



Pro Medicus Limited **Long-Term Incentive Plan**

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Pro Medicus Limited Long-Term Incentive Plan Rules

1. Definitions and interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

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

- (a) the Corporations Act;
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth), each as amended from time to time;
- (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), or (d) above; and
- (f) any other legal requirement that applies to the Plan.

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

ASIC means the Australian Securities and Investments Commission.

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

Award means:

- (a) an Option;
- (b) a Performance Right; and/or
- (c) a Restricted Stock Unit,

as the case may be.

Bad Leaver means a Participant who ceases employment or office with any member of the Group in any of the following circumstances:

- (a) the Participant's employment is terminated, or the Participant is dismissed from office, due to:
 - (i) serious and wilful misconduct;

- (ii) material or serious breach of the terms of any contract of employment or office entered into by the Company (or another member of the Group) and the Participant;
 - (iii) gross negligence; or
 - (iv) other conduct justifying termination of employment or office without notice either under the Participant's contract of employment or office, or at common law;
- (b) the Participant ceases his or her employment or office for any reason and commences employment or office, or otherwise acts, in breach of any post-termination restrictions contained in his or her contract of employment or office entered into by the relevant member of the Group and the Participant; or
 - (c) the Participant is ineligible to hold his or her office for the purposes of Part 2D.6 of the Corporations Act.

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.

Business Day means a day on which banks are open for general banking business in Victoria, excluding Saturdays, Sundays or public holidays in Victoria.

Buy-Back means the purchase by the Company of Awards prior to their exercise, or the buy-back by the Company of Plan Shares, pursuant to clause 20.

Certificate means the certificate issued by the Company to a Participant in respect of an Award.

Change of Control Event means:

- (a) where a person or entity becomes a legal or beneficial owner of 50% or more of the Issued Capital of the Company;
- (b) where a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the Issued Capital of the Company; or
- (c) the Company sells a Subsidiary, which results in a Participant no longer being employed by the Group.

Company means Pro Medicus Limited (ACN 006 194 752).

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.

Eligible Employee means:

- (a) Directors and Employees who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan; or

- (b) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan.

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

Exercise Conditions means any criteria, requirements or conditions, as determined by the Board or under these Rules, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Hurdles) prior to a Participant being entitled to exercise vested Options and/or the automatic exercise of Performance Rights in accordance with clause 8 and/or clause 9 respectively.

Exercise Period means the period during which a vested Option may be exercised, as set out in clause 8.1.

Exercise Price means the exercise price payable by a Participant to acquire a Share upon the exercise of an Option, as specified by the Board in the Invitation Letter, and determined by the Board in its sole and absolute discretion.

Expiry Date means:

- (a) the date 5 years from the Grant Date of any Awards; or
- (b) any other date determined by the Board and as specified in the Invitation,

after which the Awards automatically lapse and may no longer be exercised (in the case of Options and Performance Rights) or vest (in the case of Restricted Stock Units).

Fee means any consideration payable by a Participant on the grant of an Award to them, and as determined by the Board in its sole and absolute discretion.

Good Leaver means a Participant who ceases employment or office with 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 incapacity, redundancy, retirement, or any other reason the Board determines in its sole and absolute discretion.

Grant Date means the date on which Awards are granted to a Participant following the acceptance of an Application by the Board.

Group means the Company and its Related Bodies Corporate.

Invitation means an invitation to an Eligible Employee to apply for the grant of Awards under these Rules.

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

Issued Capital means issued Shares whether fully paid or not.

Listing Rules means the listing rules, market rules or operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation, including but not limited the official listing rules of the ASX.

Market Value means the value of an Award or of Shares as determined by:

- (a) in relation to an Award, a valuation methodology approved by the Board; or
- (b) in relation to Shares, the weighted average closing sale price of Shares sold on the ASX over the last 10 trading days immediately before the relevant date.

Nominated Party means, in respect of an Eligible Employee:

- (a) that person's spouse;
- (b) that person's biological or legally adopted child of at least 18 years of age;
- (c) a trustee or trustees of a trust set up wholly for the benefit of one or more Eligible Employees or a person mentioned in sub-clauses (a) or (b) (but not including any trust established by the Company under clause 7);
- (d) a company in which all of the issued shares are beneficially held by, and all of the voting rights are beneficially held by:
 - (i) the Eligible Employee; and/or
 - (ii) a person or persons mentioned in sub-clauses (a), (b) or (c) above; or
- (e) any other person approved by the Company.

Notice of Exercise means a notice in the form determined by the Board from time to time.

Option means an option granted under this Plan to subscribe for and/or acquire (as determined by the Board in its sole and absolute discretion) one Share subject to the satisfaction of any Vesting Conditions, Performance Hurdles and/or Exercise Conditions and payment of the relevant Exercise Price (if any).

Participant means an Eligible Employee who has been offered Awards and who has returned a corresponding Application to the Company that has been accepted by the Company pursuant to these Rules.

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 Awards vesting in a Participant.

Performance Right means an entitlement of a Participant granted under this Plan to subscribe for and/or acquire (as determined by the Board in its sole and absolute discretion) one Share subject to the satisfaction of any Vesting Conditions, Performance Hurdles and/or Exercise Conditions. For the avoidance of doubt, a Performance Right has a nil exercise price.

Plan means the Pro Medicus Limited Long-Term Incentive Plan established in accordance with these Rules.

Plan Share means any Share held by a Participant:

- (a) in respect of which the Participant exercised an Option;

- (b) upon automatic exercise of a Performance Right; and/or
- (c) as a result of the vesting of a Restricted Stock Unit.

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

Restricted Stock Unit means an entitlement of a Participant granted under this Plan to automatically subscribe for and/or acquire (as determined by the Board in its sole and absolute discretion) one Share subject to the satisfaction of any Vesting Conditions and/or Performance Hurdles.

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.

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

Share Trading Policy means any Company share trading policy, as amended from time to time.

Shareholder means any holder of Shares.

Shareholder Approval means any prior consent of affirming resolution that needs to be obtained from Shareholders of the Company before an action is taken or determination made under these Rules.

Subsidiary has the meaning given in section 9 of the Corporations Act.

Term means the period commencing on the Grant Date and ending on the Expiry Date (inclusive).

Vesting Conditions means any time based 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 an Award vesting in a Participant.

Vesting Notification means a notice to a Participant informing them that their Options have vested and are exercisable, that their Performance Rights have vested and will be automatically exercised, and/or that their Restricted Stock Units have vested (as the case may be).

1.2 Interpretation

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

- (a) the singular includes the plural and vice versa;
- (b) a gender includes all genders;
- (c) a reference to any legislation includes any modification or replacement of it and all regulations and statutory instruments issued under it and a reference to any provision of any legislation includes any modification or substitution of it;

- (d) a reference to these Rules means these Rules as amended from time to time and includes all recitals, annexures, addendums and schedules to these Rules;
- (e) a reference to a person includes a reference to the person's executors, administrators and successors or a body corporate including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee; and
- (f) in these Rules any reference to include means to include without limitation.

1.3 Applicable Laws

These Rules, the offering and granting of any Awards or Plan Shares and the rights attaching to or interests in the Awards or 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 an Award or Plan Share, the fraction will be eliminated by rounding 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.

1.6 Constitution

The entitlements of Eligible Employees and Participants under these Rules are subject to the Constitution. In the event of any inconsistency between these Rules and the Constitution, the terms of the Constitution will prevail.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Employees;
- (b) encourage and reward Eligible Employees to positively influence the strategic direction and financial performance of the Group;
- (c) reward high performance by the granting of equity interest that will provide Eligible Employees with an additional reward above their base remuneration; and
- (d) link the reward of Eligible Employees to Shareholder value creation.

3. Commencement

The Plan will commence on a date determined by resolution of the Board.

4. *Maximum Award allocation*

Unless prior Shareholder Approval is obtained, the number of Awards which may be granted under this Plan which upon exercise (in the case of Options and Performance Rights) or vesting (in the case of Restricted Stock Units) may yield Plan Shares must not exceed two and a half percent (2.5%) of the total Issued Capital of the Company at the time of the grant of any particular Award.

5. *Eligibility and grant*

5.1 Participation

The Board may from time to time in its sole and absolute discretion determine that an Eligible Employee may participate in the Plan.

5.2 Selection

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

5.3 Invitation

Subject to clause 6, 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 Application

Unless otherwise determined by the Board in its sole and absolute discretion, an Eligible Employee who wishes to apply to participate in the Plan in response to an Invitation Letter 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 Letter;
- (b) in accordance with any instructions or conditions set out in the Invitation Letter; and
- (c) on the acceptance by the Board of the Application, the notice confirming the grant of the Awards will be accompanied by a Certificate.

5.5 Nominated Party

- (a) The Board may, in its sole and absolute discretion, determine that an Eligible Employee to whom an Invitation is made may give notice that they would prefer such Invitation be made to a Nominated Party.
- (b) The Board may in its sole and absolute discretion determine whether it will make the Invitation to the Nominated Party and on what conditions it will agree to do so.

5.6 Multiple Invitations

Unless otherwise determined by the Board in its sole and absolute discretion, the Board may grant any number of Awards to Eligible Employees, as set out in any Invitation Letter, notwithstanding that a grant or grants may have previously been made to any Eligible Employee.

6. Terms of Awards

6.1 Board determination

The terms and conditions of Awards offered or granted under these Rules to each Eligible Employee will be:

- (a) determined by the Board in its sole and absolute discretion and include as a minimum:
 - (i) the number and type of Award(s);
 - (ii) the Grant Date;
 - (iii) the Fee (if any);
 - (iv) in the case of an Option, the Exercise Price (if any) and the Exercise Period;
 - (v) the Term and Expiry Date;
 - (vi) the Vesting Conditions (if any) and/or the Performance Hurdles (if any);
 - (vii) the Exercise Conditions (if any, and only in the case of Options and Performance Rights);
 - (viii) any disposal restrictions attaching to the Awards and/or Plan Shares;
 - (ix) any rights attaching to the Awards and/or Plan Shares; and
 - (x) agreement with the Eligible Employee for the Company to supply details to third parties where required by law; and
- (b) will be set out in an Invitation Letter delivered to the Eligible Employee.

6.2 Award entitlements

Subject to the Board determining otherwise prior to an Invitation, and subject to these Rules:

- (a) each Award entitles (subject to the satisfaction of any applicable Vesting Conditions, Performance Hurdles and/or Exercise Conditions) the Participant holding the Award to subscribe for, or to be transferred, one Share; and
- (b) any Plan Share acquired pursuant to the exercise of an Option or Performance Right or the vesting of a Restricted Stock Unit will rank *pari passu* with all existing Shares from the date of acquisition.

6.3 Method of acquiring Plan Shares

Upon exercise of Options and/or Performance Rights, and/or vesting of Restricted Stock Units, Plan Shares may be acquired by the Participant in the following ways, as determined by the Board from time to time in its sole and absolute discretion:

- (a) by way of allotment and issue of Shares;

- (b) by acquiring Shares from a third party; or
- (c) by any combination of the methods set out in subclauses (a) or (b).

6.4 **Participant rights**

A Participant who holds Awards is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or
- (b) receive any dividends declared by the Company,

unless and until any Options and/or Performance Rights are exercised, and/or any Restricted Stock Units vest, and the Participant holds Plan Shares.

6.5 **Conditions for vesting and exercise**

- (a) The Board will determine prior to an Invitation being made, and specify in the Invitation Letter, any Vesting Conditions and/or Performance Hurdles attaching to the Awards, and/or any Exercise Conditions attaching to the Options and/or Performance Rights.
- (b) Awards will only vest if any applicable Vesting Conditions and/or Performance Hurdles have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules.
- (c) Vested Options and/or Performance Rights will only be exercisable when any applicable Exercise Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules.

6.6 **No transfer of Awards**

Awards 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, other than in accordance with clause 5.5, unless:

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

6.7 **Awards to be registered**

Awards will be registered in the appropriate register of the Company.

7. ***Trust***

The Board may, in its sole and absolute discretion, use an employee share trust or other mechanism for the purposes of holding any Plan Shares for Participants under the Plan and/or delivering any Plan Shares to Participants upon exercise of any Options and/or Performance Rights and/or vesting of any Restricted Stock Units.

8. Exercise of Options

8.1 Exercise Period for Options

The Exercise Period for Options will commence when the Options have vested and any Exercise Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and will end on the Expiry Date, subject to these Rules.

8.2 Vesting Notification

Options are deemed to have vested if and when any Vesting Conditions, Performance Hurdles and/or Exercise Conditions applicable to a Participant's Options have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and where the Company has issued a Vesting Notification to the Participant informing them that some or all their Options have vested and are exercisable.

8.3 Method of exercise of Options

At the sole and absolute discretion of the Board, following the issuing of a Vesting Notification to a Participant, a vested Option must be exercised by the Participant within the Exercise Period, and by delivery to the registered office of the Company or such other address as determined by the Board of:

- (a) a signed Notice of Exercise;
- (b) subject to clause 8.4, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price; and
- (c) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed.

8.4 Cashless exercise of Options

The Board may, in its sole and absolute discretion, determine that a Participant will not be required to provide payment of the Exercise Price of Options by cash, cheque or some other method acceptable to the Company, but that on exercise of the Options the Participant will be allowed to sell some or all of their Plan Shares, and remit the sale proceeds to the Company in lieu of the payment of the Exercise Price.

8.5 No issue unless cleared funds

Subject to clause 8.4, where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless determined otherwise by the Board, allot and issue, or transfer, Plan Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

8.6 Minimum exercise of Options

Options must be exercised in multiples of 1,000 unless fewer than 1,000 Options are held by a Participant or the Board otherwise agrees.

8.7 **Actions on exercise of Options**

On completion of the exercise of Options:

- (a) the Options will automatically lapse;
- (b) the Company will, within 30 Business Days, allot and issue, or transfer, the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Options; and
- (c) the Company will issue a substitute Certificate for any remaining Options.

9. Exercise of Performance Rights

9.1 **Vesting Notification**

Performance Rights are deemed to have vested if and when any Vesting Conditions, Performance Hurdles and/or Exercise Conditions applicable to a Participant's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and where the Company has issued a Vesting Notification to the Participant informing them that some or all of their Performance Rights have vested and will be exercised automatically.

9.2 **Method of exercise of Performance Rights**

At the sole and absolute discretion of the Board, following the issuing of a Vesting Notification to a Participant, a vested Performance Right will be automatically exercised within the period specified by the Board in the Vesting Notification, but in any case within 30 Business Days after the Vesting Notification.

9.3 **Actions on exercise**

On completion of the exercise of Performance Rights:

- (a) the Performance Rights will automatically lapse;
- (b) the Company will, within 30 Business Days, allot and issue, or transfer, the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Performance Rights; and
- (c) the Company will issue a substitute Certificate for any remaining Performance Rights.

10. Vesting of Restricted Stock Units

10.1 **Vesting Notification**

Restricted Stock Units are deemed to have vested if and when any Vesting Conditions and/or Performance Hurdles applicable to a Participant's Restricted Stock Units have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, after which the Company will issue a Vesting Notification to the Participant informing them that some or all their Restricted Stock Units have vested.

10.2 Actions on vesting

Upon the vesting of Restricted Stock Units:

- (a) the Restricted Stock Units will automatically lapse;
- (b) the Company will immediately allot and issue, or transfer, the number of Plan Shares for which the Participant is entitled to subscribe for or acquire upon vesting of the Restricted Stock Units; and
- (c) the Company will issue a substitute Certificate for any remaining Restricted Stock Units.

11. Leavers

11.1 Good Leaver

Where a Participant who holds Awards becomes a Good Leaver:

- (a) vested Options and/or Performance Rights that have not been exercised will continue in force and remain exercisable, subject to the satisfaction of any applicable Exercise Conditions, until the Expiry Date, unless the Board in its sole and absolute discretion determines otherwise;
- (b) all vested Restricted Stock Units in relation to which the relevant number of Plan Shares have yet to be allotted and issued, or transferred, will remain vested; and
- (c) unvested Awards will automatically lapse, unless the Board in its sole and absolute discretion determines otherwise.

11.2 Bad Leaver

Where a Participant who holds Awards becomes a Bad Leaver:

- (a) vested Options and/or Performance Rights that have not been exercised will automatically lapse, unless the Board in its sole and absolute discretion determines otherwise;
- (b) all vested Restricted Stock Units in relation to which the relevant number of Plan Shares have yet to be allotted and issued, or transferred, will automatically lapse; and
- (c) unvested Awards will automatically lapse, unless the Board in its sole and absolute discretion determines otherwise.

12. Fraudulent or dishonest actions

Where, in the opinion of the Board, a Participant:

- (a) acts fraudulently or dishonestly; or
- (b) wilfully breaches his or her duties to the Group,

then the Board may deem all unvested Awards of the Participant to have lapsed.

13. Awards may be cancelled if Participant consents

Notwithstanding any other provisions of these Rules, and subject to the Listing Rules, if a Participant and the Board agree in writing that some or all of the unvested Awards 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 Awards on the relevant date or on the occurrence of the particular event (as the case may be) for no consideration.

14. Lapse of Awards

14.1 Lapsing events

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

- (a) the cessation of employment or office of a Participant (other than in accordance with clause 11);
- (b) where clause 12 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 sole and absolute discretion that any applicable Vesting Conditions, Performance Hurdles and/or Exercise Conditions have not been met and cannot be met prior to the Expiry Date; or
- (e) the Expiry Date.

14.2 What happens on lapsing

Where a Participant's Awards have lapsed under clause 14.1, the Company will:

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

15. Listing

15.1 Awards

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

15.2 Plan Shares

While the Company remains listed on the ASX, the Board may determine whether any Plan Shares may also be listed on the ASX.

16. Rights attaching to Plan Shares

16.1 Shares to rank equally

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

16.2 Dividends

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

16.3 Dividend reinvestment

The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held by the Participant and such participation must be in respect of all Plan Shares held by 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.

16.4 Voting rights

A Participant may exercise any voting rights attaching to Plan Shares registered in the Participant's name.

17. Disposal restrictions on Plan Shares

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 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.

17.2 No transfer

Subject to clause 17.1, 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 the 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.

17.3 Board actions

The Company may do such things and enter into such arrangements with the Company's share registry or otherwise as it considers necessary to enforce the transfer restrictions set out in clause 17.2, including but not limited imposing an ASX 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 clause 17.3.

17.4 Overriding restrictions on dealing with Plan Shares

Plan Shares must not be dealt with under this Plan if to do so would contravene Applicable Laws.

17.5 Plan Shares entitlements

For the avoidance of doubt, the imposition of a restriction on the Plan Shares held by a Participant pursuant to clause 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 Shareholders, and to receive any dividends declared by the Company during the relevant restriction period.

17.6 Company's Share Trading Policy

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

18. Change of Control Event

On the occurrence of a Change of Control Event, all Awards will be subject to accelerated vesting based on a pro-rata basis for time elapsed, unless the Board in its sole and absolute discretion determines otherwise.

19. Bonus issues and reconstruction

19.1 Bonus issues

- (a) If Securities are issued by way of a "bonus issue" (as that term is defined in the Listing Rules) to the holders of Shares, a Participant is entitled, upon exercise of an Option and/or Performance Right and/or vesting of a Restricted Stock Unit, to receive, in addition to any Plan Share acquired upon the exercise of an Option and/or Performance Right and/or the vesting of a Restricted Stock Unit, and without the payment of any further consideration, the number of Securities that the Participant would have received if the Award had vested (in the case of Restricted Stock Units) or had vested and been exercised (in the case of Options and Performance Rights) before the record date for the bonus issue.
- (b) Any additional Securities to which a Participant becomes entitled under clause 19.1(a) will, until those additional Securities are allotted and issued, or transferred, to the Participant, be regarded as:
 - (i) additional Securities into which the Awards may vest for the purposes of any subsequent application of clause 19.1(a); and
 - (ii) additional Awards to which the Participant is entitled for the purposes of any application of clause 19.3.

19.2 Pro rata issue

- (a) Pro rata issue and Options

If there is a "pro rata issue" (as that term is defined in the Listing Rules, except a bonus issue) to the holders of Shares, the Exercise Price (if any) of each Option will be reduced according to the following formula:

$$O' = O - E \frac{[P - (S + D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of Shares into which one Option is exercisable;
- P = the average “market price” (as that term is defined in the Listing Rules) per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex rights date or ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = the dividend due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Security.

(b) Pro rata issue and Performance Rights

As Performance Rights have a nil exercise price, no adjustment will be required in the case of a “pro rata issue”.

(c) Pro rata issue and Restricted Stock Units

In relation to Restricted Stock Units, no adjustment will be required in the case of a “pro rata issue”.

19.3 Reorganisation

(a) Options

In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the Issued Capital of the Company, the number of Options to which a Participant is entitled, and/or the Exercise Price (if any) of the Options, will be changed in accordance with the Listing Rules.

(b) Performance Rights

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 a Participant is entitled will be changed in accordance with the Listing Rules.

(c) Restricted Stock Units

In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the Issued Capital of the Company, the number of Restricted Stock Units to which a

Participant is entitled will be changed in a similar manner to that required for options under the Listing Rules.

19.4 Limited right to participate in new issues

During the currency of any Awards, and prior to their vesting (in the case of Restricted Stock Units) or their vesting and being exercised (in the case of Options and/or Performance Rights), Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Awards.

19.5 Fairness in application

In the application of this clause 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.

20. Buy-Back

20.1 Buy-Back

The Company may Buy-Back Awards and/or Plan Shares in accordance with clause 20.2.

20.2 Buy-Back procedure

The Board may cause the Company to Buy-Back Awards and/or Plan Shares held by a Participant for:

- (a) an amount agreed with the Participant at any time;
- (b) the Market Value of Awards without the agreement of a Participant; or
- (c) where there is a formal takeover offer made for at least 5% of the Shares of the Company, the Company may Buy-Back Awards and/or Plan Shares at the price offered by the bidder under the takeover offer.

20.3 Buy-Back mechanism

Each Participant will do all acts, matters and things which are necessary or desirable to give effect to any Buy-Back of his or her Awards or Plan Shares.

21. 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 unvested Restricted Stock Units, unexercised Options and/or Performance Rights, or Plan Shares.

22. Administration of the Plan

22.1 Regulations

The Board may make such regulations for the operation of the Plan as it considers necessary, provided such regulations are consistent with these Rules.

22.2 Delegation

- (a) The Board may delegate any of its powers or discretions conferred on it by these Rules to a committee of the Board or to any one or more persons selected by it, including but not limited to the company secretary.
- (b) Any delegation will be for such period and upon such terms and conditions as determined by the Board from time to time.

22.3 Decisions final

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

22.4 Attorney and agent

- (a) Each Participant hereby authorises and appoints 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 Award or Plan Share transfers, and signing all documents and doing all acts necessary to effect a Buy-Back, and accounting for the proceeds of the sale of forfeited shares, but expressly excluding the power to vest and/or exercise (as applicable) Awards granted to the Participant under the Plan.
- (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.

22.5 Notice

- (a) Address for service
 - (i) Any notice required to be given to the Participants under the Plan or the terms of the Awards granted will be sent to the address of the Participant as entered in the register unless delivered in person.
 - (ii) Any notice required to be given to the Company under the Plan or the terms of the Awards granted will be sent to the registered office of the Company or such other address as is notified to Participants from time to time.
- (b) Delivery of notices
 - (i) Any notice to be given to Participants may be delivered by hand to the Participant or by any other means specified in the Constitution for delivery of notices to members.

- (ii) Any notice to be given to the Company may be delivered by hand or by prepaid post. Notices may also be given to the Company by means of facsimile, e-mail or other mode of electronic delivery to such address as is notified by the Company to the Participant.
- (iii) 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 prepaid 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.

23. Plan amendment

23.1 Amendment of Plan

- (a) Subject to clause 23.1(b), the Listing Rules and the Constitution, the Board may at any time amend these Rules or the terms upon which any Awards have been granted under the Plan.
- (b) No amendment to these Rules or to the terms of any Awards granted under the Plan may be made if the amendment materially reduces the rights of any Participant in respect of Awards granted to them prior to the date of the amendment, other than:
 - (i) an amendment introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (B) to correct any manifest error or mistake;
 - (C) to allow the implementation of a trust arrangement in relation to the holding of Plan Shares granted under the Plan;
 - (D) for the purpose of complying with Applicable Laws; and/or
 - (E) to take into consideration possible adverse taxation implications in respect of the Plan 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; or
 - (ii) an amendment agreed to in writing by the Participant(s).
- (c) Subject to the Listing Rules, the Board may determine that any amendment to these Rules or the terms of Awards granted under the Plan be given retrospective effect.
- (d) Amendment of these Rules or the terms upon which Awards are granted under the Plan by the Board will be of immediate effect unless otherwise determined by the Board.

- (e) As soon as reasonably practicable after making any amendment to these Rules or the terms of Awards 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.

23.2 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.

24. Termination or suspension

24.1 Termination or suspension

Subject to clause 24.2, 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.

24.2 Resolution to terminate or suspend

In passing a resolution to terminate or suspend the operation of the Plan, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants.

25. No employment contract

Nothing in these Rules or the terms of any Award:

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

26. ASIC relief

Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this clause 26 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

27. Non-exclusivity

27.1 Non-exclusivity

This Plan will not be deemed to be the exclusive method of providing incentive compensation to Eligible 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.

27.2 Relationship to other equity 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.

28. General

28.1 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by these Rules in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

28.2 Listing Rules

While the Company remains admitted to the ASX, the provisions of the Listing Rules of the ASX 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 prevail.

28.3 Enforcement

These Rules, any determination of the Board made pursuant to the Rules, and the terms of any Awards granted under the Plan, will be deemed to form a contract between the Company and the Participant.

28.4 Governing law

This Plan and any Awards granted under it will be governed by, and must be construed according to, the laws of the State of Victoria and the Commonwealth of Australia.