



REDHILL EDUCATION

RedHill Education Limited

Employee Incentive Plan Rules

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1 Introduction

1.1 Name of Plan

*The Plan is called the **Red Hill Education Employee Incentive Plan**.*

1.2 Objects of Plan

The objects of the Plan are to:

- (1) *provide an incentive for Eligible Employees to remain in their employment in the long term;*
- (2) *recognise the ongoing ability of Eligible Employees and their expected efforts and contribution in the long term to the performance and success of the Group; and*
- (3) *provide Eligible Employees with the opportunity to be granted Incentives, and ultimately to be issued Shares, in the Company, in accordance with these Rules.*

1.3 Commencement of Plan

The Plan commences on the date determined by the Plan Committee.

2 Defined terms and interpretation

2.1 Defined terms

In these Rules, unless the context otherwise requires:

- (1) **Accelerated Vesting Event** means the occurrence of:
 - (a) *a Special Circumstance in respect of a Participant; or*
 - (b) *prior to the Vesting Date:*
 - (i) *the acquisition by a person or entity (directly or indirectly) of not less than 50% of the issued shares in the Company, whether by private treaty or as a result of a takeover bid or a members' scheme of arrangement in accordance with the Applicable Laws; or*
 - (ii) *any other similar event as the Plan Committee may at any time determine;*
- (2) **Applicable Law** means one or more, as the context requires of:
 - (a) *the Corporations Act;*
 - (b) *Corporations Regulations;*
 - (c) *the Listing Rules (if any Shares are officially quoted on the ASX);*
 - (d) *the Tax Act;*

- (e) *the Tax Administration Act;*
 - (f) *any other applicable practice note, policy statement, class order, declaration, guideline, policy, procedure, ruling or guidance note made to clarify or expand any of (a) to (e) above; and*
 - (g) *the constitution of the Company;*
- (3) **ASIC** means *the Australian Securities and Investments Commission;*
- (4) **ASIC Instrument** means *an instrument made by ASIC that exempts the Company, or each person in a class of persons, from the Corporations Act or any part of it, or that modifies the application of the Corporations Act or any part of it in particular circumstances;*
- (5) **ASX** means *ASX Limited ACN 008 624 691 or the market conducted by it (as the context requires);*
- (6) **Board** means *all or some of the directors of the Company acting as a board or its delegate under section 198D of the Corporations Act;*
- (7) **Certificate** means, with respect to an Incentive, *a certificate issued under these Rules in the form approved by the Plan Committee from time to time, including a certificate contained in an Offer Letter;*
- (8) **Company** means *Red Hill Education Limited ACN 119 952 493;*
- (9) **Corporations Act** means *the Corporations Act 2001 (Cth);*
- (10) **Corporations Regulations** means *any and all regulations made under the Corporations Act;*
- (11) **Current Market Price** in relation to a Share, means *the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Shares sold on the ASX during the previous 30 trading days prior to the Date of Grant, regardless of whether any Shares traded on a given trading day, Vesting Date or date of exercise (as the context requires), or any other calculation or date as determined by the Plan Committee;*
- (12) **Date of Grant** means, with respect to an Incentive, *the date on which the Plan Committee grants the Incentive to an Eligible Employee;*
- (13) **Deal or Dealing** in relation to an Incentive or Share (as the case may be), means *any dealing, including but not limited to:*
- (a) *a sale, transfer, assignment, encumbrance, option, swap, or any other alienation of all or any part of the rights attaching to the Incentive or Share;*
 - (b) *any attempt to do any of the actions set out in paragraph (a) above; and*
 - (c) *any hedging (including any dealing with a derivative instrument intended to “lock in” a profit relating to an Incentive, and any other transactions in financial products that operate to limit the economic risk associated with holding an Incentive);*
- (14) **Director** means *a director of the Company;*
- (15) **Eligible Employee** means *an Employee whom the Plan Committee determines is eligible to participate in the Plan from time to time and to be granted Incentives under the Plan. For the avoidance of doubt, an Eligible Employee may include past and prospective employees, and other persons who have a relationship with the Company that is considered to be in the nature of employment, in the sole discretion of the Plan Committee;*



- (16) **Employee** means:
- (a) *an individual whom the Plan Committee determines to be in the full-time or part-time 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 Plan Committee);*
 - (b) *a director of a body corporate in the Group who holds a salaried employment or office in a body corporate in the Group;*
 - (c) *a Director;*
 - (d) *an individual who provides services to a body corporate in the Group whom the Plan Committee determines to be an Employee for the purposes of the Plan; or*
 - (e) *an individual otherwise in the employment of a body corporate in the Group whom the Plan Committee determines to be an Employee for the purposes of the Plan;*
 - (f) *any other person whom the Plan Committee determines to be an Employee for the purposes of the Plan;*
- (17) **Equity Performance Right** means *an entitlement to a Share (or, in certain circumstances, to a cash payment in lieu of a Share) subject to the satisfaction of applicable conditions (including any Vesting Condition/s) and compliance with the applicable exercise procedure (if any);*
- (18) **Exercise Date** means *the date on which a Notice of Exercise is provided to the Company by a Participant in respect of an Incentive;*
- (19) **Exercise Period** means *the period commencing on the First Exercise Date and ending on the Last Exercise Date;*
- (20) **Exercise Price** means *the amount payable by the holder of an Incentive on the exercise of the Incentive (if any), being the amount fixed at the time of the grant of the Incentive and as determined under Rule 6.4;*
- (21) **First Exercise Date** with respect to an Incentive means *the earlier of:*
- (a) *the day after the Vesting Date; and*
 - (b) *the date on which a Special Circumstance arises in respect of the Participant holding the Option,*
- or such other date or event as the Plan Committee in accordance with the Rules may substitute for that date and/or event(s);*
- (22) **Group** means *the Company and its Subsidiaries;*
- (23) **Group Company** means *a member of the Group;*
- (24) **Holding Lock** has the meaning given to it in Listing Rule 19.12;
- (25) **Holding Lock Period** means, *unless otherwise determined by the Plan Committee, the period of 2 years commencing from the Vesting Date;*
- (26) **Incentive** means *an Equity Performance Right or Option as applicable;*
- (27) **KPIs** means *the Participant's Key Performance Indicators (if any) set out in the Offer Letter or as determined by the Plan Committee and communicated to the Participant from time to time;*



- (28) **Last Exercise Date** with respect to an Incentive means, unless otherwise specified in an Offer Letter in respect of that Incentive or otherwise determined by the Plan Committee:
- (a) the date five years after the Date of Grant; or
 - (b) if a Special Circumstance arises in respect of a Participant during those five years, then the date 12 months (or such longer or shorter period as may be determined by the Plan Committee) after the Special Circumstance arises;
- (29) **Legal Personal Representative** means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;
- (30) **Listing Rules** means the listing rules of the ASX;
- (31) **Notice of Exercise** means a duly completed and executed notice of exercise of an Incentive by a Participant, in the form approved by the Plan Committee from time to time;
- (32) **Offer** means an invitation in the form of an Offer Letter to an Eligible Employee made by the Plan Committee to participate in the Plan;
- (33) **Offer Date** means the date on which an Incentive is offered to an Eligible Employee;
- (34) **Offer Letter** means an invitation sent by the Plan Committee to an Eligible Employee setting out the details of an Offer and which may take any form determined by the Plan Committee from time to time subjects always to compliance with any applicable laws;
- (35) **Option** means an option issued to a Participant under the Plan to subscribe for a Share;
- (36) **Participant** means a person who holds Incentives issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant;
- (37) **Plan** means the Red Hill Education Limited Employee Incentive Plan governed by these Rules;
- (38) **Plan Committee** means the Board, the Employee Incentive Plan Committee or any other person or committee of the Board to which the Board has delegated power to administer the Plan;
- (39) **Redundancy** means the termination or cessation of a Participant's employment or office with a body corporate in the Group as a result of redundancy, as determined by the Plan Committee;
- (40) **Rules** means the rules governing the operation of the Plan set out in this document, as amended from time to time;
- (41) **Securities Trading Policy** means the Company's Securities Trading policy (as amended or replaced from time to time) or such other policy of a Group company in relation to trading or Dealing in Shares and other securities in the capital of the Company as applicable from time to time;
- (42) **Security Interest** means:
- (a) a mortgage, charge, assignment by way of security, pledge, lien, hypothecation, title retention arrangement, encumbrance or other third party interest of any nature;

- (b) *any arrangement having a commercial effect equivalent to anything in (a); and*
 - (c) *any agreement to create an interest described in (a) or an arrangement described in (b);*
- (43) **Share** *means a fully paid ordinary share in the capital of the Company;*
- (44) **Shareholder** *means a holder of Shares;*
- (45) **Special Circumstance** *means with respect to a Participant:*
 - (a) *Total and Permanent Disablement;*
 - (b) *the death of the Participant;*
 - (c) *Redundancy of the Participant; and*
 - (d) *any other circumstances as the Plan Committee may at any time determine (whether in relation to the Participant, a class of Participants, particular circumstances or a class of circumstances) and whether before or after the Date of Grant;*
- (46) **Subsidiary** *means:*
 - (a) *a body corporate of which the Company is a holding company in terms of Division 6 of Part 1.2 of the Corporations Act that the Plan Committee has approved for participation in the Plan; or*
 - (b) *a body corporate in which the Company has voting power of not less than 20% (determined under section 610 of the Corporations Act) that the Plan Committee has approved for participation in the Plan;*
- (47) **Takeover Bid** *has the meaning given in section 9 of the Corporations Act.*
- (48) **Tax** *includes any tax (direct or indirect), levy, impost, GST, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing;*
- (49) **Tax Act** *means the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth) or both, as the context requires;*
- (50) **Tax Administration Act** *means the Taxation Administration Act 1953 (Cth);*
- (51) **Termination Date** *means the date on which a Participant ceases to be an Employee;*
- (52) **Total and Permanent Disablement** *means the termination or cessation of a Participant's employment with the Company or a Subsidiary as a result of total and permanent disablement, as determined by the Plan Committee;*
- (53) **Vesting** *means the holder of an Incentive becoming absolutely entitled to receive the Shares comprised in their Incentive or to be able to exercise the Incentive in accordance with these Rules, including following the satisfaction of all Vesting Conditions that apply to that Incentive, and **Vest** and **Vested** will be construed accordingly.*
- (54) **Vesting Conditions** *has the meaning given in Rule 7.2; and*

- (55) **Vesting Date** means the third anniversary of the Date of Grant of the Incentives unless otherwise specified in an Offer Letter in respect of the Incentive, or if Dealings by a Participant or the Company would be prohibited on the applicable date, such later date when all Dealings are permitted.

2.2 Interpretation

In these Rules, unless the context otherwise requires:

- (1) headings are for convenience only and do not affect the interpretation of these Rules;
- (2) reference to any legislation or a provision of any legislation includes a modification or re-enactment of the legislation or a legislative provision substituted for, and all legislation and statutory instruments and regulations issued under, the legislation;
- (3) words denoting the singular include the plural and vice versa;
- (4) words denoting a gender include the other genders;
- (5) reference to any document or agreement includes reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (6) 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;
- (7) reference to a rule or paragraph is a reference to a rule or paragraph of these Rules, or the corresponding Rule or Rules of the Plan as amended from time to time; and
- (8) where an act or thing must be done on a particular day or within a particular period, that act or thing must be done before, and that period ends at, 5.00pm Sydney, Australia time on the relevant day.

2.3 Primary instruments

These Rules are to be interpreted subject to the Applicable Laws.

3 Principal conditions

3.1 Incentives granted only to Employees

No Incentives may be granted to a person under the Plan unless the person is an Employee as at the Date of Grant, or the Plan Committee determines otherwise.

3.2 Compliance with laws

Notwithstanding any other provision of these Rules or any term or condition of the participation of any Participant in the Plan, No Incentive or Share may be, as applicable, offered, granted, allocated or issued to, or exercised by, an Eligible Employee or Participant or otherwise Dealt with under the Plan if to do so would:

- (1) contravene the Company's constitution, any Applicable Law, including Listing Rules 6.15 to 6.24 (if any Shares are officially quoted on the ASX); or
- (2) 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 Plan Committee compliance with those local laws, rules or requirements would be impractical or result in any unnecessary or unreasonable expense in the circumstances; or

- (3) *require any Group company to pay, provide, or procure the payment or provision of, any money or benefits to the Participant which would require Shareholder approval under Part 2D.2, Division 2 of the Corporations Act*

This Plan is intended to comply with ASIC Instruments (including ASIC Class Order 14/1000, as amended from time to time), including the limit on offers of Performance Rights and underlying Shares that may be made relying on the relief provided in the relevant ASIC Instrument. The Plan Committee will take such actions or refrain from taking actions so as to remain able to rely on the relief provisions of the relevant ASIC Instrument.

4 Operation of the Plan

The Plan operates according to these Rules which bind the Company, any Subsidiary and each Participant.

5 Offer and Acceptance of Incentives

5.1 Plan Committee to make invitations

- (1) *No person will be entitled as a right to participate in the Plan. The Plan Committee may, from time to time, in its absolute discretion invite Eligible Employees to participate in the Plan, except any Employee who is under notice of termination of employment, services or appointment at the Offer Date, unless the Plan Committee determines otherwise.*
- (2) *The Incentives to be granted are as determined by the Plan Committee in its absolute discretion. On the acceptance of an Offer by an Eligible Employee, the Eligible Employee becomes a Participant and is bound by these Rules.*
- (3) *Offers to grant Incentives will be made on the terms set out in the Rules and Offer Letter, and each Eligible Employee will receive an Offer Letter (electronically or in hard copy) on the Offer Date summarising the main terms of the grant.*

5.2 Information to be provided to Eligible Employees

The Offer Letter may include the following information:

- (1) *the date of the Offer;*
- (2) *the name of the Eligible Employee to whom the Offer is made;*
- (3) *the Date of Grant;*
- (4) *details of the Incentives, including the number and type of Incentives proposed to be granted;*
- (5) *details of the KPIs applicable to the Incentives;*
- (6) *any Vesting Conditions or other conditions that apply, including the Vesting Date;*
- (7) *if applicable, the procedure for exercising an Incentive following vesting, the Exercise Price, and the Exercise Period;*
- (8) *the circumstances in which Incentives will lapse or a Participant's entitlement to Incentives may be reduced or extinguished;*
- (9) *how Incentives may be treated if the Eligible Employee ceases employment, services or appointment with a Group company, and any discretions retained by the Plan Committee under Rule 11 in this regard;*

- (10) *any restrictions (including the period of restriction) on Dealing in relation to a Share allocated to the Participant under this Plan;*
- (11) *the time period in which a Participant must accept an Offer; and*
- (12) *such other information or specific terms and conditions as the Plan Committee may determine, including as required by any applicable law and any relevant ASIC Instrument.*

5.3 *Acceptance of Offer*

- (1) *Acceptance of an Offer must be made by the Eligible Employee in accordance with the instructions that accompany the Offer Letter, or in any other way the Plan Committee determines. Eligible Employees may be issued an application form and such explanatory and other material in respect of the Plan as the Plan Committee considers appropriate, or as is required by any applicable law and any relevant ASIC Instrument.*
- (2) *The Plan Committee may, at its discretion, refuse to allow the participation of an Eligible Employee and an Offer is not capable of acceptance by an Eligible Employee if that Eligible Employee:*
 - (a) *ceases to be an Employee;*
 - (b) *gives or receives notice of termination of employment, services or appointment (whether by resignation or otherwise) or is working out a period of notice of termination (whether by resignation or otherwise); or*
 - (c) *ceases to satisfy any other conditions imposed by the Plan Committee, before any Offer or grant is made.*
- (3) *Nothing limits the Plan Committee's ability to treat the conduct of an Eligible Employee in respect of an Offer as valid acceptance of that Offer under these Rules.*

5.4 *Offer terms and conditions take precedence*

To the extent of any inconsistency, the terms and conditions advised to an Eligible Employee by the Plan Committee in an Offer Letter will prevail over any other provision of these Rules.

6 Grant of Incentives

6.1 *Plan Committee may determine grant*

Subject to these Rules, the Plan Committee may from time to time determine that the Company will grant Incentives to an Eligible Employee.

6.2 *No price payable for Incentives*

Unless the Plan Committee determines otherwise, no payment is required for the grant of an Incentive and an Incentive may not be registered in any name other than that of the Participant or the trustee of a duly constituted superannuation fund for the benefit of the Participant.

6.3 *Number of Incentives*

The number of Incentives the subject of a grant to an Eligible Employee is as determined by the Plan Committee and set out in the Offer Letter.

6.4 *Exercise Price*

Subject to any adjustment under Rule 13, the Exercise Price (if any) in respect of an Incentive is as determined by the Plan Committee and set out in the Offer Letter. If no determination is made in relation to an Equity Performance Right, the applicable Exercise Price is nil.

6.5 *Exercise Price in Australian dollars*

The Exercise Price in respect of an Incentive must be denominated and payable in Australian dollars.

6.6 *Eligible Employee becomes a Participant*

On the issue of an Incentive to an Eligible Employee, the Eligible Employee becomes a Participant and is bound by these Rules.

6.7 *Consideration for Incentives*

Incentives will be granted and issued for consideration comprising the services that are expected to be provided by an Eligible Employee to or for the benefit of the Group, including, in respect of those Eligible Employees who are not employees of the Group, subject to compliance with all applicable laws and any ASIC Instrument, any transfer to the Group of intellectual property created by that Eligible Employee, but no further monetary or other consideration will be payable in respect of the grant and issue of an Incentive.

6.8 *Entitlement to underlying Shares*

Subject to these Rules and applicable Offer Letter, each Incentive confers on its holder the entitlement to be issued one fully paid Share at the Exercise Price (if any).

6.9 *Interest in Shares*

A Participant has no interest in a Share the subject of an Incentive held by the Participant unless and until the Share is issued to that Participant under these Rules.

7 Vesting of Incentives

7.1 *Vesting*

Subject to Rule 7.2 and 7.3, an Incentive vests on the Vesting Date.

7.2 *Vesting Conditions*

The vesting of any Incentives held by the Participant is subject to the Participant satisfying the following conditions, unless the Plan Committee determines otherwise in its absolute discretion:

- (1) subject to Rule 10.8, the Participant must have been an Employee of a company within the Group at all times between the Date of Grant and the Vesting Date (inclusive) and must not have given or received a notice of termination of employment, services or appointment (whether by resignation or otherwise) and must not be working out a period of notice of termination (whether by resignation or otherwise);*
- (2) the Participant must have satisfied their annual KPIs to the Plan Committee's satisfaction (in each year between the Date of Grant and the Vesting Date);*
- (3) any other conditions included in the Offer Letter;*



- (4) *The Participant must not have engaged in any misconduct or threatened any act which constitutes misconduct during the employment period from the Date of Grant (misconduct will have the meaning ascribed to it in clause 9.1(2))*
- (5) *any other conditions imposed by the Plan Committee in its absolute discretion,*
*(together, the **Vesting Conditions**).*

7.3 *Prohibited Dealings*

If vesting or exercise of an Incentive would arise in a period where Dealings by a Participant or the Company would be prohibited, the Plan Committee may determine that vesting or exercise (as applicable) will be delayed until such time as Dealings are permitted. For the avoidance of doubt, the Plan Committee may determine that vesting or exercise (as applicable) will be delayed only in relation to the affected Participant or in relation to some or all of the Participants who hold Incentives under the Plan (irrespective of whether they are subject to the Dealing restriction).

7.4 *Lapse of unvested Incentives*

Subject to Rule 7.5, if the Vesting Conditions in relation to an Incentive are not satisfied before 5pm AEST on the Vesting Date, the Incentives will lapse at 5pm AEST on the Vesting Date. If the Vesting Conditions are not satisfied by the Vesting Date, the Plan Committee must give the Participant written notice that the Vesting Conditions have not been satisfied.

7.5 *Waiver of Vesting Conditions*

The Plan Committee may, at its discretion, by notice to the Participant reduce or waive the Vesting Conditions attaching to Incentives in whole or in part at any time and in any particular case including due to Special Circumstance or another Accelerated Vesting Event.

8 Exercise of Incentives

8.1 *Exercise during Exercise Period*

Subject to Rules 3.2, 7.1, 7.3 and 8.2 and the applicable Offer Letter, an Incentive may be exercised at any time during the Exercise Period for that Incentive.

8.2 *Exercise before Exercise Period*

Subject to Rule 7.1, 7.3 and the applicable Offer Letter, an Incentive may be exercised before the Exercise Period if permitted under Rules 10.8 or 13.4 or by the Plan Committee in its discretion.

8.3 *Exercise of Incentives*

The exercise of any Incentive granted under the Plan will be effected in the form and manner determined by the Plan Committee.

Subject to these Rules and applicable Offer Letter, Incentives which have not lapsed may be exercised by the Participant giving to the Company, to the extent applicable:

- (1) *a Notice of Exercise signed by the Participant;*
- (2) *the Certificate for those Incentives; and*
- (3) *a cheque payable to the Company (or another form of payment acceptable to the Plan Committee) in the amount of the product of the number of Incentives then being exercised by the Participant and the Exercise Price.*

8.4 Issue of Shares

Subject to these Rules, including Rule 7.3, on the exercise of an Incentive the Company must:

- (1) procure the transfer of a Share; or*
- (2) issue and allot a Share,*

to the Participant. The Company may, as a condition to the issue or transfer of any Share to the Participant, require the Participant to accede to a shareholders agreement or other arrangement applying to Shareholders (if applicable).

8.5 Payment of cash equivalent

- (1) The Plan Committee may determine that the vesting of some or all of a Participant's Incentives will be satisfied by the Company making a cash payment in lieu of an allocation of Shares pursuant to Rule 8.4. For the avoidance of doubt, where the Plan Committee determines to satisfy some or all of a Participant's Incentives in this way, the Participant has no entitlement to receive that payment until the Incentives have vested and, if applicable, have been exercised.*
- (2) Where the Plan Committee exercises its discretion under Rule 8.5(1) to make a cash payment to a Participant in lieu of an allocation of Shares, the Company must pay to the Participant an amount in Australian dollars (or any other currency determined by the Plan Committee in its absolute discretion) equivalent to the value of Incentives that have vested or been exercised and that the Plan Committee determines will be settled by a cash payment under Rule 8.5(1).*
- (3) The amount of the cash payment referred to in Rule 8.5(2) will be calculated by multiplying the number of Shares in respect of which Incentives have Vested or been exercised by the Current Market Price at the Vesting Date or date of exercise (as applicable).*
- (4) Where the Plan Committee determines that the payment under Rule 8.5(1) is to be made in a currency other than Australian dollars, unless the Plan Committee determines otherwise, the foreign exchange rate applied will be the average closing exchange rate of the relevant currency for the five trading days prior to the Vesting Date or exercise (as applicable).*

8.6 On Market Shares

In the case of Incentives held by or on behalf of a Participant who is a Director, unless the Plan Committee determines otherwise, vested Incentives must be satisfied by Shares that have been purchased on market, unless:

- (1) no Shareholder approval is required under the Listing Rules in respect of the Director's participation in the Plan; or*
- (2) Shareholders have approved the Director's participation in the Plan to the extent required under the Listing Rules.*

8.7 Quotation on ASX

If other Shares are officially quoted on the ASX at the time of issue of Shares under this Plan, the Company must, within the time frame required by Item 6 of Appendix 6A of the Listing Rules, apply for official quotation on the ASX of any Shares issued under Rule 8.4.

8.8 Clearance of Exercise Price

The Company is not obliged to issue Shares on exercise of Incentives until:



- (1) *any cheque received in payment of the Exercise Price has been honoured on presentation; or*
- (2) *any electronic funds transfer in payment of the Exercise Price has deposited cleared funds in the Company's bank account.*

8.9 *Exercise all or some Incentives*

- (1) *A Participant may only exercise Incentives in multiples of 100 or another multiple as the Plan Committee determines unless the Participant exercises all Incentives covered by a Certificate (including in any Offer Letter) able to be exercised by him or her at that time.*
- (2) *The exercise by a Participant of only some of the Incentives held by the Participant does not affect the Participant's right to exercise at a later date other Incentives held by the Participant (whether those other Incentives have the same First Exercise Date or otherwise).*

8.10 *Replacement Certificate*

If a Participant submits a Notice of Exercise in respect of only part of the Incentives covered by a Certificate, the Company may issue a Certificate stating the remaining number of Incentives held by the Participant.

8.11 *Shares rank equally*

Unless otherwise provided in an Offer Letter or Notice of Exercise, Shares issued on the exercise of Incentives rank equally with all existing Shares on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

9 Lapse of Incentives

9.1 *Lapse of vested Incentives*

Unless otherwise specified in the Offer Letter or determined otherwise by the Plan Committee, an Incentive which has vested with the Participant lapses on the earlier of:

- (1) *the Last Exercise Date (as applicable);*
- (2) *a determination of the Plan Committee that the Incentive should lapse because the Participant, in the Plan Committee's opinion:*
 - (a) *has been dismissed or removed from office for a reason which entitles a body corporate in the Group to dismiss the Participant without notice;*
 - (b) *has engaged in any act or omission that constitutes misconduct (including but not limited to, drunkenness, drug taking, theft, fraud, discriminatory behavior or assault) or threatened any act that constitutes misconduct;*
 - (c) *refused to obey a lawful and reasonable direction of the Board;*
 - (d) *acted in a manner which injures or may injure the reputation of the Group or any body corporate in the Group;*
 - (e) *failed to account to the Company for any payment, incentive, gift, concession or favour received as an Employee;*
 - (f) *is precluded from taking part in the management of a corporation under the provisions of Part 2D of the Corporations Act; or*
 - (g) *fails to comply with the Group's code of conduct or properly follow Company policy.*

- (3) *the date determined by the Plan Committee (which in no event will be more than six months) after the Termination Date of the Participant with the Group (other than due to the occurrence of a Special Circumstance).*

9.2 *Incentive rights cease*

If a Participant fails for any reason to exercise all the Incentives registered in the Participant's name before the occurrence of a circumstance set out in Rule 9.1, those Options that the Participant:

- (1) *would have been entitled to exercise and that have not been exercised; and*
- (2) *may have had a right or entitlement to have vested in the Participant,*

lapse and all rights of a Participant under the Plan in respect of those Incentives cease.

10 **Dealings with Incentives**

10.1 *Limitation*

- (1) *An Incentive will immediately lapse if the Participant:*

(a) transfers, assigns, sells, pledges, charges or otherwise disposes of, or Deals with; or

(b) attempts to transfer, assign, sell, pledge, charge or otherwise dispose of, or Deal with,

it or the Shares subject to it, unless the Plan Committee in its absolute discretion approves the Dealing or the transfer or transmission is effected by force of law on death or legal incapacity to the Participant's Legal Personal Representative.

- (2) *A Participant will have no rights in respect of any Shares subject to an Incentive until the Shares are issued or transferred under rule 8.4.*

10.2 *Holding Lock Period*

For the duration of the Holding Lock Period:

- (1) *Shares issued under the Plan will not be transferable; and*
- (2) *Participants may not encumber the Shares creating any Security Interest (other than in favour of the Company).*

10.3 *Participant's undertaking*

During the Holding Lock Period, each Participant:

- (1) *agrees that the Shares issued under Rule 8.4 will be subject to a Holding Lock; and*
- (2) *undertakes not to request (or permit or procure another person to request) removal of the Holding Lock,*

except that some of the Shares may be released in accordance with column 2 of Annexure A upon the event in column 1 of Annexure A occurring.

10.4 *Holding Lock procedure*

The Company may implement any procedure it considers appropriate to restrict the Participant from dealing with the Shares while the Holding Lock is in place.

10.5 *Incentives personal*

Except where Incentives have been transferred under Rule 10.7, Incentives held by a Participant are personal to the Participant (or their nominated superannuation trustee) and may not be exercised by another person.

10.6 *No unauthorised disposal*

Except as permitted under Rule 10.7, a Participant must not dispose of or grant a Security Interest over or otherwise deal with an Incentive or an interest in an Incentive, and the Security Interest or disposal or dealing is not recognised in any manner by the Company.

10.7 *Permitted transfer of Incentives*

Incentives which have vested with the Participant may be transferred, by an instrument of transfer, in the following circumstances only:

- (1) a transfer constituting the necessary transfer documents following an acceptance of an offer made under an off-market bid relating to Incentives;*
- (2) a transfer to a bidder on the sale of the Incentives under Division 3 of Part 6A.1 of the Corporations Act;*
- (3) a transfer to a 100% holder on the sale of the Incentives under Division 2 of Part 6A.2 of the Corporations Act;*
- (4) a transfer under Part 6A.3 of the Corporations Act to a person entitled to acquire the Incentives under section 661A or 664A of the Corporations Act; or*
- (5) a transfer approved by the Plan Committee in those circumstances as may be determined by the Plan Committee.*

10.8 *Vesting brought forward*

If an Accelerated Vesting Event occurs while a Participant is employed with the Group, the Board may, at its discretion, having regard to whether the Participant has satisfied their annual KPIs to the Board's satisfaction in each year between the Date of Grant and the occurrence of the Accelerated Vesting Event:

- (1) bring forward the vesting of all Incentives held by the Participant to a date determined by the Plan Committee; and*
- (2) waive or vary any Vesting Conditions in regard to an Incentive held by the Participant in accordance with Rule 7.5.*

10.9 *Notice to Participants of change*

If the Plan Committee determines to bring forward the vesting of Incentives and waive or vary the Vesting Conditions under Rule 10.8, the Company:

- (1) must within 14 days of the alteration give notice to each Participant affected by the Accelerated Vesting Event in respect of any Incentives held by the Participant; and*
- (1) may issue a replacement Certificate for the Incentives.*

11 Cessation of Employment

11.1 *The Plan Committee, in its discretion, may determine that some or all of a Participant's unvested Incentives, as applicable:*

- (1) lapse;*

- (2) are forfeited;
- (3) vest (immediately or subject to conditions);
- (4) are only exercisable for a prescribed period and will otherwise lapse; and/or
- (5) are no longer subject to some of the restrictions (including any Vesting Condition) that previously applied,

as a result of the Participant ceasing to be an Employee of a Group Company or a Participant giving or receiving notice of termination of employment, services or appointment for any reason.

- 11.2 The Plan Committee may specify in the Offer Letter to the Participant how the Participant's Incentives will be treated on cessation of employment, services or appointment by a Group Company as an Employee. The applicable treatment may vary depending on the circumstances in which the Participant's employment, services or appointment ceases. In specifying a cessation treatment to apply to an Offer, the Plan Committee may preserve some or all of its discretion under Rule 11.1.

12 Change of Control

12.1 Change of Control Events

- (1) Subject to Rule 12.1(2), where there is a:
 - (a) Takeover Bid for Shares; or
 - (b) other transaction, event or state of affairs (including a scheme of arrangement),

that, in the Plan Committee's opinion, is likely to result in a change in the Control of the Company or should otherwise be treated in accordance with this rule (**Change of Control Event**), the Plan Committee may, in its absolute discretion, determine that all or a specified number of a Participant's Incentives vest or cease to be subject to restrictions (as applicable). For the avoidance of doubt:

- (c) a Change of Control Event does not include an internal reorganisation of the structure, business and/or assets of the Group; and
 - (d) subject to Rule 12.1(2), if the Plan Committee does not make a determination pursuant to this Rule 12.1(1), then all of a Participant's Incentives will remain on foot subject to the original terms of grant.
- (2) Without limiting Rule 12.1(1) where there is an actual change in the Control of the Company then, unless the Plan Committee determines otherwise, all unvested Incentives will immediately vest or cease to be subject to restrictions (as applicable).
- (3) If only some of a Participant's unvested Incentives will vest under Rule 12.1(1), all Incentives that remain unvested will lapse, unless the Plan Committee determines a different treatment.
- (4) Notwithstanding the default treatment set out in these Rules, the Plan Committee may specify in the Offer Letter to the Participant a particular treatment that will apply to unvested Incentives in the context of a Change of Control Event.

12.2 Notification of vesting

Where some or all of a Participant's Incentives vest pursuant to Rule 12.1, the Plan Committee will, as soon as reasonably practicable, give written notice to each Participant of the number of Incentives that have vested.

12.3 Treatment of vested Incentives

- (1) *The Plan Committee has the discretion to determine the treatment of all vested Incentives where a Change of Control Event occurs.*
- (2) *Without limiting rule 12.3(1), where there is an actual change in the Control of the Company then, unless the Plan Committee determines otherwise:*
 - (a) *all vested Incentives (that are exercisable) will be exercisable for a period of 3 months from the actual change in the Control of the Company and will lapse if not exercised within the specified period; and*
 - (b) *any restrictions on Dealing imposed by the Plan Committee on vested Incentives will cease to have effect.*

12.4 Acquisition of shares in Acquiring Company

If:

- (1) *a company (**Acquiring Company**) obtains Control of the Company as a result of a Change of Control Event; and*
- (2) *the Company, the Acquiring Company and the Participant agree,*

subject to applicable laws (including taxation laws, the Corporations Act and the Listing Rules) a Participant may, upon vesting or exercise (as applicable) of Incentives, be provided with securities of the Acquiring Company or its parent in lieu of Shares in such manner as the parties may agree (including by a replacement security or exchange of Shares issued on vesting or exercise) and on substantially the same terms and on substantially the same conditions but with any necessary or appropriate adjustments to the number and kind of shares.

13 Participation rights, bonus issues, rights issues, reorganisations of capital and winding up

13.1 New issues

Participants are not entitled to participate in any new issue to existing holders of securities in the Company unless:

- (1) *they have become entitled to exercise their Incentives under the Plan; and*
- (2) *they do so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being Shareholders.*

13.2 Bonus issues

If the Company makes (whether before or during the Exercise Period or any Vesting Date) a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Incentive before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Incentive is exercisable is increased by the number of Shares which the Participant would have received if the Participant had exercised the Incentive prior to such record date.

13.3 Reorganisation of capital

If there is a reorganisation of capital of the Company (whether before or during the Exercise Period) then the rights of a Participant (including the number of Incentives to which each Participant is entitled and the Exercise Price) are changed to the extent necessary to comply with the Listing Rules in respect of a reorganisation of capital at the time of the reorganisation.

13.4 Winding up

If (whether before or during the Exercise Period) a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Plan Committee may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the Exercise Conditions, the Participants may, during the period referred to in the notice, exercise their Incentives if the Last Exercise Date for the Incentives has not expired.

13.5 Fractions of Shares

For the purposes of this Rule 13, if Incentives are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

13.6 Calculations and adjustments

Any calculations or adjustments which are required to be made under this Rule 13 will be made by the Plan Committee and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

13.7 Notice of change

The Company must within a reasonable period give to each Participant notice of any change under Rule 13 to the Exercise Price of any Incentive held by the Participant or to the number of Shares which the Participant is entitled to subscribe for on exercise of an Incentive.

14 Securities Trading Policy

The Participant must comply with the Securities Trading Policy at all times, including for Shares issued under Rule 8.4.

15 Overriding restrictions

No Incentives will be issued under the Plan if to do so would contravene any Applicable Law.

16 Withholding

(1) *If any Group Company or a Plan administrator is obliged, or reasonably believes it may have an obligation, as a result of or in connection with any grant of an Incentive or allocation of Shares under this Plan, to account for:*

- (a) *income tax or employment taxes under any wage, withholding or other arrangements; or*
- (b) *any other tax, social security contributions or levy or charge of a similar nature,*

that is a liability of the Participant, then the relevant Group company or Plan administrator is entitled to be reimbursed by the Participant for the amount or amounts so paid or payable.



- (2) *Where Rule 16(1) applies, the relevant Group company or the Plan administrator is not obliged to grant or issue the Incentives, to allocate or issue Shares or to make a cash payment in accordance with Rule 8.5 unless the Company is satisfied that arrangements for payment or reimbursement of the amounts referred to in Rule 16(1) have been made. Those arrangements may include, without limitation:*
- (a) *the provision by the Participant of sufficient funds to reimburse the Group company or Plan administrator for the amount (by salary deduction, reduction of any amount owed by a Group company to the Participant or otherwise);*
 - (b) *the sale on behalf of the Participant of Shares allocated pursuant to these Rules for payment or reimbursement of these amounts, as well as the costs of any such sale;*
 - (c) *a reduction in any amount payable to the Participant on vesting of Incentives under these Rules;*
 - (d) *the Participant forgoing their entitlement to an equivalent number of Shares that would otherwise be allocated to the Participant; or*
 - (e) *lapse of a sufficient number of Incentives and/or Shares to satisfy the debt the Participant owes to a Group company or Plan administrator. Unless a Group company or Plan administrator (as applicable) and the Participant agree to use a different valuation, any Incentives and/or Shares lapsed under this rule will be valued at the Current Market Price on the date of lapse.*

17 Administration of the Plan

17.1 Administration

The Plan is administered by the Plan Committee.

17.2 Powers of the Plan Committee

The Plan Committee has power to:

- (1) *determine appropriate procedures and make regulations for the administration of the Plan which are consistent with these Rules;*
- (2) *resolve conclusively all questions of fact or interpretation arising in connection with the Plan;*
- (3) *terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Incentives at that time;*
- (4) *delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any person or persons whom the Plan Committee reasonably believes to be capable of performing those functions and exercising those powers;*
- (5) *take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules;*
- (6) *administer the Plan in accordance with these Rules as and to the extent provided in these Rules; and*
- (7) *make regulations for the operation of the Plan consistent with these Rules.*

17.3 *Exercise of powers or discretion*

Any power or discretion which is conferred on the Plan Committee or Board by these Rules may be exercised by the Plan Committee or Board in the interests or for the benefit of the Company, and the Plan Committee or Board is not, in exercising that power or discretion, under any fiduciary or other obligation to another person.

17.4 *Determinations*

Where these Rules provide for a determination, decision, approval or opinion of the Plan Committee or Board, that determination, decision, approval or opinion may be made or given by the Plan Committee or Board (as applicable) in its absolute discretion.

17.5 *Expenses and costs*

Subject to these Rules, the Company and its Subsidiaries must pay all expenses, costs and charges incurred in the administration of the Plan in the amounts and proportions as they shall agree.

17.6 *Tax*

The Company is not responsible for any Tax which may become payable by a Participant in connection with the issue of Shares pursuant to an exercise of Incentives or another dealing by a Participant with the Incentives or Shares.

18 Amendment to Rules

18.1 *Board may amend Rules*

The Board may at any time amend any of these Rules, or waive or modify the application of any of these Rules in relation to a Participant.

18.2 *Consent of Participants*

If an amendment to be made under Rule 18.1 would adversely affect the rights of Participants in respect of any Incentives then held by them, the Board must obtain the consent of Participants who between them hold not less than 75% of the total number of those Incentives held by all those Participants before making the amendment.

18.3 *Eligible Employees outside Australia*

The Board may make any additions, variations or modifications to the Rules, in relation to the implementation of the Plan and the specific application of the Rules, to Eligible Employees residing outside Australia.

19 Financial assistance

19.1 *Subject to the requirements of any Applicable Law, the Company may provide financial assistance to an Eligible Employee in connection with the granting, issue, exercise or vesting (as applicable) of Incentives under the Plan.*

20 Rights of Participants

20.1 *No conferred rights*

(1) *Unless the subject of an express provision in an employment contract, appointment letter, service contract or the terms of any other employment, appointment or service arrangement, the rights and obligations of any Participant under the terms of their office, employment or contract with a Group company are not affected by their participation in the Plan.*

- (2) *Participation in the Plan does not confer on any Participant any right to continue as an Employee or to future employment, appointment or service with any Group company and does not affect any rights which any Group company may have to terminate the employment, appointment or service of any Participant. These Rules may not be used to increase damages in an action brought against a Group company in respect of that termination.*
- (3) *Each Participant agrees and acknowledges that the Plan is not the exclusive method of incentive that a Group company may offer to its employees, office holders and/or contractors.*
- (4) *These Rules will not form part of and are not incorporated into any contract of any Participant (whether or not they are an employee of a Group company).*
- (5) *These Rules do not confer on an Employee the right to be invited to participate in the Plan or receive an Incentive. The offer and/or grant of an Incentive on a particular basis in any year should not create any right or expectation of the offer and/or grant of an Incentive on the same basis, or at all, in any future year.*
- (6) *No Participant has any right to claim any compensation for any loss whether against the Plan Committee, any Group company or any other person in relation to the Plan, including:*
 - (a) *any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of employment, appointment or services, or the employment relationship);*
 - (b) *any exercise of a discretion or a decision taken in relation to a grant of an Incentive or in relation to the Plan, or any failure to exercise a discretion under these Rules;*
 - (c) *the operation, suspension, termination or amendment of the Plan; or*
 - (d) *lapse of any Incentive.*

20.2 *Voting at general meetings*

Participants do not, as Participants, have any right to attend or vote at general meetings of Shareholders.

21 **Restriction on the size of the Plan**

The Plan committee must not grant Incentives or issue Shares if the number of Shares exceeds the maximum permitted under any applicable ASIC Instrument to ensure compliance with such ASIC Instrument.

22 **Dispute or disagreement**

In the event of any dispute, disagreement or uncertainty as to the interpretation, effect or application of the Plan, including any calculation and determination made by the Plan Committee under the Plan, or as to any question or right arising from or related to the Plan or to any Incentives granted under it, the decision of the Plan Committee is final, conclusive and binding in the absence of manifest error.

23 **Notices**

Notices may be given by the Company to Participants in any manner that the Plan Committee may from time to time determine.

24 Severance

If any of these Rules are void, voidable or unenforceable, that provision will be severed and the remainder of these Rules will have full force and effect.

25 Governing law & jurisdiction

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

26 Advice

Eligible Employees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

Annexure A - Early Release of Holding Lock

Event	Adjustment to Holding Lock
<i>Your employment with the Company ceases due to a Special Circumstance</i>	<i>All the Shares acquired as a result of the vesting of Incentives will be released from the Holding Lock upon the date of cessation of your employment with the Company or a Subsidiary (or as soon as practicable thereafter).</i>
<i>Your employment with the Company is terminated for reasons other than a Special Circumstance</i>	<i>50% of the Shares acquired as a result of the vesting of Incentives will be released from the Holding Lock upon the date of cessation of your employment with the Company or a Subsidiary (or as soon as practicable thereafter) with the remaining 50% of the Shares acquired as a result of the vesting of Incentives to be subject to the Holding Lock until 12 months after the date of cessation of your employment with the Company or a related body corporate of the Company.</i>
<i>An event in Rule 2.1(1)(b) occurs</i>	<i>All the Shares acquired as a result of the vesting of Incentives will be released from the Holding Lock on the earlier of the event in Rule 2.1(1)(b) occurring and a date determined by the Board.</i>