)(b)(iii) and 83A-105(6)(b)(ii) of the Tax Act, subdivision 83A-C applies to this plan (subject to the requirements of the Tax Act).

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## **2 GRANT OF PERFORMANCE RIGHTS**

### **2.1 General Eligibility**

At any time and from time to time, the Board may in its absolute discretion offer to grant Performance Rights to an Eligible Employee (or to a nominee as the Eligible Employee directs) having regard, in each case, to:

- (a) the contribution to the Company which has been made by the Eligible Employee;
- (b) the period of employment or engagement of the Eligible Employee with the Company, including (but not limited to) the years of service by that Eligible Employee;
- (c) the potential contribution of the Eligible Employee to the Company; and
- (d) any other matters which the Board considers in its absolute discretion to be relevant.

### **2.2 Offer Document**

An Offer must be made using an Offer Document.

### **2.3 Personal Offer**

Subject to Rule 2.4, an Offer is personal and is not assignable.

### **2.4 Renunciation**

Upon receipt of an Offer, an Eligible Employee may, by notice in writing to the Board, nominate an associate (as defined in the Tax Act) of that Eligible Employee in whose favour the Eligible Employee wishes to

renounce the Offer (Nominee). The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision. If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Employee will procure that the permitted Nominee accepts the Offer made to that Eligible Employee and that both the Eligible Participant and the Nominee agree to be bound by the Rules.

## **2.5 Acceptance Time Period**

An Eligible Employee (or permitted Nominee) may only accept an Offer within the time period specified in the Offer Document.

## **2.6 No Payment**

Unless the Board determines otherwise, no payment is required for the grant of a Performance Right.

## **2.7 Grant of Performance Rights**

Subject to Rule 9.1, each Performance Right must be granted on the terms of these Rules, including the Schedule, and each Eligible Employee will be taken to have agreed to be bound by these Rules on acceptance by that Eligible Employee of a Performance Right.

## **2.8 Information to be Provided at Time of Grant**

The Board must determine and advise each Eligible Employee at the time of grant of any Performance Rights of the following:

- (a) the number of Performance Rights being offered (each entitling its holder to be issued one Share upon vesting and exercise of that Performance Right);
- (b) the Expiry Date;
- (c) any amount that will be payable upon vesting of a Performance Right;
- (d) any applicable Performance Conditions; and
- (e) any other relevant conditions to be attached to the Performance Rights or the Shares (including any Exercise Period and any period after the issue of a Share that it may not be transferred without the consent of the Company).

## **2.9 Performance Conditions**

When granting Performance Rights the Board may make its vesting conditional on the satisfaction of a Performance Condition. Subject to **Rule 5**, the Board may at any time waive or change a Performance Condition in accordance with its terms or if anything happens which causes the Board reasonably to consider it appropriate to do so.

## **2.10 Overriding Restrictions on Grant and Exercise**

Notwithstanding anything else in these Rules or in the terms of any Performance Right, a Performance Right may not be offered, granted or exercised if to do so:

- (a) would contravene the Corporations Act or the Listing Rules; or
- (b) would contravene the local laws of, or the rules or requirements of any regulatory or statutory body in, a Participant's country of residence or in the opinion of the Board compliance with those local laws, rules or requirements would be impractical or result in any unnecessary or unreasonable expense in the circumstances.

## 2.11 Administrative Errors

If the Board grants a Performance Right which is inconsistent with these Rules, the Company's constitution, the Listing Rules or any law of a jurisdiction in which a Participant resides, the Performance Right will lapse immediately to the extent of the inconsistency.

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## 3 MAXIMUM NUMBER OF PERFORMANCE RIGHTS

### 3.1 5% Limit

Subject to **Rule 3.2**, a Performance Right may not be granted if, immediately following its grant, the Shares to be received on exercise of the Performance Right when aggregated with:

- (a) the number of shares in the same share class which would be issued if each unvested Performance Right granted under the Plan (provided that such Performance Right has not lapsed) or any other employee incentive scheme of the Company were to vest and be exercised; and
- (b) the number of shares in the same class issued during the previous 3 years under the Plan or any other employee incentive scheme of the Company,

exceeds 5% of the total number of issued shares in that share class of the Company at the time the Performance Right is granted, provided that the Board may, in its absolute discretion, increase this percentage, subject to any applicable Corporations Act, Listing Rule (including the conditions and restrictions on issuing securities in Listing Rule 7.1) or Class Order requirements.

### 3.2 Exceptions

When aggregating the number of shares for the purposes of **Rule 3.1**, the Company may disregard any offer made, option acquired or share issued by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer outside of Australia;
- (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (c) an offer made under a disclosure document in accordance with Chapter 6D of the Corporations Act.

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## 4 TERMS OF PERFORMANCE RIGHTS

### 4.1 Essential Terms

A Performance Right must be granted on the Essential Terms and may be granted on such other additional terms, conditions or restrictions, not being inconsistent with these Rules or the Essential Terms, as the Board determines either generally or in relation to particular Performance Rights.

### 4.2 Variation of Terms

Despite anything to the contrary in these Rules, to the full extent permissible by the Listing Rules and law, the Board may from time to time vary the terms and conditions to which a Performance Right is subject to or any of them.



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## **5 AMENDMENT OF RULES**

### **5.1 Board's Powers**

Subject to this **Rule 5**, the Listing Rules and the law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan (including this **Rule 5.1**).

### **5.2 Restrictions on Amendments**

- (a) Participant consent is required for any change to the Rules or terms of any Performance Rights which prejudicially affects the rights of the Participant in relation to the Performance Rights.
- (b) Notwithstanding **Rule 5.2(a)**, the Board may change the Rules and/or the terms of any Performance Rights granted under it and need not obtain Participant consent for any changes:
  - (i) to benefit the administration of the Plan;
  - (ii) to comply with or take account of the provisions of any proposed or existing legislation, Listing Rules, or regulatory practice;
  - (iii) to take account of any changes to legislation or the Listing Rules; or
  - (iv) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company, any Associated Body Corporate or any present or future Participant.

### **5.3 Notice**

The Board is not required to give written notice of any changes made to any Participant affected.

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## **6 COMPANY'S RIGHTS NOT WAIVED**

The Company's right to terminate or vary the terms of employment or engagement of any Participant shall not be prejudiced in any way by the Company or any Participant participating in the Plan or anything contained in these Rules or both. Further, participation in the Plan and the rights or benefits of a Participant under these Rules shall not be used as grounds for granting or increasing damages in any action brought by any Participant against the Company whether in respect of any alleged wrongful dismissal or otherwise.

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## **7 SUSPENSION OR TERMINATION OF THE PLAN**

The Board may suspend or terminate the Plan at any time, in which case the Company shall not make any further grants of Performance Rights under the Plan during the suspended or terminated period. However, during that period the Board shall otherwise continue to administer the Plan in accordance with these Rules until all Performance Rights have vested or lapsed.

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## **8 ADMINISTRATION OF THE PLAN**

### **8.1 Delegation**

The Plan shall be in all respects administered under the directions of the Board or a committee of the Board. The Board or committee may appoint, for the proper administration and management of the Plan, such

secretarial or executives or staff or other persons as it considers desirable and may delegate to those persons such powers and authorities (other than this power of delegation) as may be necessary or desirable for the administration and management of the Plan.

## **8.2 Procedures**

Subject to these Rules, the Board may make such regulations and establish such procedures for the administration and management of the Plan as it considers appropriate. If any disagreement or dispute with respect to the interpretation of these Rules or the terms of grant of any Performance Right arises, such disagreement or dispute shall be referred to the Board and the decision of the Board shall, in the absence of manifest error, be final and binding upon all parties.

## **8.3 Covenant or Exercise of Discretion**

The Company or an Associated Body Corporate or the Board may, subject to any express provision in these Rules, the Listing Rules or the law to the contrary:

- (a) do any act, matter or thing or make any decision, determination or resolution; or
- (b) conditionally or unconditionally give or withhold any consent or approval,

as contemplated by these Rules in its absolute uncontrolled and unexaminable discretion and is not obliged to give reasons for so doing.

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# **9 GENERAL**

## **9.1 Waiver of Terms and Conditions**

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Performance Condition) in relation to any Performance Rights granted to any Participant.

## **9.2 Non-Australian Residents**

When a Performance Right is granted under the Plan to a person who is not a resident of Australia, the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any applicable or relevant laws, matters of convenience and desirability and similar factors which may have application to the Participant or to any Associated Body Corporate in relation to the Performance Right.

## **9.3 Governing Law**

This Plan and these Rules shall in all respects be governed by and shall be construed in accordance with the laws of South Australia.

## **9.4 Severance**

If any provision in these Rules is void, voidable by any party or illegal, it shall be read down so as to be valid and enforceable or, if it cannot be so read down, the provision (or where possible, the offending words) shall be severed from these Rules without affecting the validity, legality or enforceability of the remaining provisions (or parts of those provisions) of these Rules, which shall continue in full force and effect.

## 9.5 Notices

Notices may be given by the Company to the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modification to notices to Participants.

## 9.6 Right to Accounts

The Company is not obliged to give a Participant copies of any notices, circulars and other documents sent by the Company to its shareholders until that Participant becomes a shareholder by the exercise of any vested Performance Rights.

## 9.7 ASIC Instruments and Listing Rules

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by the Australian Securities and Investments Commission in respect of employee share plans pursuant to its power to exempt or 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.
- (b) To the extent these Rules are inconsistent with the Listing Rules, the Listing Rules will prevail.
- (c) To the extent that any covenant or other provision is deemed by this **Rule 9.7** to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

## SCHEDULE

### TERMS OF GRANT OF PERFORMANCE RIGHTS

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#### 1 ENTITLEMENT

- 1.1 Upon the grant of Performance Rights, a certificate or an uncertified holding statement for the Performance Rights will be issued by the Company to the Participant.
- 1.2 Each Performance Right will entitle its holder to subscribe for and be issued, credited as fully paid, one Share (upon vesting and exercise of that Performance Right).
- 1.3 The Performance Conditions applicable to a Performance Right shall be as determined by the Board (in its discretion) on or before the date of grant of the Performance Right.
- 1.4 Subject to these Rules, the Company must allot and issue Shares on the exercise of Performance Rights which have vested to the Participant (or the Participant's nominee or personal representative, as the case may be) in accordance with the Listing Rules and in any event no later than 30 days after the date of exercise of the Performance Right and shall either issue a certificate, or cause a holding statement to be issued, for Shares so issued within 5 Business Days after the date the Shares are issued.
- 1.5 Shares issued on the exercise of Performance Rights will rank equally in all respects with the existing Shares in the capital of the Company from the date of issue of those Shares, subject to the restrictions on transfer set out in **clause 6.2** of this Schedule. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of issue.

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#### 2 VESTING OF PERFORMANCE RIGHTS

- 2.1 Subject to **clause 3** of this Schedule, a Performance Right granted under the Plan will vest upon satisfaction of the applicable Performance Conditions determined by the Board, or its delegate, pursuant to **Rule 2.8**.
- 2.2 The Board, or its delegate, will determine in its absolute discretion whether, and if so, to what extent each Performance Condition has been satisfied and must advise the Participant in writing of its determination.

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#### 3 LAPSE OF PERFORMANCE RIGHTS

- 3.1 An unvested Performance Right will immediately lapse upon the first to occur of:
- (a) the Performance Conditions not being satisfied prior to its Expiry Date;
  - (b) the transfer or purported transfer of the Performance Right in breach of **clause 6.1** of this Schedule;
  - (c) the day that is 3 months following the date the Participant (or, in the case of a Performance Right held by a nominee, the nominating Participant) ceases to be employed or engaged by the Company or an Associated Body Corporate by virtue of the Participant resigning voluntarily and the Participant has not recommenced employment with the Company or an Associated Body Corporate before the expiration of those 3 months;

- (d) subject to **clause 3.3(b)** of this Schedule, the day which is 3 months following the date the Participant (or, in the case of a Performance Right held by a nominee, the nominating Participant) ceases to be employed or engaged by the Company or an Associated Body Corporate by reason of his or her death, disability, bona fide redundancy, or other reason with the approval of the Board and the Participant has not recommenced employment with the Company or an Associated Body Corporate before the expiration of those 3 months;
- (e) termination of the Participant's (or, in the case of a Performance Right held by a nominee, the nominating Participant's) employment or engagement with the Company or an Associated Body Corporate on the basis that the Participant acted fraudulently, dishonestly, in breach of the Participant's obligations or otherwise for cause; and
- (f) the day which is 6 months after an event which gives rise to a vesting under **clauses 4.1 to 4.4** of this Schedule.

**3.2** A Performance Right which has vested but has not been exercised will immediately lapse upon the first to occur of:

- (a) close of business on the last day of the Exercise Period, if the Performance Right is not exercised prior to that day;
- (b) the transfer or purported transfer of the Performance Right in breach of **clause 6.1** of this Schedule;
- (c) termination of the Participant's (or, in the case of a Performance Right held by a nominee, the nominating Participant's) employment or engagement with the Company or an Associated Body Corporate on the basis that the Participant acted fraudulently, dishonestly, in breach of the Participant's obligations or otherwise for cause; and
- (d) the day which is 6 months after an event which gives rise to a vesting under **clauses 4.1 to 4.4** of this Schedule.

**3.3** Where a Participant (or, in the case of a Performance Right held by a nominee, the nominating Participant) ceases to be employed or engaged by the Company or an Associated Body Corporate by reason of his or her death, disability, bona fide redundancy, or other reason with the approval of the Board, then:

- (a) if any of the Participant's Performance Rights have vested but have not been exercised, they will remain exercisable by that Participant's estate or legal representative who has been recognised by the Company as the holder of the Participant's Performance Rights in accordance with **clause 6.1(b)** of this Schedule until the Performance Rights lapse in accordance with **clause 3.2** of this Schedule;
- (b) if any of the Participant's Performance Rights have not vested, the Board will determine as soon as reasonably practicable after the date the Participant ceases to be employed or engaged, how many (if any) of those Participant's Performance Rights will be deemed to have vested and the Exercise Period applicable to those Performance Rights; and
- (c) to the extent to which, under **clause 3.3(b)** of this Schedule, the Participant's Performance Rights:
  - (i) are deemed to have vested, they will be exercisable by that Participant's estate or legal representative who has been recognised by the Company as the holder of the Participant's Performance Rights in accordance with **clause 6.1(b)** of this Schedule until the Performance Rights lapse in accordance with **clause 3.2** of this Schedule; and
  - (ii) are not deemed to have vested, they will lapse immediately upon the Board making its determination.

- 3.4 Where a Performance Right lapses, the Company will repay to the Participant the price paid for the grant (if any) of the Performance Right, except in the case where the Participant acted fraudulently, dishonestly, in breach of the Participant's obligations or otherwise for cause.

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## 4 CHANGE OF CONTROL AND RECONSTRUCTION

- 4.1 The Board may declare that all or a specified number of any unvested Performance Rights granted to a Participant which have not lapsed under **clause 3.1** of this Schedule immediately vest if, in the opinion of the Board:
- (a) a Change of Control has occurred, or is likely to occur; and
  - (b) the Participant's pro-rata performance is in line with the Performance Conditions applicable to those Performance Rights during the period from the date of grant to the date the Change of Control event occurred or the date the Board becomes aware that a Change of Control Event is likely to occur.
- 4.2 The Board may declare that all or a specified number of any unvested Performance Rights granted to a Participant which have not lapsed under **clause 3.1** of this Schedule immediately vest if in the opinion of the Board:
- (a) any person or corporation has a Relevant Interest in more than 90% of the Shares; and
  - (b) the Participant's pro-rata performance is in line with the Performance Conditions applicable to those Performance Rights during the period from the date of grant to the date when the person or corporation has a Relevant Interest in more than 90% of the Shares.
- 4.3 Subject to **clause 4.4** of this Schedule, the Board may in its absolute discretion declare the vesting of a Performance Right during such period as the Board determines where:
- (a) the Company passes a resolution for the voluntary winding up of the Company;
  - (b) an order is made for the compulsory winding up of the Company; or
  - (c) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.
- 4.4 If there is any internal reconstruction, reorganisation or acquisition of the Company which does not involve a significant change in the identity of the ultimate shareholders of the Company, this clause applies to any Performance Right which has not vested by the day the reconstruction takes effect. The Board may declare in its sole discretion whether and to what extent Performance Rights will vest. The Board may amend (or waive) any Performance Condition as it considers appropriate, subject to all applicable laws.
- 4.5 The Company will notify the Participant in writing as soon as practicable after the Board declares a Performance Right to vest pursuant to **clauses 4.1 to 4.4** of this Schedule and the Company shall confirm in the notice to the Participant the extent to which the Performance Rights held by the Participant have vested or otherwise.
- 4.6 A condition or restriction as to the disposal of any Options will cease to apply where there is a takeover or restructure of the Company and as a result of the takeover or restructure the holder of the Options ceases to hold them and acquires securities in another company and these securities, because of section 83A-130 of the Tax Act, are treated, for the purposes of division 83A of the Tax Act, as if they were a continuation of the Options.

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## 5 EXERCISE OF VESTED PERFORMANCE RIGHTS

- 5.1 The exercise of any vested Performance Right granted under the Plan will be effected in the form and manner determined by the Board and, if an amount is payable on the vesting of the Performance Right, will be accompanied by payment of the relevant amount advised to the Participant by the Board pursuant to **Rule 2.8**.
- 5.2 If a Participant is liable to tax, duties or other amounts on the vesting of any Performance Rights and the Company is liable to make a payment to the appropriate authorities on account of that liability, the Board may (in its discretion) sell such number of Shares that would otherwise be issued to the Participant so that the net proceeds of the sale equal the payment which the Company is required to make to the appropriate authorities and account to the Company for the net proceeds of the sale.

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## 6 TRANSFER

- 6.1 A Participant may only transfer a Performance Right granted under the Plan:
- (a) with the consent of the Board; or
  - (b) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- 6.2 A Participant may not transfer any Shares issued under the Plan without the prior consent of the Board until the expiration of the period (if any) advised to the Participant under **Rule 2.8(e)** at the time of grant of the Performance Right.

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## 7 QUOTATION OF PERFORMANCE RIGHTS AND SHARES

- 7.1 Performance Rights will not be listed for quotation on the ASX, however, the Company will apply for official quotation of the Shares issued upon the exercise of any vested Performance Rights to ASX and to each other stock exchange on which Shares are listed at that time.
- 7.2 Notwithstanding **clause 7.1** of this Schedule, the Shares issued on the exercise of vested Performance Rights will be subject to the transfer restrictions set out in **clause 6.2** of this Schedule and may not be traded on the ASX while those transfer restrictions apply.

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## 8 FUTURE ISSUES OF SECURITIES

A Performance Right does not entitle the holder to participate in any new issues of securities to holders of Shares unless before the record date for determining entitlements to securities under the new issue, that Performance Right has vested and been exercised, and a Share has been issued to the Participant in respect of that Performance Right. The Company will give notice of any new issues of securities to Participants who hold Performance Rights which have vested no less than 6 Business Days before the record date for determining entitlements to securities under the new issue.

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## 9 RECONSTRUCTION OF CAPITAL

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the vesting of any Performance Rights, the number of Shares to which each Participant is entitled upon exercise of the Performance Rights, or any amount payable on exercise

of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board and which complies with the Listing Rules to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.

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## **10 NATURE OF RIGHTS**

A Participant does not have a legal or beneficial interest in any Shares by virtue of acquiring or holding a Performance Right. A Participant's rights under the Performance Rights are purely contractual and personal. In particular, a Participant is not entitled to participate in or receive any dividend or other shareholder benefits until its Performance Rights have vested and been exercised and Shares have been allocated to the Participant as a result of the exercise of those Performance Rights.

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## **11 RISK OF FORFEITURE**

A Share issued to a Participant on the exercise of a Performance Right is issued to a Participant on the terms that it will be forfeited upon the Participant perpetrating fraud as against the Company or an Associated Body Corporate, acting dishonestly or committing a breach of the Participant's obligations to Company or an Associated Body Corporate.

### **11.1 When risk of forfeiture ceases**

The right of the Company to cause a Share held by a Participant to be forfeited extinguishes:

- a) upon the termination of employment of the Participant other than for fraud, dishonesty or a breach of the Participant's obligations to Company or an Associated Body Corporate;
- b) upon the sale or transfer of the Share by the Participant to a third party;
- c) on the day after a period of 7 years from the date of grant of the Performance Right upon the exercise of which the Share was granted.

### **11.2 Company to notify and record forfeiture**

When a Share is forfeited, the Company must:

- a) notify the Participant that the Share is forfeited; and
- b) record the forfeiture and date of forfeiture in the register of shareholders.

A failure to do this does not invalidate the forfeiture.

### **11.3 Consequences of forfeiture**

The forfeiture of a Share extinguishes:

- a) the Participant's interest in the Share; and
- b) all claims against the Company in respect of the Share, including (without limitation) all dividends presently payable by the Company on the Share.

### **11.4 Disposal of forfeited Share**

Subject to the Listing Rules:



a) the Participant grants to the Board an irrevocable power of attorney to sell, dispose, transfer or otherwise deal with a forfeited Share on any terms and in any way the Board may decide, with such power able to be exercised by the Board in the event that the Share is liable to be forfeited; and

b) if the Board sells, disposes, transfers or otherwise deals with a forfeited Share, then the Participant acknowledges and agrees that they are not entitled to any proceeds in respect of such dealing, and the Board and the Company is not under any obligation to act in the interests of the Participant in respect of such dealing and the Company may retain all net proceeds (if any) of any such dealing.

## **11.5 Waiver by Board**

The Board may:

a) waive any of the rights of the Company under this clause; or

b) before any sale, disposal, transfer or other dealing of a forfeited Share, declare the forfeiture void on any terms the Board decides.