

BEGA CHEESE LIMITED LONG TERM INCENTIVE PLAN RULES

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BEGA CHEESE LIMITED EMPLOYEE SHARE PLAN RULES

1. Definitions and Interpretation

1.1 Definitions

In these Rules the following terms and expressions have the meanings indicated unless the contrary intention appears:

Acquisition Price means the price at which the Company offers Plan Shares to Qualifying Employees, and which may be a nominal or nil amount.

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

- (a) the Corporations Act and its applicable regulations;
- (b) the Listing Rules (as applicable);
- (c) the Constitution;
- (d) the Tax Act;
- (e) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), (c), and (d) above; and
- (f) any other legal requirement that applies to the Plan.

Application means an application by a Qualifying Employee to participate in the Plan made in response to an Invitation Letter.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange.

ATO means the Australian Taxation Office.

Bad Leaver means a Participant who ceases to be a Qualifying Employee of any member of the Group in any of the following circumstances:

- (a) the employment of the Participant is terminated, or the Participant is dismissed from office, due to serious misconduct, material breach, gross negligence or other conduct which in the sole and absolute discretion of the Company justified termination of employment without notice; or
- (b) the Participant resigns.

Board means the board of directors of the Company, a committee appointed by the board of directors of the Company as constituted from time to time, or any person who is provided with delegated authority by the board from time to time, which are or is appointed for the purposes of this Plan.

Cash Equivalent Value means a cash amount equal to the gross value of the Plan Shares that would have been allocated or transferred to the Participant if the Board chose to settle Performance Rights in Plan Shares, less:

- (a) applicable Taxes and other withholdings; and
- (b) any Exercise Price that would have been payable by the Participant.

Unless the Board determines otherwise, the Cash Equivalent Value will be inclusive of any statutory superannuation contributions that the Company is required to make on the Participant's behalf in relation to the

cash payment made under Rule 14.3. The Board retains discretion as to how gross value of the Plan Shares is calculated for the purpose of Rule 14.3.

Company means Bega Cheese Limited (ABN 81 008 358 503).

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 any member of the Group.

Dividends means any dividends paid by the Company.

Dividend Equivalent means an amount equal to the dividend or distribution payment a Participant would have received had the Participant held a Share rather than a Performance Right.

Employee means any full-time, part-time or casual employee of any member of the Group.

Event means where:

- (a) a Takeover Bid is made for the Company and the Board resolves to recommend the bid to Shareholders of the Company;
- (b) a court convenes a meeting of Shareholders to be held to vote on a proposed scheme of arrangement pursuant to which control of the majority of the Shares in the Company may change;
- (c) a notice is sent to Shareholders of the Company proposing a resolution for the winding up of the Company; or
- (d) any transaction or event is proposed that, in the opinion of the Board, may result in a person becoming entitled to exercise control over the Company.

Each Event is a separate event that allows the Board to exercise its discretion pursuant to rule 14.

Expiry Date means the date seven years subsequent to the Grant Date, or another date as determined by the Board in its sole and absolute discretion and specified in the Invitation, after which Performance Rights lapse and may no longer vest.

Good Leaver means a Participant who ceases to be a Qualifying Employee of any member of the Group and who is not a Bad Leaver, and includes where a Participant's employment or office ceases due to death, permanent disability, redundancy or retirement.

Grant Date means the date on which Plan Shares and/or Performance Rights are granted to a Participant following the acceptance of an Application.

Group means the Company and its Related Bodies Corporate.

Holding Lock means a mechanism arranged or approved by the Board (including through the Company's share registry or through an employee share trust) that prevents Plan Shares or Resulting Plan Shares (as the case may be) being disposed of or dealt with by a Participant during the relevant restriction period.

Holding Lock Period means, in relation to any particular Shares acquired by a Participant under the Plan, the period from the Acquisition Date until the earlier of:

- (a) the period after the relevant Acquisition Date of the Shares as may be determined by the Board in its discretion; or
- (b) the day after the date on which a Participant ceases to be an Employee.

For the avoidance of doubt, a Participant who has been granted an approved leave of absence and who

exercises the right to return to work, under any applicable award, enterprise agreement, other agreement, statute or regulation, will not be treated as having ceased to be employed by a member of the Group.

Invitation means an invitation to a Qualifying Employee to acquire Shares under the Plan.

Invitation Letter means a letter from the Company to a Qualifying Employee, which contains the Invitation.

Law means the laws applicable to the operation of the Plan from time to time, including any applicable securities laws of the jurisdiction in which an Employee receiving an Invitation Letter under the Plan is located.

Listing Rules means the official listing rules of the ASX as amended from time to time.

Participant means a Qualifying Employee:

- (a) whose Application to participate in the Plan has been accepted by the Company; and
- (b) who subscribes for and is issued Shares pursuant to these Rules or has Shares transferred to them pursuant to the Plan.

Performance Hurdles means any ongoing minimum performance requirements (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Performance Rights vesting in a Participant.

Performance Right means an entitlement of a Participant granted under this Plan to subscribe for, acquire and/or be allocated (as determined by the Board in its sole and absolute discretion) one Share subject to the satisfaction of any Vesting Conditions. For the avoidance of doubt, a Performance Right may have a nil exercise price. The award of a Performance Right to a Participant may be referred to as a "Retention Award".

Period means the period(s) over which the Vesting Conditions are measured or tested as specified by the Board for the purpose of the Performance Right or Plan Share

Plan means the Bega Cheese Employee Share Plan in respect of which these Rules apply.

Plan Share means any Share held by a Participant acquired in accordance with Rule 8. Where a Plan Share is awarded to a Participant with no Vesting Conditions and/or Performance Hurdles, such an award may be referred to as a "Loyalty Award".

Privacy Policy means the privacy policy that applies to the Company from time to time.

Privacy Act means *The Privacy Act 1988* (Cth).

Qualifying Employee means a Director or Employee, or a category of Employees, who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Plan Shares and/or Performance Rights under the Plan.

Resulting Plan Share means any Share held by a Participant upon automatic exercise of a Performance Right.

Rights means any rights affecting a Share entitling the holder of the Share to acquire additional shares in the Company.

Rules means these rules in respect of the operation of the Plan as amended from time to time.

Securities has the meaning given in the Listing Rules.

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

Settlement Rules means the rules of the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

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

Security Trading Policy means the Company's security trading policy as amended from time to time.

Shareholder means any holder of issued share capital in the Company.

Tax Act means the *Income Tax Assessment Act 1997* (Cth) as amended from time to time.

Vesting Conditions means any Performance Hurdles, time based hurdles or other criteria, requirements or conditions (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Performance Rights vesting in a Participant.

1.2 Interpretation

In these Rules unless otherwise stated or the contrary intention appears:

- (a) the expression person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (b) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of
- (c) novation and, in the case of a trustee, includes any substituted or additional trustee;
- (d) a reference to any document (including these Rules) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it; words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (f) references to parties, Rules, schedules, exhibits or annexures are references to parties, Rules, schedules, exhibits and annexures to or of these Rules, and a reference to these Rules, includes any schedule, exhibit or annexure to these Rules;
- (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (h) the word "includes" in any form is not a word of limitation;
- (i) a reference to "\$" or "dollar" is to Australian currency;
- (j) nothing in these Rules is intended to create a mortgage or other security over Shares; and
- (k) nothing in these Rules is intended to create an agency relationship between any trustee and the Company.

1.3 Applicable Laws

These Rules, the offering and granting of any Plan Shares, Performance Rights and/or Resulting Plan Shares and the rights attaching to or interests in the Plan Shares, Performance Rights and/or Resulting Plan Shares will at all times be subject to all Applicable Laws.

1.4 Rounding

Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of a Share, the fraction will be eliminated by rounding down to the nearest whole number.

1.5 Headings

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

2. **Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Qualifying Employees;
- (b) link the reward of Qualifying Employees to Shareholder value creation; and/or
- (c) align the economic interests of Qualifying Employees with Shareholders by providing an opportunity to earn rewards via an equity interest in the Company based on creating Shareholder value.

3. **Commencement of Plan**

The Plan will commence on the date determined by the Board.

4. **Maximum Plan Share and/or Performance Rights allocation**

The number of Plan Shares and/or Performance Rights which may be granted under this Plan must not exceed (assuming all outstanding Performance Rights were exercised) a maximum of five percent (5%) of the total issued capital of the Company at the time of the grant of the Plan Shares and/or Performance Rights.

5. **Eligibility and grant**

5.1 Participation

The Board may from time to time in its sole and absolute discretion determine that Employees and/or Directors may participate in the Plan.

5.2 Selection

Following determination that a Qualifying Employee may participate in the Plan, the Board may at any time and from time to time make an Invitation to the Qualifying Employee.

5.3 Invitation

The manner, form, content, timing and frequency of an Invitation Letter and Application will be as determined by the Board in its sole and absolute discretion.

5.4 Terms of the Invitation Letter prevail

To the extent of any inconsistency, the terms and conditions of a grant contained within the Invitation Letter will prevail over any other provision of these Rules

5.5 Multiple Invitations

Unless otherwise determined by the Board in its sole and absolute discretion, the Board may make any number of issues to Qualifying Employees, as set out in the Invitation Letter, notwithstanding that an issue or issues may have been previously made to the Qualifying Employee.

6. Application

Unless otherwise determined by the Board in its sole and absolute discretion, a Qualifying Employee who wishes to apply to participate in the Plan in response to an Invitation must, on or before the period of time allowed for acceptance of the Invitation, give an Application:

- (a) to the person specified in the Invitation; and
- (b) in accordance with any instructions or conditions set out in the Invitation.

PART B – TERMS OF PLAN SHARES

7. Plan Share Terms

The terms and conditions of Plan Shares offered or granted under these Rules to each Participant will be determined by the Board and include as a minimum:

- (a) the number of Plan Shares;
- (b) the Grant Date;
- (c) the method and form of applying for, accepting, or rejecting the Invitation;
- (d) the time and circumstances when Plan Shares are forfeited;
- (e) terms of applicable Vesting Conditions attaching to Plan Shares;
- (f) the Acquisition Price (if any);
- (g) any disposal or other restrictions attaching to the Plan Shares;
- (h) any rights attaching to the Plan Shares; and
- (i) any other terms applying to Plan Shares;

will be set out in the document evidencing the Invitation in the form of an Invitation Letter delivered to the Participant.

8. Acquisition of Plan Shares

8.1 Acceptance of Application with full payment

Subject to the Board's acceptance of an Application and the payment of any Acquisition Price, the Company must issue, or procure the transfer of, the Plan Shares applied for, to the Participant.

8.2 Board's discretion

The Board may determine in respect of each Invitation to Qualifying Employees the method by which Plan Shares may be acquired under the Plan.

8.3 Methods

Plan Shares may be acquired under the Plan in the following ways as determined by the Board from time to time:

- (a) by way of allotment and issue of Shares in the Company;
- (b) by acquiring Shares from a third party; or
- (c) by any combination of the methods set out in subrules (a) or (b).

8.4 Payment for Plan Shares

The method of payment for Plan Shares will be determined by the Board in its sole and absolute discretion, having regard to the following:

- (a) the Company may require or invite a Qualifying Employee to pay money on account of Plan Shares to be acquired by a Participant under the Plan; and
- (b) the Company will not require nor invite a Qualifying Employee to lend money to the Group in connection with the Plan.

9. Listing

While the Company remains listed on the ASX, Plan Shares will be listed on the ASX.

10. Disposal restrictions

10.1 Board determines

The Board may in its sole and absolute discretion determine, prior to an Invitation being made, whether there will be any restrictions on the disposal of, the granting (or purporting to grant) of any Security Interest in or over, or otherwise on dealing with (or purporting to dispose or deal with), Plan Shares held by any Participants.

10.2 No transfer

Subject to Rule 10.1, Plan Shares or any beneficial or legal interest in Plan Shares may not be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over them, by a Participant unless all restrictions on transfer, encumbrance or disposal of the Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

10.3 Board actions

The Company may do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary to enforce the transfer restrictions set out in Rule 10.2, including but not limited to imposing an Holding Lock on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period. Participants will be bound by any action by the Company under this Rule 10.3.

10.4 Overriding restrictions on dealing with Plan Shares

Plan Shares must not be dealt with under this Plan if to do so would contravene the Corporations Act or the Listing Rules.

10.5 Plan Shares entitlements

For the avoidance of doubt, the imposition of a restriction on the Plan Shares held by a Participant pursuant to Rule 10.1 will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company or holders of Shares, and to receive any dividends declared by the Company during the relevant restriction period.

10.6 Company's Security Trading Policy

At all times Participants must comply with any Security Trading Policy.

10.7 Subject to law

The disposal restrictions in this Rule 10 are subject to any disposal required by law.

11. **Rights attaching to Plan Shares**

11.1 Plan Shares to rank equally

Any Plan Shares issued or transferred by the Company to a Participant under this Plan will rank equally with all existing Shares on and from the date of issue or transfer.

11.2 Dividends

A Participant will have an entitlement to any dividends declared and distributed by the Company on the Plan Shares which, at the books closing date for determining entitlement to those dividends, are standing to the account of the Participant.

11.3 Dividend reinvestment

The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held on behalf of the Participant. Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by the Participant.

11.4 Voting rights

A Participant may exercise any voting rights attaching to Plan Shares registered in the Participant's name, irrespective of whether a Holding Lock continues to apply to the Plan Shares.

PART C –TERMS OF PERFORMANCE RIGHTS

12. Performance Right and Resulting Plan Share terms

12.1 Board determination

The terms and conditions of Performance Rights offered or granted under these Rules to each Participant will be determined by the Board and include as a minimum:

- (a) the number of Performance Rights;
- (b) the Grant Date;
- (c) the method and form of applying for, accepting, or rejecting the Invitation Letter;
- (d) any amount payable upon grant of Rights;
- (e) any ability to deliver in cash;
- (f) any dividend equivalents;
- (g) the time and circumstances when Performance Rights lapse;
- (h) the Vesting Conditions (if any), including any Performance Hurdles;
- (i) whether any additional Performance Rights may be granted as a result of Rule 12.3;
- (j) any disposal or other restrictions attaching to the Performance Rights and/or Resulting Plan Shares; and
- (k) any rights attaching to the Performance Rights and/or Resulting Plan Shares; and

will be set out in the document evidencing the Invitation in the form of an Invitation Letter delivered to the Participant.

12.2 Performance Rights entitlements

- (a) Each Performance Right entitles (subject to the Vesting Conditions and Performance Hurdles (if any)) the Participant holding the Performance Right to subscribe for or to be transferred one Share.
- (b) A Participant who holds Performance Rights is not entitled to:
 - (i). notice of, or to vote or attend at, a meeting of the members of the Company or holders of Shares; or
 - (ii). receive any dividends declared by the Company,

as a result of solely holding Performance Rights, until the Performance Rights are exercised and the Participant holds Resulting Plan Shares.

12.3 Dividend Equivalents

- (c) The Board may specify in an Invitation Letter the Dividend Equivalent in respect of a Performance Right held by a Participant at any time until the Performance Right is settled. For the avoidance of doubt the Board may determine to provide a Dividend Equivalent only on Performance Rights that have vested, or which have not yet vested.
- (d) No Dividend Equivalent will be provided on any Performance Right that has lapsed as at the date the Dividend Equivalent payment is determined by the Board.

- (e) In making a determination under Rule 15.3(a) the Board will determine whether the Dividend Equivalent will be provided in cash or Performance Rights.
- (f) For a Dividend Equivalent that will be paid in Performance Rights the Board may determine that the Dividend Equivalent:
 - (i). Vest on a particular day;
 - (ii). be subject to Conditions; or
 - (iii). be subject to any terms and conditions as determined by the Board in its absolute discretion.
- (g) For a Dividend Equivalent that will be paid in cash or Performance Rights the Board must determine the payment or allocation date, as relevant.

12.4 Conditions for vesting

- (h) The Board will determine, prior to an Invitation being made, any Vesting Conditions attaching to the Performance Rights.
- (i) Performance Rights will only vest if the applicable Vesting Conditions and/or Performance Hurdles have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules.

12.5 Performance Rights non-transferable without consent

Performance Rights granted under this Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:

- (j) prior consent of the Board is obtained, which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit; or
- (k) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

12.6 Performance Rights to be registered

Performance Rights will be registered in the appropriate register of the Company.

13. **Exercise of Performance Rights**

13.1 Method of exercise

Where a Performance Right has vested the Participant will receive a notice of vesting and:

- (a) where terms of Performance Rights provide for automatic exercise, the vested Performance Right will be automatically exercised within the period specified by the Board in the Invitation Letter; or
- (b) where terms of Performance Rights require exercise, the vested Performance Right must be exercised within the period specified by the Board in the Invitation Letter .

13.2 Actions on exercise

On completion of the exercise of Performance Rights:

- (a) the Performance Rights will automatically lapse; and
- (b) the Company will issue or transfer the number of Resulting Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Performance Rights.

13.3 Cash settlement

Vested and, if applicable, exercised Performance Rights may be satisfied, at the discretion of the Board, in cash rather than Plan Shares, by payment to the Participant of the Cash Equivalent Value.

The Board may pay the Cash Equivalent Value in a currency other than Australian Dollars by applying the prevailing exchange rate as determined in the Board's absolute discretion.

14. Performance Rights may be cancelled if Participant consents

Notwithstanding any other provisions of the Plan, and subject to the Listing Rules, if a Participant and the Board have agreed in writing that some or all of the unvested Performance Rights granted to that Participant may be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Performance Rights on the relevant date or on the occurrence of the particular event (as the case may be).

15. Lapse of Performance Rights

15.1 Lapsing events

Unless the Board otherwise determines in its sole and absolute discretion, unvested Performance Rights will lapse on the earlier of:

- (a) the cessation of employment or office of a Participant (other than in accordance with Rule 19);
- (b) where Rule 23 applies;
- (c) if any applicable Vesting Conditions and/or Performance Hurdles are not achieved by the relevant time;
- (d) if the Board determines in its reasonable opinion that the applicable Vesting Conditions and/or Performance Hurdles have not been met and cannot be met prior the Expiry Date; and
- (e) the Expiry Date

15.2 What happens on lapsing

Where a Participant's Performance Rights have lapsed under Rule 16.1, the Company will:

- (f) notify the Participant that the Performance Rights held by them have lapsed;
- (g) arrange for the Participant or the Participant's agent or attorney to sign any transfer documents required to transfer or otherwise deal with the Performance Rights; and
- (h) not be liable for any damages or other amounts to the Participant in respect of the Performance Rights.

16. Listing

16.1 Performance Rights

Unless determined otherwise by the Board in its sole and absolute discretion, Performance Rights issued under the Plan will not be quoted on the ASX.

16.2 Resulting Plan Shares

While the Company remains listed on the ASX, Resulting Plan Shares will be listed on the ASX.

17. Disposal restrictions

17.1 Board determines

The Board may in its sole and absolute discretion determine, prior to an Invitation being made, whether there will be any restrictions (whether mandatory or at the election of the Participant) on the disposal of, the granting (or purporting to grant) of any Security Interest in or over, or otherwise on dealing with (or purporting to dispose or deal with), Resulting Plan Shares held by any Participants.

17.2 No transfer

Subject to Rule 17.1, Resulting Plan Shares or any beneficial or legal interest in Resulting Plan Shares may not be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over them, by a Participant unless all restrictions on transfer, encumbrance or disposal of the Resulting Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

17.3 Board actions

The Company may do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary to enforce the transfer restrictions set out in Rule 18.2, including but not limited

imposing an Holding Lock on the Resulting Plan. Shares or using an employee share trust to hold the Resulting Plan Shares during the relevant restriction period. Participants will be bound by any action by the Company under this Rule 17.3.

17.4 Overriding restrictions on dealing with Resulting Plan Shares

Resulting Plan Shares must not be dealt with under this Plan if to do so would contravene the Corporations Act or the Listing Rules.

17.5 Resulting Plan Share entitlements

For the avoidance of doubt, the imposition of a restriction on the Resulting Plan Shares held by a Participant pursuant to Rule 17.1 will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company or holders of Shares, and to receive any dividends declared by the Company during the relevant restriction period.

17.6 Company's Security Trading Policy

At all times Participants must comply with any Security Trading Policy.

17.7 Subject to law

The disposal restrictions in this Rule 17 are subject to any disposal required by law.

18. **Bonus issues and reconstruction**

18.1 Bonus issues

- (a) If Securities are issued by way of "bonus issue" (as that term is defined in the Listing Rules) to the holders of Shares, a Participant is entitled, upon vesting of a Performance Right, to receive in addition to the Share in respect of which the Performance Right vests and without the payment of any further consideration, the number of Securities which the Participant would have received if the Performance Right had vested before the record date for the bonus issue.
- (b) Any additional Securities to which a Participant becomes entitled under Rule 18.1(a) will, until those additional Securities are issued, transferred or allocated to the Participant, be regarded as:
 - (i). additional Securities into which the Performance Rights may vest for the purposes of any subsequent application of Rule 18.1(a); and
 - (ii). additional Performance Rights to which the Participant is entitled for the purposes of any application of Rule 18.2.

18.2 Reorganisation

In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled or the exercise price of the Performance Rights (if any) will be changed to the extent necessary in the case of a Performance Right to an issue of a Share to comply with the Listing Rules, and in the case of a Performance Right to acquire a Share by transfer to comply with the Settlement Rules, applying to a reorganisation of capital at the time of the reorganisation.

18.3 Limited right to participate in new issues

Subject to Rules 29.1 and 19.2, during the currency of any Performance Rights and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Performance Rights.

18.4 Fairness in application

In the application of this Rule 19, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other Securities in the Company subject to the Listing Rules.

PART D – ADMINISTRATION AND GENERAL

19. Cessation of employment

19.1 Performance Rights and unvested Plan Shares

(a) Good Leaver

If the Board determines that a Participant is a Good Leaver, a pro-rated amount of unvested Performance Rights and unvested Plan Shares (as relevant) will remain on foot and vest at the end of the Period to the extent that the Performance Hurdles are met (and ignoring any time-based hurdles). Remaining unvested Performance Rights and unvested Plan Shares will automatically lapse, unless the Board determines in its sole and absolute discretion to allow some or all of those Performance Rights and Plan Shares to vest; and

(b) Bad Leaver

If the Board determines that a Participant is a Bad Leaver, all unvested Performance Rights and unvested Plan Shares will automatically lapse unless the Board determines otherwise in its sole and absolute discretion.

(c) The Board may, in its discretion, determine a different treatment of Plan Shares in the event of cessation of employment.

19.2 Vested Performance Rights

(a) Where a Participant ceases to be an Employee, other than as a result of termination for cause (including gross misconduct), all vested Performance Rights which are required to be exercised by the Participant in order to be allocated Shares, including Performance Rights that vest pursuant to Rule 19.1 must, unless the Board determines otherwise, be exercised within the later of 90 days following cessation of employment or vesting (as relevant).

(b) Performance Rights which are not exercised within the period specified in Rule 19.2 (a) will lapse.

(c) Where a Participant is terminated for cause (including gross misconduct), all vested Performance Rights will automatically lapse, subject to the Board's discretion to apply a different treatment at the time of termination.

19.3 Vested Plan Shares

Unless otherwise set out in the terms of the Invitation Letter, if a Participant ceases to be an Employee while a Holding Lock applies in respect of his or her Plan Shares under this Plan, the Holding Lock will cease to apply immediately on cessation.

19.4 When employment ceases

For the purposes of this Plan, a Participant will not be treated as ceasing Employment until such time as the Participant is no longer an Employee of the Company.

Subject to applicable laws, at the discretion of the Board, a Participant 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, will not be treated for those purposes as ceasing employment.

19.5 Overseas transfers

If a Participant remains an Employee but is transferred to work in another country, or changes tax residence status, and as a result would:

(a) become subject to restrictions on his or her ability to hold or deal in Performance Rights or receive any proceeds the vesting and exercise of Performance Rights due to the securities laws or exchange control laws of the country to which he or she is transferred; or

(b) suffer a tax disadvantage (or cause a member of the Company to suffer a tax disadvantage), the Board, in its discretion and having regard to the requirements of the Tax Act, may determine any treatment in

respect of Shares and any Vesting Conditions attached to Performance Rights allocated under the Plan, before or after the Employee's transfer takes effect.

20. Adjustments for capital reconstructions

- (a) The number of Plan Shares and/or Resulting Plan Shares held by a Participant under the Plan will be adjusted in accordance with the Listing Rules following any variation in the share capital of the Company arising from:
 - (i). a reduction, subdivision or consolidation of share capital;
 - (ii). a reorganisation of share capital;
 - (iii). a distribution of assets in specie;
 - (iv). the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or
 - (v). any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves.
- (b) Upon any adjustment being made pursuant to this Rule the Board will notify each Participant (or his or her legal personal representative where applicable) in writing, informing them of the number of Plan Shares and/or Resulting Plan Shares to be then held by the Participant.

21. Change of Control

21.1 Board discretion upon an Event

If an Event occurs the Board may determine the treatment of the Participant's unvested Performance Rights or unvested Plan Shares and the timing of such treatment, which may include determining that the Performance Rights or unvested Plan Shares:

- (a) Vest in full or in part;
- (b) remain subject to the applicable Vesting Conditions and/or Period(s);
- (c) become subject to substitute or varied Vesting Conditions and/or Period(s) which, in the view of the Board, are no more difficult to achieve than the original Vesting Conditions and/or no longer than the original Period(s) (as applicable);
- (d) in respect of Performance Rights, convert to Share on a particular date; or
- (e) may only be settled in cash pursuant to Rule 14.3, or with securities/shares other than Shares;

having regard to any matter the Board considers relevant, including, without limitation, the circumstances of the Event (including the value being proposed to Shareholders), the extent to which the applicable Conditions have been satisfied (or estimated to have been satisfied) at the time of the Event, and/or the proportion of the Period that has passed at the time of the Event.

21.2 Default treatment upon a Change of Control

- (a) Where the Board does not exercise a discretion pursuant to Rule 21.1, upon a Change

of Control, a pro-rata number of the Participant's unvested Performance Rights or unvested Plan Shares (based on the proportion of the Period that has elapsed at the time of the Change of Control) will Vest to the extent that the Board determines the Conditions have been satisfied (or are estimated to have been satisfied).

(b) Where a Participant holds a Vested Performance Right or Plan Share at the date of the Change of Control (including those that Vest pursuant to this Rule 21):

(i). for each Vested Performance Right requiring exercise, the Participant shall have 30 days from the date of the Change of Control, or such other period as the Board determines, in which to exercise the Vested Performance Right. Any Performance Right not exercised within this period will lapse;

(ii). for each Vested Plan Share, the Holding Lock shall be lifted

(a) If a Performance Right is to be settled in cash, any part of the Performance Right that Vests and, if applicable, is exercised, pursuant to this Rule 21 will be satisfied by a cash payment equivalent to the Cash Equivalent Value and the Company will, notwithstanding the terms of the Performance Right, be under no obligation to deliver any part of a vested Performance Right in the form of Shares.

21.3 Notification to Participants

If a Change of Control occurs, or the Board exercises its discretion pursuant to Rule 21.1, the Company must notify all affected Participants as soon as practicable.

21.4 Acquisition of Shares in another company

If a company (Acquiring Company) obtains control of the Company, a Participant may be provided with awards or securities or shares (as applicable) in the Acquiring Company (or its parent or its subsidiary) in substitution for the Performance Rights or Plan Shares, on substantially the same terms and subject to substantially the same Vesting Conditions as the Performance Rights or Plan Shares, but with appropriate adjustments as to the number and type of awards or Shares.

22. **Divestment of a material business or subsidiary**

(a) Where the Company divests, or disposes of, a business or asset designated by the Board for this purpose as 'material', the Board may make rules that apply to Participants in relation to the Performance Rights (and any other entitlements or Plan Share that may arise in relation to those Performance Rights). Such rules may include:

(iii). varying the Condition applying to the Participant's Performance Rights or Plan Shares to take into account the divestment of the business or asset (if applicable); and

(iv). deeming the Participant to remain an Employee of the Company for a specific period.

(b) Any rules made under this Rule 22 must be notified to a Participant pursuant to Rule 26.

23. **Malus and Clawback**

23.1 Actions of a Participant

Where, in the opinion of the Board, a Participant has obtained, or may obtain, an unfair benefit as a result of his or her act (whether intentional, inadvertent, direct or indirect) which:

- (a) constitutes fraud, or dishonest, gross misconduct, or gross incompetence in relation to the affairs of the Group or any Group Company;
- (b) brings the Group or any Group Company into disrepute;
- (c) is in breach of his or her obligations to the Group or any Group Company, including compliance with any Company Clawback Policy and any other applicable Company policy;
- (d) constitutes a failure to perform any other act reasonably and lawfully requested of the Participant; or
- (e) has the effect of delivering strong Company performance in a manner which is unsustainable or involves unacceptably high risk, and results or is likely to result in a detrimental impact on Company performance following the end of the Period,

the Board may exercise its discretion under Rule 23.3 to ensure that no unfair benefit is obtained.

23.2 Actions of any person

Where, in the opinion of the Board, a Participant has obtained, or may obtain, an unfair benefit or has sustained, or may sustain, a loss as a result of an act of any person (whether intentional, inadvertent, direct or indirect) which constitutes fraud, dishonesty or breach of obligations (including, without limitation, a material misstatement of financial information), then if a Plan Share or Performance Right:

- (a) which would not have otherwise vested, vests or may vest, the Board may exercise its discretion under Rule 23.3 to ensure that no unfair benefit is obtained; or
- (b) which may otherwise have vested, does not vest, the Board may reconsider the satisfaction of the applicable Vesting Conditions and reinstate and vest any Performance Right or Plan Share that may have lapsed to the extent that the Board determines appropriate in the circumstances or make a new grant of Performance Rights or Plan Shares that reflect the terms of the original Performance Rights or Plan Shares.

23.3 Board's powers in relation to Performance Rights and Plan Shares

In the circumstances set out in Rule 23.1 and 23.2 above, the Board may, in its absolute discretion, and subject to applicable Laws, determine any treatment in relation to a Performance Right or Plan Share, including, without limitation, to:

- (a) reset the Vesting Conditions and/or alter the Period applying to the Performance Rights or Plan Shares;
- (b) deem all or any of the Performance Rights or Plan Shares (whether unvested or vested) to have lapsed or been forfeited (as relevant);
- (c) where Shares that have been allocated to a Participant under the Plan have been subsequently sold, require that the Participant repay the net proceeds of such a sale; and/or
- (d) where a cash payment has been made to a Participant pursuant to the terms of the Plan, whether under Rule 14.3 or otherwise, require that the Participant repay a sum equal to that cash payment.

24. Employee share trust

The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Plan Shares and/or Resulting Plan Shares for Participants under the Plan and/or delivery of Plan Shares and/or Resulting Plan Shares.

25. Contravention of Applicable Laws

No act will be done or determination made in accordance with these Rules where to do so would be a breach of any Applicable Laws and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of Plan Shares, Performance Rights and/or Resulting Plan Shares.

26. Administration of the Plan

26.1 Plan to be administered in accordance with the Rules

The Plan will be administered by the Board in accordance with these Rules. The Board may make regulations for

the operation of the Plan which are consistent with these Rules.

26.2 Delegation of powers

Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board for such period and upon such conditions as the Board may determine to:

- (a) a committee consisting of such Directors as the Board determines; or
- (b) any one or more persons selected by the Board, including but not limited to, the company secretary of the Company as appointed from time to time.

26.3 Decisions are final, conclusive and binding

Every exercise of discretion by the Board (or its delegate) and any decision by the Board (or its delegate) regarding the interpretation, effect or application of these Rules is final, conclusive, and binding.

26.4 Attorney and Agent

- (a) Each Participant hereby authorises and appoints each of the Directors and the company secretary holding office at the relevant time (or their delegate) as their agent or attorney with power to do all things necessary in the name of and on behalf of the Participant to give effect to these Rules, including and without limitation, signing Performance Rights or Share transfers, and accounting for the proceeds of the sale of forfeited Shares.
- (b) Each Participant agrees to indemnify and hold harmless any person acting as their agent or attorney in accordance with these Rules in respect of all costs, damages or losses of whatever nature arising from so acting.

26.5 Notice

(a) Address for service

- (i). Any notice required to be given under the Plan to a Participant will be sent to the address of the Participant as entered in the register unless delivered in person or sent by email or other electronic means.
- (ii). Any notice required to be given under the Plan to 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

A notice or other communication under or concerning the Invitation Letter or the Rules is validly given to a Participant if:

- (i). delivered personally to the Participant;
- (ii). sent by prepaid post to the Participant's last known residential address;
- (iii). sent to the Participant by email or other electronic means at the Participant's place of work; or
- (iv). posted on an electronic notice board maintained by or on behalf of the Company and accessible by the Participant

and will in the case of (i), (iii) and (iv) above, be treated as being received immediately following the time it was sent, posted, or delivered, and where it is sent by regular post it will be treated as received 48 hours after it was posted.

- (a) Notices delivered to Participants in accordance with the Constitution will be taken to be delivered in accordance with the Constitution. Notices delivered to the Company by pre-paid post will be taken to be delivered if properly addressed and stamped, 48 hours after mailing in Australia and 7 days after mailing outside Australia. Notices delivered by facsimile, e-mail or other mode of electronic delivery will be taken

to be delivered on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery.

26.6 Personal information

Subject to compliance with the Privacy Policy, the Privacy Act and all applicable Law, each Participant consents to the Company or its agents (and each of their related parties) collecting, holding and using personal information that the Participant provides in the application to participate in the Plan or otherwise provides to the Company or its agents (and each of their related parties) as part of their employment, in order to carry out the administration and operation of the Plan in accordance with these Rules, including providing relevant information to:

- (a) the Plan manager or another entity that manages or administers the Plan on behalf of the Company (as the case may be);
- (b) any broker or external service provider, including a tax or financial adviser;
- (c) the trustee of any employee share trust;
- (d) any government department or body; and
- (e) any other person or body as required or authorised by law.

27. **No employment contract**

Nothing in these Rules or the terms of any Plan Shares, Performance Rights or Resulting Plan Shares:

- (a) confers upon a Qualifying Employee a right to a grant or offer of a grant of Plan Shares and/or Performance Rights;
- (b) confers on a Qualifying Employee or a Participant the right to continue as an employee or officer of any member of the Group (as the case may be);
- (c) affects the rights of any member of the Group to terminate the employment or office of a Qualifying Employee or a Participant (as the case may be);
- (d) affects the rights and obligations of any Qualifying Employee or a Participant under the terms of their office or employment with any member of the Group;
- (e) confers any legal or equitable right on a Qualifying Employee or a Participant whatsoever to take action against any member of the Group in respect of their office or employment; or
- (f) confers on a Qualifying Employee or a Participant any rights to compensation or damages in consequence of the termination of their employment by any member of the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination.

28. **Plan amendment**

28.1 Amendment of Plan

- (a) Subject to the Listing Rules, the Constitution, and Rule 30.1(b), the Board may at any time amend these Rules or the terms and conditions upon which any Plan Shares, Performance Rights or Resulting Plan Shares have been issued under the Plan.
- (b) No amendment to these Rules or to Plan Shares, Performance Rights or Resulting Plan Shares granted under the Plan may be made if the amendment materially reduces the rights of any Participant (unless agreed by the Participant) in respect of Plan Shares, Performance Rights and/or Resulting Plan Shares granted to them prior to the date of the amendment other than an amendment introduced primarily:
 - (i). for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (ii). to correct any manifest error or mistake;
 - (iii). for the purpose of complying with the Applicable Laws;

- (iv). to allow the Company to utilise a trust arrangement for the purposes of dealing with Plan Shares and/or Resulting Plan Shares issued or acquired
 - (v). under the Plan; or
 - (vi). to take into consideration possible adverse taxation implications in respect of the Plan from matters including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.
- (c) The Board may determine or procure that any amendment to these Rules or the terms of Plan Shares, Performance Rights or Resulting Plan Shares granted under the Plan be given retrospective effect.
 - (d) Any amendment of these Rules or the terms and conditions upon which Plan Shares, Performance Rights or Resulting Plan Shares are granted under the Plan by the Board or the Company at the request of the Board will be of immediate effect unless otherwise determined by them.
 - (e) As soon as reasonably practicable after the making of any amendment to these Rules or the terms and conditions of Plans Shares, Performance Rights or Resulting Plan Shares granted under the Plan the Board will give notice of the amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

28.2 Amendment by Addendum

Subject to any other provision of these Rules, the Board may from time to time amend the terms of this Plan as they will apply in particular jurisdictions or circumstances by means of an addendum to these Rules.

29. **Termination or suspension**

- (a) Subject to Rule 29(b), the Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit.
- (b) The Board may only terminate the Plan in the event that no disposal restrictions in Rules 10 or 17 continue to apply to any Plan Share or Resulting Plan Share respectively.

30. **Expenses**

Unless otherwise determined by the Board in its absolute discretion, the Company:

- (a) will be responsible for any brokerage or incidental expenses which may become payable by a Participant in connection with the issue and allotment of Plan Shares and/or Resulting Plan Shares; but
- (b) will not be responsible for any brokerage or incidental expenses which may become payable by a Participant in connection with the subsequent sale, transfer or disposal of Plan Shares and/or Resulting Plan Shares in accordance with this Plan.

31. **Non-exclusivity**

31.1 Non-exclusivity

This Plan will not be deemed to be the exclusive method of providing incentive compensation to Qualifying Employees, nor will it preclude any member of the Group from authorising or approving other forms of incentive compensation for employees of any member of the Group.

31.2 Relationship to other share plans

Participation in this Plan will not affect or be affected by any participation in any other employee equity plan operated by any member of the Group, except as specifically provided in the terms of that other plan.

32. **General**

32.1 No fiduciary obligation

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 any such power or discretion, under any fiduciary obligation or other obligation to any other person.

32.2 Listing Rules

While the Company remains admitted to the ASX, the provisions of the Listing Rules will apply to the Plan, and to the extent that the Plan and the Listing Rules are inconsistent, the provisions of the Listing Rules will apply.

32.3 Governing Law

This Plan, and any Plan Shares, Performance Rights or Resulting Plan Shares granted under it, is governed by, and must be construed according to, the laws of the State of New South Wales and the Commonwealth of Australia.