
Equity Incentive Plan

The Koala Company Limited (ACN 619 538 671)

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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:

- (a) the Corporations Act;
- (b) the Tax Act;
- (c) the Listing Rules;
- (d) the Constitution;
- (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) to (d) above; and
- (f) any other applicable laws (including applicable foreign laws) that applies to the Plan and/or the grant of Awards under the Plan.

Application means, in respect of an Award, a Participant's application for that Award following the receipt of an Invitation (whether actually made under an opt-in process or deemed to be made under an opt-out process).

Associates has the meaning given to that term in the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires.

Award means either a performance right, a restricted stock unit or an option granted under these Rules to acquire one or more Shares by one or more methods determined by the Board and as specified in the Plan Documentation.

Bad Leaver means a Participant who becomes a Leaver in any of the following circumstances:

- (a) the Participant's Engagement Arrangement is terminated due to:
 - (i) their serious and wilful misconduct (including, without limitation, fraud or dishonesty);
 - (ii) their material breach of their Engagement Arrangement;

- (iii) conduct justifying termination of their Engagement Arrangement without notice, under the Participant's contract of employment, office or engagement, including (but not limited to) any of the following:
 - (A) disobeying a lawful and reasonable direction of a Group Company;
 - (B) engaging in serious, wilful or persistent misconduct;
 - (C) serious or persistent breach of any material provision of the Participant's Engagement Arrangement;
 - (D) the Participant materially failing to perform their duties;
 - (E) unlawfully discriminating against, sexually harassing or bullying any person;
 - (F) if the Participant is found guilty by a court of a serious criminal offence; and
 - (G) if the Participant is charged with a criminal offence that is inconsistent with their duties; or
- (iv) any other conduct justifying termination of their Engagement Arrangement without notice at common law; or
- (b) the Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 of the Corporations Act; or
- (c) the Participant has given notice of termination of their Engagement Arrangement to avoid their Engagement Arrangement being terminated in the circumstances set out in paragraph (a) of this definition.

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, in respect of a particular matter, any person who is provided with delegated authority by the board of directors of the Company in respect of that particular matter from time to time.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in New South Wales, Australia.

Cash Settled has the meaning given in clause 3.4(b) and **Cash Settlement** will be construed accordingly.

Change of Control Event means:

- (a) members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or

together with its Associates) owning more than fifty per cent (50%) of the issued capital of the Company;

- (b) a takeover bid is made to acquire more than fifty per cent (50%) of the issued capital (or such lesser number of shares that when combined with the shares that the bidder (together with its Associates) already owns will amount to more than 50% of the issued capital of the Company) and the takeover bid becomes unconditional and the bidder (together with its associates) has a relevant interest in more than 50% of the issued capital of the Company;
- (c) the Company passes a resolution for the voluntary winding-up of the Company;
- (d) an order is made for the compulsory winding up of the Company; or
- (e) the sale of all or substantially all of the business and assets of the Group,

but, for the avoidance of doubt, does not include:

- (f) any internal reorganisation of the structure, business and/or assets of the Group; or
- (g) a holder of a relevant interest in more than 50% of the issued share capital of the Company (whether held along or together with their Associates), continuing to hold such a relevant interest.

Company means The Koala Company Ltd (ACN 619 538 671).

Confirmation Notice means, in relation to an Award, a notice (whether physical or electronic) given (or deemed given) by or on behalf of the Company to a Participant informing them that all of the Exercise Conditions have been satisfied or waived and the Award may be exercised in accordance with these Rules.

Constitution means the constitution of the Company.

Control has the meaning given to that term in the Corporations Act.

Corporations Act means the *Corporations Act* 2001 (Cth).

Director means an executive director or non-executive director of the Company.

Dispose means, in relation to an Award or a Resulting Share, to:

- (a) sell, assign, buy-back, redeem, transfer, convey, grant an option over, grant or allow a Security Interest over;
- (b) enter into any swap arrangement, any derivative arrangements or other similar arrangements; or
- (c) otherwise directly or indirectly dispose of legal, beneficial or economic interest in,

the Award or Resulting Share (whichever applicable) and **Disposal** has a corresponding meaning.

Electronic Signature means any electronic signature, whatever the form it takes.

Eligible Participant means:

- (a) a full-time, part-time or casual employee (including an executive director) of;
- (b) a non-executive director of;
- (c) a contractor or consultant of; or
- (d) an individual who otherwise provides services to,

any Group Company.

Engagement Arrangement means, in respect of:

- (a) an employee of a Group Company (including executive director), the terms under which the relevant Group Company has employed that person;
- (b) a director of a Group Company that is not also an employee, the terms under which the relevant Group Company has appointed that director to their office; or
- (e) a contractor, consultant or person who otherwise provides services to a Group Company, the terms under which the relevant Group Company has engaged that contractor, consultant or person.

Equity Settled has the meaning given in clause 3.4(a).

Exercise Condition means, in relation to an Award, any applicable condition to the exercise of that Award.

Exercise Price means, in respect of an Award, the price to be paid by the Participant when exercising that Award as specified in the relevant Plan Documentation. For the avoidance of doubt, the Exercise Price for an Award may be nil and a restricted stock unit will not have an Exercise Price.

Expiry Date means, in relation to an Award, the 'expiry date' which is specified in the Invitation, or, if no date is specified, the Business Day prior to the 10-year anniversary of the Grant Date unless the Award is a restricted stock unit in which case no 'expiry date' will apply.

Financial Misstatement Event means a material misstatement or omission in the financial statements of a Group Company or any other circumstances or events which, in the reasonable opinion of the Board, may, or is likely to, affect the Group's financial soundness or require re-statement of the Group's financial accounts, including without limitation as a result of misrepresentations, errors, omissions or negligence.

Grant Date means, in relation to an Award, the date on which that Award is granted to a Participant under these Rules.

Good Leaver means a Participant who becomes a Leaver and:

- (a) does not meet the Bad Leaver criteria; or
- (b) who meets the Bad Leaver criteria but the Board has determined in writing that they be treated as a Good Leaver for any reason.

Group means the Company and each of its Subsidiaries from time to time and **Group Company** means any one of them.

Holding Lock means a mechanism arranged or approved by the Board and administered by or on behalf of the Company (including through the Company's share registry provider) that prevents a Resulting Share being disposed of or otherwise dealt with by a Participant during any applicable Disposal restriction period.

A person is **Insolvent** if:

- (a) it is (or states that it is) insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it has had a controller appointed or is in liquidation, in provisional liquidation, under administration, wound up or has had a receiver appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Company);
- (d) an application or order has been made (and in the case of the application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is likely to result in any of (a), (b) or (c) above);
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) it is subject to an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Invitation means an invitation to an Eligible Participant to apply for the grant of one or more Awards made in accordance with clause 2.1 of these Rules.

Leaver means a Participant who ceases to be an Eligible Participant or has given or been given notice of cessation of employment or engagement. To avoid doubt, if:

- (a) the Group Company that engages the Participant as an employee, contractor, consultant or service provider changes to another Group Company; or
- (b) the Participant has been granted an approved leave of absence and exercises the right to return to work under an applicable award, enterprise agreement (or other agreement), statute or regulation, and the Board has determined that the Participant should not be considered a Leaver,

the Participant will not be considered for the purpose of these Rules to have ceased to be an employee, contractor or consultant of a Group Company due to that change or leave of absence.

Liquidity Event means:

- (a) a Change of Control Event; or
- (b) or any other transaction, event or state of affairs which the Board determines in its absolute discretion is likely to result in, or should otherwise be treated as, a 'Liquidity Event' for the purposes of these Rules.

Listing Rules means the listing rules, market rules and 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.

Market Value means, at a given date, the fair market value of a Share or Resulting Share at that time:

- (a) as determined by the Board in good faith; or
- (b) such other value determined by the Board in good faith in line with the specific valuation principles set out in the relevant Invitation for that Share or Resulting Share.

Nominated Affiliate has the meaning set out in clause 2.3.

Participant means a person who holds an Award or Resulting Share (or interest in that Share) that has been granted under or in connection with these Rules.

Plan means the "The Koala Company Limited Equity Incentive Plan", as governed by the terms of these Rules.

Plan Documentation means, as the context requires:

- (a) in relation to a particular Award, these Rules, the applicable Invitation, the Constitution and any other documentation issued by the Company that is relevant to that Award; and

(b) in relation to all Awards, means such documentation in relation to all Awards on foot at such time.

Resulting Shares means all Shares issued, transferred or allocated to (or on behalf of) a Participant upon the valid exercise of an Award.

Rules means the rules of the Plan which are set out in this document.

Securities Trading Policy means the securities trading policy of the Company from time to time.

Security Interest means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature granted to secure payment of money or the performance of an obligation.

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

Subsidiary has the same meaning as in Division 6 of Part 1.2 of the Corporations Act, but also includes an entity that would be a subsidiary (within the meaning given in the Corporations Act) of another entity, were both bodies corporate.

Substituted Company means a body corporate which becomes a holding company of the Company following commencement of the Plan, and whose securities become the subject of the Plan by determination of the Board.

Tax means any tax, levy, charge, franchise, impost, duty, fee, rate, deduction, compulsory loan or withholding, which is assessed (or deemed assessed), levied, imposed or collected by any government or governmental, semi-governmental or judicial entity or authority and includes, for the avoidance of doubt, capital gains tax, fringe benefits tax, income tax, value added tax, goods and services tax, sales or use tax, training guarantee levy, profits tax, undistributed profits tax, payroll or employment tax, group tax, PAYG or PAYE withholding tax, land tax, import or customs duty, excise, municipal rates, and any interest, fine, penalty, charge, fee or any other amount assessed (or deemed assessed) on or in respect of any of the above, and **Taxes** has a corresponding meaning.

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

Trust means an employee share trust or other custodian or trust arrangement established or nominated by the Company from time to time for the purposes of holding and/or delivering Shares granted under this Plan.

Trustee means the trustee or custodian (as the context requires) of a Trust.

Vesting Condition means, in relation to an Award, any applicable condition to the vesting of that Award that is set out in the Plan Documentation.

Vesting Notice means, in relation to an Award, a notice (whether physical or electronic) given (or deemed given) or on behalf of the Company to a Participant informing them that:

- (a) all Vesting Conditions (if any) in relation to that Award have been satisfied or waived in accordance with these Rules; and
- (b) if the Award is not subject to any Exercise Conditions, that Award may be exercised in accordance with the Plan Documentation.

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 reference to a document, agreement, plan or rules includes that document, agreement, plan or rules as novated, altered, supplemented, replaced or amended from time to time;
- (c) headings and boldings are for convenience only and do not affect the interpretation of these Rules;
- (d) a reference to any thing (including any amount) includes any part of that thing and a reference to a group of things or persons includes each thing or person in that group;
- (e) 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;
- (f) a reference to these Rules includes all recitals, annexures, addendums and schedules to these Rules;
- (g) 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;
- (h) the expression "person" includes an individual, the estate of an individual, the legal personal representative of an individual, a corporation or other body corporate, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership, a trust and any government agency, and in the case of a trustee, includes any substituted or additional trustee;
- (i) a monetary amount is a reference to Australian Dollars;
- (j) in these Rules any reference to include or any derivation of that word means to include without limitation;
- (k) a reference to "writing" or "written" includes any mode of representing or reproducing word in tangible and permanently visible form, and includes email;

- (l) where any word is given a defined meaning, any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning;
- (m) a reference to the “grant” or “granting” of Shares shall be a reference to the issue, transfer and/or allocation of an interest in those Shares (whichever is the applicable method of delivery determined by the Board under these Rules); and
- (n) a provision of these Rules which has the effect of requiring anything to be done on or by a date which is not a Business Day is to be interpreted as if it required that thing to be done on or by the immediately preceding Business Day.

2. Offer of Awards

2.1 Invitation

- (a) The Board may make an Invitation to an Eligible Participant on any number of occasions and which may be made on such terms and conditions as the Board decides from time to time, including:
 - (i) the number of Awards for which that Eligible Participant may apply;
 - (ii) the Grant Date;
 - (iii) the amount payable (if any) for the grant of for each Award or how such amount is to be calculated;
 - (iv) any Vesting Conditions;
 - (v) any Exercise Conditions;
 - (vi) any Exercise Price;
 - (vii) any restrictions on the manner of delivery of the Resulting Shares following exercise of the Awards; and
 - (viii) any other supplementary terms and conditions considered relevant by the Board.
- (b) Unless otherwise set out in the Plan Documentation:
 - (i) the offer of Awards to an Eligible Participant under this Plan is made to that Eligible Participant under Division 1A of Part 7.12 (Employee share schemes) of the Corporations Act (**ESS Legislation**). The Board has the discretion to set out in an Eligible Participant’s Invitation such terms, conditions or information as the Board considers necessary for the purposes of complying with the ESS Legislation (where relevant); and
 - (ii) Subdivision 83A-C of the Tax Act applies to the Awards.

- (c) The Board may elect to withdraw an Invitation at any time prior to the grant of an Award the subject of the Invitation to the relevant Eligible Participant, and such invitation will be deemed never to have been made.
- (d) To the extent of any inconsistency, the terms and conditions in an Invitation will prevail over these Rules.

2.2 Application

- (a) An Application by an Eligible Participant must be made in accordance with the instructions that accompany the Invitation, or in any other way the Board determines.
- (b) The Board may elect to treat the conduct of an Eligible Participant in respect of an Invitation as valid acceptance of that Invitation under these Rules.

2.3 Right to nominate

An Eligible Participant may only submit an Application in their own name unless the relevant Invitation expressly provides otherwise. If an Eligible Participant is permitted to, and does, nominate another person or entity (the **Nominated Affiliate**) to receive an Award and/or be granted a Resulting Share, then, to the extent the Board considers necessary to give effect to the intent of the Plan Documentation, the Company may continue to treat the Eligible Participant as the Participant (for example, by deeming a reference in these Rules to a 'Participant' to be a reference to the Eligible Participant and/or their Nominated Affiliate).

3. Awards

3.1 Grant of Awards

If the Board decides to grant Awards to a Participant, no payment for that grant is required from the relevant Participant unless otherwise set out in the Plan Documentation.

3.2 Rights attaching to Awards

- (a) Unless and until Resulting Shares are granted to a Participant following the exercise (or deemed exercise) of an Award, the Participant has no interest in those Resulting Shares.
- (b) Notwithstanding any other provision of these Rules, the Company may, by express provision in the relevant Plan Documentation, grant to a Participant an entitlement to dividend equivalent payments on vested but unexercised Awards. The Board may determine when and under what conditions such dividend equivalent payment will be granted and whether a dividend equivalent payment that is payable is satisfied through the grant of Shares or the payment of a cash equivalent or a combination of both.

3.3 Vesting and exercise of an Award

- (a) An Award will vest when a Vesting Notice in respect of that Award is given (or is deemed to be given) to the Participant.
- (b) An Award may only be exercised:
 - (i) if the exercise of an Award is subject to Exercise Conditions, when all Vesting Conditions and all Exercise Conditions applicable to that Award are satisfied or have been waived by the Company and the Company has given (or is deemed to have given) a Confirmation Notice to the Participant; or
 - (ii) if the exercise of an Award is not subject to Exercise Conditions, after the Company has given (or is deemed to have given) a Vesting Notice to the Participant,

and the Participant may exercise that Award in the manner specified by the Board in the Plan Documentation. The Board may permit the cashless exercise of some or all of a Participant's Awards in any manner it considers appropriate.

3.4 Method of settlement of Awards

- (a) After the valid exercise of an Award in accordance with the Plan Documentation, the Company must:
 - (i) subject to the Plan Documentation, issue, allocate or cause to be transferred to the Participant (or to the Trustee of a Trust to be held on behalf of the relevant Participant) the number of Shares that the Participant is entitled to under the Plan Documentation (**Equity Settled**); and/or
 - (ii) if permitted in the Plan Documentation, pay a cash amount to that Participant in accordance with clause 3.5 (**Cash Settled**).

If the Plan Documentation permits an Award to be Cash Settled or Equity Settled (rather than just Equity Settled), the Board may determine the settlement mechanism.

- (b) Notwithstanding clause 3.4(a), if the Participant is a Director (or an associate of a Director for the purposes of the Listing Rules), Awards which are granted following the Company's listing on the ASX and which are validly exercised must be satisfied by Shares that have been purchased on market, unless:
 - (i) shareholder approval is not required under the Listing Rules in respect of the grant of the relevant Awards to that Director (or associate of that Director); or
 - (ii) shareholder approval has been obtained to the extent required under the Listing Rules to grant the relevant Awards to that Director (or associate of that Director).

3.5 Cash Settled

If the Board determines that an Award will be Cash Settled in accordance with clause 3.4(b), the cash payment to be made to the Participant will, unless otherwise set out in the Plan Documentation or determined by the Board (acting in good faith), be in Australian dollars and equal to the volume weighted average closing price of all Shares traded on the ASX for the 10 trading days prior to the date on which the Participant's Award is Cash Settled, multiplied by the number of Shares which would otherwise have been granted to the Participant if the Awards had been Equity Settled. The Company may deduct from the cash payment an amount on account of any Exercise Price (to the extent not already paid) relating to the relevant Award and any applicable tax the Company is required to withhold or any superannuation amount the Company is required to pay in connection with the Cash Settlement.

3.6 Forfeiture of Awards

In addition to any circumstance or event that results in a Participant being required under the Plan Documentation to forfeit their Awards:

- (a) an Award which has an applicable Expiry Date and which has not yet been validly exercised in accordance with these Rules by 5pm (Sydney time) on that Expiry Date or a restricted stock unit award which has not vested in accordance with its applicable Vesting Conditions will automatically lapse and be forfeited;
- (b) a Participant may at any time by written notice to the Company voluntarily forfeit their unvested Awards for no consideration; and
- (c) notwithstanding any other provision of these Rules but subject at all times to Applicable Laws, if a Participant and the Company (acting by the Board) agree in writing that some or all of the Participant's Awards are to be cancelled on a specified date or on the occurrence of a particular event, then those Awards may be cancelled in the manner agreed between the Company and the Participant.

4. Forfeiture of Awards

4.1 Leavers

- (a) Unless the Plan Documentation provides otherwise, if a Participant becomes a Good Leaver:
 - (i) they will retain their outstanding vested Awards; and
 - (ii) all of their unvested Awards will be forfeited on the date determined by the Board, unless the Board determines that they may retain some or all of their unvested Awards.
- (b) Unless the Plan Documentation provides otherwise, if a Participant becomes a Bad Leaver all of their Awards (whether vested or unvested) will be forfeited on the date determined by the Board unless the Board that they may retain some or all of those Awards.

- (c) If a Participant retains any Awards under clauses 4.1(a) or 4.1(b), those Awards will be subject to the terms and conditions that the Participant held those Awards prior to becoming a Leaver or such other terms and conditions determined by the Board.

4.2 Other forfeiture events

Unless the Plan Documentation provides otherwise, an Award (whether vested or unvested) held by a Participant must be forfeited if the Board determines that:

- (a) any Vesting Condition or Exercise Condition applicable to that Award has not been met or cannot be met by the relevant date;
- (b) the Participant has become Insolvent;
- (c) the Participant has materially breached the Plan Documentation and/or their Engagement Arrangement (as the case may be) and has not remedied that breach to the satisfaction of the Board within 20 Business Days of receiving notice from the Company of the breach;
- (d) the Participant that is not an individual has undergone a change of Control without the prior written consent of the Board; or
- (e) an event or circumstance expressly set out as a forfeiture or compulsory divestiture event in the Plan Documentation occurs.

4.3 Effect of forfeiture of Awards

If an Award is required to be forfeited under the Plan Documentation, that Award will automatically lapse. Subject to Applicable Laws, the Company will not be liable to the Participant for any damages or other amounts in respect of a forfeited Award.

5. *Malus and Clawback*

- (a) If the Board determines that:
 - (i) a Participant:
 - (A) has acted fraudulently or dishonestly in their involvement with the Group;
 - (B) has committed a material breach of their obligations to any Group Company;
 - (C) has made a material misstatement on behalf of the Company;
 - (D) has engaged in gross negligence or misconduct; or
 - (E) has acted in a manner which could reasonably be regarded to have brought any Group Company into disrepute;

- (ii) a Participant's Award has vested, or may vest, as a result of the fraud, dishonesty or breach of obligations of another person and, in the opinion of the Board, the Award would not otherwise have vested;
- (iii) there is a Financial Misstatement Event which results in an undue benefit to a Participant under the Plan; or
- (iv) any other adverse event or circumstance arises that unfairly advantages the Participant in relation to their participation in the Plan (including to avoid doubt, where a Participant's Awards vest while they are on a leave of absence which is longer than 3 months)

then the Board may take any actions it considers appropriate in relation to the Participant's Awards, Resulting Shares and/or the proceeds of a Cash Settlement to address the undue benefit or unfair advantage including (without limitation):

- (v) requiring any Awards (whether vested or unvested) or Resulting Shares of the Participant to be forfeited or compulsorily divested in any manner determined by the Board and consistent with Applicable Laws;
- (vi) by adjusting the terms and conditions of existing Awards (including by determining that the vesting of an Award be reversed);
- (vii) where any Resulting Shares have been sold by the Participant, by requiring the Participant to pay or repay (as the case may be) an amount equal to all or part of the net proceeds of that sale (to the extent that those proceeds exceed the Exercise Price (if any) paid by the Participant to the Company in respect of the Resulting Shares) to or as directed by the Company; or
- (viii) by requiring the Participant to pay or repay (as the case may be) any dividends or dividend equivalent payments received in respect of their Awards or Resulting Shares.

6. Disposal Restrictions on Awards

6.1 Restrictions of dealing and hedging of Awards

- (a) A Participant must not Dispose of:
 - (i) an unvested and (if applicable) unexercised Award; or
 - (ii) a Resulting Share that is subject to a Disposal restriction as imposed by the Board and set out in the Plan Documentation,

or otherwise take any action or permit another person (including, without limitation, a Trustee) to take any action to remove or circumvent any applicable Disposal restrictions over such Awards or Resulting Shares, unless
 - (iii) the Board determines otherwise;

- (iv) the Disposal is required by law and the Participant has provided evidence of that fact; or
 - (v) the Disposal in accordance with the Plan Documentation.
- (b) The Company may require that an Award be forfeited if a Participant Disposes or attempts to Dispose of that Award, or otherwise takes any action or permits another person to take any action to remove or circumvent any applicable Disposal restrictions over an Award, other than in accordance with the Plan Documentation relating to that Award.
- (c) The Board may implement any procedures it deems appropriate to ensure compliance by the Participant with applicable Disposal restrictions, including imposing a Holding Lock on the relevant Resulting Shares or procuring a Trustee hold the relevant Resulting Shares for part or all of the application Disposal restriction period.
- (d) Regardless of whether any Disposal restrictions apply to a Participant's Awards or Resulting Shares, all Participants must comply with the Securities Trading Policy and the Constitution at all times.

7. Adjustment of Awards

7.1 Adjustment of Awards

- (a) Awards carry no entitlement to participate in any new issues of Shares or other securities made by the Company prior to the valid exercise of the Award.
- (b) Prior to the grant of Shares (or payment of a cash equivalent) to a Participant upon the valid exercise of Awards, the Board may grant additional Awards or make any adjustments it considers appropriate to the terms of an Award granted to a Participant in order to minimise or eliminate any material advantage or disadvantage to a Participant resulting from a corporate action by, or capital reconstruction in relation to, the Company, including any return of capital. Such adjustments that may be made include (but are not limited to):
- (i) the number of Awards to which the Participant is entitled;
 - (ii) the number of Resulting Shares to which the Participant is entitled;
 - (iii) the Exercise Price; or
 - (iv) a combination of paragraphs (i),(ii) and/or (iii).
- (c) If the Company does make any adjustments under clause 7.1(b), those adjustments will be in the manner allowed or required by the Listing Rules.
- (d) If additional Awards are granted to a Participant under this clause 7.1, such Awards will, unless the Board determines otherwise, be subject to the same terms and

conditions as the original Awards granted to the Participant (including without limitation, in respect of Vesting Conditions and Exercise Conditions).

7.2 **Adjustment of Shares**

Unless otherwise determined by the Board, a Participant who holds Shares under the Plan has the same entitlement as any other shareholders in the Company to participate in any bonus issue or rights issues provided however:

- (a) in respect of a bonus issue, any bonus Shares that are issued in respect of Shares will be issued to (or on behalf of) the Participant and will be held by (or on behalf of) the Participant as Shares subject to the same terms and conditions (including, without limitation in respect of Disposal restrictions) as the Shares in respect of which they were issued; and
- (b) in respect of a rights issue, the Participant may deal with, or exercise those rights (including instructing the Trustee (if applicable) in relation to those rights in accordance with the terms of the Trust). If the Shares are held by a Trustee on the Participant's behalf and the Participant does not instruct the Trustee how to deal with the rights, the rights will be dealt with in accordance with the terms of the Trust.

8. Liquidity Event

8.1 **Subject** to all Applicable Laws and the Plan Documentation, if:

- (a) a Liquidity Event occurs; or
- (b) the Board determines for the purpose of this Plan that a Liquidity Event is likely to occur,

the Board may determine the manner in which any or all of the Participant's Awards (whether vested or unvested) and/or Resulting Shares (as applicable) will be dealt with.

8.2 In determining how to deal with a Participant's Awards and/or Resulting Shares (as applicable) under clause 8.1, the Board may (but is not obliged to):

- (a) have regard to the following factors:
 - (i) the performance of the Company against targets in the Vesting Conditions (if any) at that time;
 - (ii) the period of time that has elapsed between the Grant Date and the date of the Liquidity Event; or
 - (iii) the circumstances of the Liquidity Event;
- (b) determine that the Participant may participate in and/or benefit from any transaction arising from or in connection with the Liquidity Event;

- (c) specify an exercise period for all Awards which have vested and are exercisable and require that such Awards will lapse if not exercised within the specified period, or otherwise decide that those Awards will be deemed exercised on a specific date or on the occurrence of a specific event;
- (d) determine that any Disposal restrictions on Shares granted under the Plan will cease to have effect from a specific date or on the occurrence of a specified event;
- (e) determine that a Participant must sell their Shares into the Liquidity Event;
- (f) determine that a Participant's outstanding Awards (or a subset of them) (together, the **Relevant Awards**):
 - (i) be cancelled for fair market value, where the Board has determined (in good faith) that it is necessary or desirable for the purposes of a Liquidity Event that such Relevant Awards are cancelled prior to, or with effect from, the occurrence of a Liquidity Event; or
 - (ii) if, as a result of the Liquidity Event, the Company has or will become a wholly-owned subsidiary of another entity listed on an internationally recognised stock exchange (**New Head Company**), determine that a Participant's Relevant Awards be:
 - (A) exchanged for awards issued by the New Head Company; or
 - (B) on vesting and exercise of those Relevant Awards, be provided with shares of the New Head Company in lieu of Shares in the Company,

on substantially the same terms and on substantially the same conditions but with any necessary or appropriate adjustments to the number and kind of awards, or shares (as applicable).

9. Divestment of material business or subsidiary

- (a) Where the Company divests a business designated by the Board for this purpose as "material", the Board may in good faith make special rules that apply to some or all of the Participant's Awards.
- (b) Without limiting the Board's discretion in clause 9(a), such rules may include varying Vesting Conditions, Exercise Conditions and/or any other relevant conditions advised to a Participant in the Plan Documentation and/or deeming that a Participant remains an Eligible Participant for a specific period notwithstanding that they may not be an Eligible Participant at a particular time.
- (c) As soon as reasonably practicable after making any special rules under this clause 9, the Board will give notice in writing of those special rules to any affected Participant.

- (d) Any special rules made under this clause 9 will not be considered amendments for the purposes of clause 14.

10. Sale of Resulting Shares at the option of the Company

10.1 General call option in relation to Resulting Shares

Subject to Applicable Laws and regulations, the Company (acting by the Board) may at any time by written notice require that a Participant sell a Resulting Share (whether by transfer, buy-back, capital reduction, cancellation or otherwise) for an amount per share equal to the Market Value of the Resulting Share at the date that the written notice is given.

10.2 Further actions

- (a) The Company may do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary to implement the sale of Resulting Shares under this clause 10.
- (b) Each Participant agrees to do and procure all things the Company considers necessary in order to fully implement a sale of Resulting Shares under this clause 10.

11. Substituted Company

If the Board resolves that a Substituted Company will be put in place and/or the securities of the Substituted Company will be the subject of this Plan, each Participant must do all things reasonably required by the Board to give effect to the introduction of the Substituted Company including (where required by the Board) substituting any securities they hold with securities in the Substituted Company.

12. Tax and withholding

12.1 Duties and taxes

- (a) The Company is responsible for all brokerage costs payable in relation to the issue or transfer of a Share under these Rules. Each Participant is responsible for all costs associated with the Disposal of a Share by the Participant.
- (b) Subject to clause 12.1(a) and unless otherwise required by law the Participant is responsible for all Taxes which are or may become payable by a Participant as a consequence of, or in connection with, the grant of any Awards and Resulting Shares, or any Disposal of any Awards or Resulting Shares.

12.2 Withholding

- (a) Notwithstanding any other provision of these Rules, and without limiting the amounts which may be deducted or withheld under Applicable Laws, if a Group Company, the Trustee or the plan administrator is obliged, or reasonably believes that it may have an obligation to account for any Tax, or any superannuation amounts (or equivalent

social security contributions, if applicable) in respect of a Participant (**Withholding Amount**), then that Group Company, Trustee or plan administrator (as applicable) is entitled to withhold or be reimbursed by the Participant for the Withholding Amount payable or paid.

- (b) To give effect to clause 12.2(a), the relevant Group Company, Trustee or plan administrator may take any actions as it sees fit to ensure payment of, or recover (as applicable), the Withholding Amounts including (without limitation):
 - (i) selling on behalf of the Participant the number of Shares granted under this Plan required to provide the Withholding Amount;
 - (ii) obtaining the Withholding Amount from the Participant (by salary deduction or otherwise);
 - (iii) forfeiting a sufficient number of Awards to satisfy the Withholding Amount; or
 - (iv) making any other arrangements with the Participant for payment or reimbursement of the Withholding Amount.

13. Administration of the Plan

13.1 Compliance with applicable laws and regulations

- (a) The Plan must be operated in accordance with Applicable Laws.
- (b) No benefit will be delivered under this Plan to the extent that such delivery would:
 - (i) contravene Applicable Laws;
 - (ii) give rise to unreasonable cost or regulatory requirements for any Group Company;
 - (iii) require the Company to prepare and provide to an Eligible Participant or a Participant (as applicable) a prospectus or product disclosure statement (or similar disclosure document), unless otherwise determined by the Board; or
 - (iv) require a 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, unless such shareholder approval is obtained.
- (c) The Company has no obligation to seek shareholder approval to deliver any benefit under this Plan that cannot be delivered without shareholder approval.
- (d) The Board may delay:
 - (i) the grant of any Award and/or Resulting Share (as applicable) under the Rules;
or

- (ii) the vesting or exercise of any Award,

if the grant, vesting or exercise (as applicable) of the relevant Award and/or Resulting Shares (as applicable) would occur in a period where a Disposal or other dealing of the Award and/or Resulting Shares (as applicable) would be prohibited by Applicable Law, a policy of a Group Company (including the Company's Securities Trading Policy), or the Board determines that the grant or vesting (as applicable) of the relevant Award and/or Resulting Shares (as applicable) would otherwise be inappropriate in the circumstances, until such time as the Disposal or dealing is permitted by the Board.

13.2 **Error in Allocation**

- (a) If any Award is provided under these Rules in error, or by mistake to a person (**Mistaken Person**) who is not the intended recipient, the Mistaken Person will have no right or interest, and will be taken never to have had any right or interest in, that Award and the Award will immediately lapse, be forfeited or be compulsorily acquired (as determined by the Board).
- (b) If any cash payment is paid under these Rules in error or by mistake to a Mistaken Person, the Mistaken Person will have no right to retain that cash payment and the Company may take whatever steps it deems necessary to seek repayment of that cash payment as a debt.

13.3 **Board administration**

- (a) The Plan will be administered by the Board as it sees fit, and the Board may implement procedures (from time to time) for the administration of this Plan.
- (b) Any power or discretion which is conferred on the Board by the Plan Documentation may be exercised by the Board in its sole and absolute discretion. The Board does not, in exercising any power or discretion under these Rules, owe any fiduciary or other obligations to any Eligible Participant or Participant. Any exercise of power or discretion by the Board (or its delegates) is final and binding.
- (c) The Board may delegate to any person the exercise of its powers or discretions under these Rules for such periods and on such conditions as the Board thinks fit.

13.4 **Shares issued under the Plan**

- (a) All Shares issued under the Plan will:
 - (i) rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Resulting Shares (as applicable); and
 - (ii) be subject to any conditions or restrictions set out in the Constitution.

- (b) The Company must apply for quotation of any Shares issued under the Plan (or any unquoted Shares transferred) within the time required by the Listing Rules.

13.5 **Participants based overseas**

- (a) If a Participant is transferred to work in another country and the Participant continues to hold an office or employment with a Group Company, the Board may in its discretion determine the appropriate treatment to apply to that Participant's Awards.
- (b) The Board may adopt additional terms and conditions that will apply to a grant made to an Eligible Participant or Participant who is a resident of a jurisdiction other than Australia. The remaining provisions of these Rules will apply subject to the alterations or additions specified by the Board. To the extent of any inconsistency, any additional terms and conditions adopted by the Board under this clause 13.5 will prevail over any other terms and conditions set out in these Rules in respect of the international incentive arrangements.

13.6 **Irrevocable power of attorney**

- (a) In consideration for the grant of the relevant Award each of the Participant and (where applicable) the Eligible Participant that nominated the relevant Participant to receive the grant of the relevant Award) irrevocably appoint (on a general and several basis) each director and the company secretary of the Company from time to time (each an **Attorney**) as his or her attorney to do anything necessary to fulfil the Participant's obligations as a participant in the Plan including, without limitation:
 - (i) to allocate, forfeit, compulsory acquire or Dispose of Awards and/or Resulting Shares (as applicable);
 - (ii) to deal with the proceeds of any Disposal of any Awards and/or Resulting Shares; or
 - (iii) to prevent a Disposal of, or any action being taken to remove or circumvent any applicable disposal restrictions over, such Awards and/or Resulting Shares (as applicable) that is not permitted under the Plan Documentation; and
- (b) In order to give effect to the appointment of the Attorney under clause 13.6(a), the Company may at any time require that the Participant enter into an irrevocable power of attorney (in the form set out in an Invitation or such other form as agreed by the Company) in favour of any person nominated from time to time by the Board.
- (c) The Participant and the relevant Eligible Participant will be deemed to ratify and confirm any act or thing done under this power and must indemnify the Attorney in respect of doing so.

13.7 **Trust**

The Board may establish, administer, operate and fund a Trust for the purposes of

acquiring, holding and/or delivering any Shares under this Plan on such terms and conditions as determined by the Board.

14. Amendment to these Rules

- (a) Subject to clause 14(c), the Board may at any time with retrospective effect, immediate effect or future effect:
 - (i) amend these Rules;
 - (ii) amend the terms and conditions of any Awards and/or Resulting Shares (as applicable); or
 - (iii) suspend or terminate the operation of this Plan.
- (b) Notwithstanding clause 14(a), the Board may waive, amend or replace any Vesting Condition or Exercise Condition attaching to an Award if the Board decides that the original condition is no longer appropriate or applicable (including if a Vesting Condition refers to a particular stock market index that is no longer published or there is a corporate action by a company which impacts on the Vesting Condition), provided that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.
- (c) The Board must not exercise its powers under clause 14(a) in a manner which materially adversely affects the rights of any Participant as they existed before the date of the amendment, other than an amendment:
 - (i) introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future laws or regulatory developments that apply to the remuneration and benefits of Participants, the awarding of Awards or incentive plans generally;
 - (B) to correct any manifest error or mistake;
 - (C) to give effect to the introduction of a Substituted Company to the Plan pursuant to clause 11;
 - (D) to facilitate the implementation of a Trust; and/or
 - (E) to take into consideration possible adverse taxation implications 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) notified in writing to all Participants whose rights will be materially adversely affected by the amendment (**Affected Participants**) and agreed to in writing

by Affected Participants holding more than 50% of the aggregate Awards held by Affected Participants.

15. Miscellaneous

15.1 Rights of Participants

Nothing in the Plan Documentation:

- (a) confers on any person any right or expectation to become a Participant, or the right to be invited to apply for, or be offered or to receive any Awards;
- (b) confers on any person the right to continue as an employee, officer, contractor, consultant or service provider of or to a Group Company (as the case may be);
- (c) affects the rights of a Group Company to terminate the Engagement Arrangement of an Eligible Participant;
- (d) forms part of any contract of service between an Eligible Participant and a Group Company;
- (e) may be used to increase rights of compensation or damages in any action brought against a Group Company in respect of any termination of an Engagement Arrangement;
- (f) confers any legal or equitable right on an Eligible Participant whatsoever to take action against a Group Company in respect of their Engagement Arrangement; or
- (g) unless otherwise required by Applicable Law or set out in the Plan Documentation, confers on an Eligible Participant or Participant any right to compensation for any loss in relation to the Plan, including:
 - (i) any loss or reduction of rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);
 - (ii) any exercise of a discretion or a decision taken in relation to a grant of Awards or in relation to the Plan, or any failure to exercise a discretion under these Rules;
 - (iii) the operation, suspension, termination or amendment of the Plan; or
 - (iv) lapse, forfeiture or compulsory acquisition of any Awards.

15.2 Notice

Any notice or other communication provided to a Participant under or in connection with the Plan Documentation may be given by personal delivery, by post or email, or by posting

it on the Company's intranet.

15.3 Further assurances

- (a) Each Participant must do all things reasonably necessary to give full effect to this Plan and the transactions contemplated by this Plan.
- (b) The Company may from time to time require a Participant to complete and return such other documents as may be required by law to be completed by that Participant or such other documents which the Company considers should, for legal, taxation and/or administrative reasons, be completed in order to give effect to the intent of the Plan Documentation.

15.4 No representation or warranty

The Company makes no representation or warranty as to the value of Awards or any Resulting Shares, or in connection with any tax, legal or financial matters affecting any Eligible Participant or Participant in connection with the Plan.

15.5 Data protection

- (a) By participating in the Plan, a Participant consents to the holding and processing of personal data that they provide for the purposes of the Plan. These purposes include, but are not limited to:
 - (i) administering and maintaining employee and Participant records;
 - (ii) providing information to a Group Company, registrars, brokers or third party administrators of the Plan (if any) or advisers to a Group Company; and
 - (iii) providing information to corporate advisers or potential future third party purchasers in connection with a sale of shares in a Group Company, or the business and assets of a Group Company.
- (b) The Participant acknowledges that the Group Companies, any plan administrator and/or any Trustee may be required or authorised to collect the personal data under laws including the Tax Act, the Taxation Administration Act 1953 (Cth) and the Corporations Act, and that limited details about shareholders are available to members of the public on request.
- (c) Without limiting clauses 15.5(a) or 15.5(b), by accepting Awards under this Plan, the Participant agrees, subject to clause 15.5(d), that:
 - (i) the tax file number (**TFN**) they have provided to the relevant Group Company as an employee or officer of that Group Company can be provided to any plan administrator, as agent for the Company and also as administrator of the Plan; and
 - (ii) their TFN (where applicable) being provided to the Australian Taxation Office and any other regulatory authorities as permitted under law.

- (d) A Participant's agreement under clause 15.5(c) is voluntary and the Participant should notify the Company if they wish to withdraw their agreement at any time.

15.6 Construed against a party

No provision or expression in the Plan Documentation is to be construed against the Company on the basis that the Company (or its advisers) was responsible for the drafting of Plan Documentation.

15.7 Rounding

Where any calculation or adjustment to be made pursuant to the Plan Documentation produces a fraction of a cent or a fraction of an Award or Resulting Share, the fraction will be eliminated by rounding down to the nearest whole number.

15.8 Governing law

The Plan Documentation is governed by the laws of New South Wales, Australia. Each Participant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought in connection with the Plan Documentation.

15.9 Waiver of rights

Notwithstanding any of provision of the Plan Documentation, the Board may at any time waive (in writing) in whole or in part any terms or conditions (including any Vesting Condition or Exercise Condition) in relation to any Awards or Resulting Shares granted to a Participant, on any terms and conditions as determined by the Board.

15.10 Execution permitted by Electronic Signature

- (a) Any document referred to in the Plan Documentation (including any Plan Documentation) may be signed or executed (as applicable) by Electronic Signature.
- (b) The Company and each Participant (by submitting an Application to the Company):
- (i) consents to the use of Electronic Signature and receiving any document referred to in the Plan Documentation in electronic or digital form;
 - (ii) acknowledges that the use of Electronic Signature is an appropriately reliable method for the purposes of signing or executing (as applicable) any Plan Documentation and a document referred to in the Plan Documentation to identify each signatory and to indicate that signatory's intention in respect of the contents of document being signed or executed (as applicable);
 - (iii) acknowledges that a requirement for writing or written form or physical or vellum form may be satisfied in electronic or digital form;

- (iv) acknowledges that a requirement for any document referred to in the Plan Documentation (including the Plan Documentation) to be signed or executed (as applicable) may be satisfied by Electronic Signature;
- (v) warrants that, if a document has been signed or executed (as applicable) using an Electronic Signature, they have applied (or their duly authorised signatory has applied) the Electronic Signature to the document, or approved the application of the Electronic Signature to the document on their behalf; and
- (vi) agrees that Electronic Signature is legally effective execution and conclusive as to their intention to be bound by the document as if signed by that party's (or any of its duly authorised signatory's) manuscript signature.