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Employee Incentive Plan Rules

Island Pharmaceuticals Limited
ACN 641 183 842
(**Company**)

Adopted on 24 November 2026

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1 Introduction

1.1 Purpose of plan

The Company has established this Plan to encourage Employees to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all Employees.

1.2 Advice

(a) There are legal and tax consequences associated with participation in the Plan. Employees should ensure that they understand these consequences before accepting an invitation to participate in the Plan.

(b) Any advice given by or on behalf of the Company is general advice only, and Employees should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give such advice.

2 Definitions and Interpretations

2.1 Definitions

In these Rules unless the contrary intention appears:

Acquisition Loan means a loan made by the Company to a Participant under clause 4.1 for the purpose of the Participant acquiring a Loan Share as the result of the acceptance of an Offer.

Acquisition Loan Period means the period of the Acquisition Loan determined in accordance with clause 4.2(a)(v).

Amount has the meaning given to it under clause 14.

Application means a written acceptance of an Offer for, or an application for, Awards in form approved by or acceptable to the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the securities market which it operates, as the context requires.

Award means:

(a) an Option,

(b) a Performance Right,

(c) a Loan Share,

(d) a Deferred Share Award,

(e) an Exempt Share Award, as applicable, and

(f) any other ESS Interest as defined under section 1100E of the Corporations Act.

Benefit has the meaning given to it under clause 13.

Board means the Board of Directors of the Company.

Cashless Exercise Facility has the meaning given to it under clause 6.5.

Company means Island Pharmaceuticals Limited (ACN 641 183 842).

Constitution means the constitution of the Company.

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

Deferred Share Award means a Share issued under clause 3.5.

Employee means a person who is an employee, officer, director or consultant of a Group entity.

ESS Interest has the meaning given to it under section 1100E of the Corporations Act, being offers of interests under an employee share scheme of a body corporate or a registered scheme that meets certain listing requirements.

Exempt Share Award means a Share issued under clause 3.6.

Exercise means exercise of an Award in accordance with its terms, and includes automatic exercise in accordance with these Rules.

Exercise Price means the price payable (if any) per Share to exercise an Award.

Expiry Date means the date on which an Award lapses, being the date specified in an Offer as the Expiry Date, or fixed by a method of calculation set out in an Offer.

Good Leaver means a Participant who ceases to be employed by, contracted by, or a director of, a Group Member as a result of:

(a) total or permanent disablement, or an illness which persists for at least three months, which in either case prevents the person from carrying out their previous functions as an employee, contractor or director;

(b) genuine redundancy;

(c) death; or

(d) other factors determined by the Board in its discretion to constitute sufficient reason to treat the person as a Good Leaver.

Group means the Company and each of its controlled entities, and Group Member means any of them.

Issue of a Share includes the transfer of an existing Share in accordance with clause 7.3.

Issue Price means the price (if any) to be paid for the issue of a Share as stated in the Offer.

Liability means any liability, whether actual or contingent, present or future, quantified or unquantified.

Limiting Legislation has the meaning given to it under clause 13.

Listed means the Company being and remaining admitted to the official list of the ASX.

Listing Rules means the Listing Rules of ASX and any other rules of the ASX which are applicable while the Company is Listed each as amended or replaced from time to time, except to the extent of any waiver granted by the ASX.

Loan Share means a Share issued under clause 3.4 on the terms set out in clause 4.

Market Price means, at any given date, the volume weighted average price of Shares traded on the ASX over the five trading days immediately preceding (and excluding) that given date.

Offer means an offer or issue of Awards made to an Employee under clause 5. Where Awards are issued without the need for acceptance, an Offer includes the document setting out the terms of the Award.

Option means an option to acquire Shares issued under clause 3.2.

Participant means an Employee to whom Awards are issued.

Performance Right means a right to acquire a Share issued under clause 3.3.

Plan means this Employee Incentive Plan.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Related Person means, subject to the Corporations Act, another person who is:

(a) a spouse, parent, child or sibling of the primary participant; or

(b) another body corporate controlled by the primary participant or a person mentioned in subparagraph (a); or

(c) a body corporate that is the trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the primary participant is a director of the body corporate; or

(d) a person prescribed in relation to the primary participant by the regulations for the purposes of section 1100L of the Corporations Act; or

(e) any other person defined as a "related person" under section 1100L of the Corporations Act, as updated from time to time.

Restricted Award means an Award or a Share issued on exercise of an Award in respect of which a restriction on sale or disposal applies under this Plan.

Restriction Period means the period during which Awards, or Shares issued on exercise of Awards, must not be sold or disposed of, being the period specified in these Rules in respect of Deferred Share Awards and Exempt Share Awards, and as specified in the Offer in respect of other Awards.

Rules means these rules as amended from time to time.

Securities Trading Policy means any securities trading policy adopted by the Company from time to time.

Security Interest means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or Liability, including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance or hypothecation and a security interest as defined in sections 12(1) and 12(2) of the PPSA.

Share means a fully paid ordinary share of the Company, and where the context requires, includes a Loan Share.

Tax Act means the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997*, or any legislation amending or replacing the provisions of those Acts relating to the issue and exercise of Awards.

Vesting Conditions means any conditions described in the Offer that must be satisfied before an Award can be exercised or before an Award (or Share issued under an Award) is no longer subject to forfeiture.

Vesting Date means the date on which an Award is exercisable or is no longer subject to forfeiture following satisfaction of any Vesting Conditions.

2.2 **Interpretation**

In these Rules, unless expressed to the contrary:

(a) terms defined in the Corporations Act or the Listing Rules have the same meaning in these Rules;

(b) words importing:

(i) the singular include the plural and vice versa;

(ii) any gender includes the other genders;

(c) if a word or phrase is defined, cognate words and phrases have corresponding definitions;

(d) a reference to:

(i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;

(ii) a person includes its legal personal representatives, successors and assigns;

(iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(iv) a right includes a benefit, remedy, discretion, authority or power;

(v) "$" or "dollars" is a reference to the lawful currency of Australia;

(vi) this or any other document includes the document as varied or replaced and notwithstanding any change in the identity of the parties; and

(vii) any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them.

2.3 **Headings**

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

2.4 **Tax treatment of Plan**

This Plan is a plan to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in that Act).

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3 Awards that may be made under the Plan

3.1 Making of Awards

The Company may, at the discretion of the Board, offer and issue Awards to Employees of the kind set out in this clause 3.

3.2 Options

The Company may offer or issue Options, which are rights to be issued a Share upon satisfaction of specified Vesting Conditions and, where applicable, exercise of the Options. These terms apply unless the Offer specifies otherwise:

(a) Options are Restricted Awards until they are exercised or expire.

(b) An Offer may specify a Restriction Period for Shares issued on the exercise of Options.

(c) Options are subject to adjustment under clause 12.

3.3 Performance Rights

The Company may offer or issue Performance Rights, which are rights to be issued a Share for nil Exercise Price upon the satisfaction of specified Vesting Conditions. These terms apply unless the Offer specifies otherwise:

(a) Performance Rights are Restricted Awards until they are exercised or expire.

(b) An Offer may specify a Restriction Period for Shares issued on the exercise of Performance Rights.

(c) Performance Rights are subject to adjustment under clause 12.

3.4 Loan Shares

The Company may offer or issue Loan Shares, which are Shares issued to Employees at an Issue Price that the Board in its discretion determines, and may be subject to the satisfaction of specified Vesting Conditions. These terms apply unless the Offer specifies otherwise:

(a) Loan Shares are Restricted Awards until Vesting Conditions are satisfied and the Acquisition Loan is repaid or satisfied.

(b) The Acquisition Loan and security terms in clause 4 apply.

3.5 Deferred Share Awards

(a) The Company may offer or issue Deferred Share Awards, which are Shares issued to Employees:

(i) who elect to receive Shares in lieu of any wages, salary, director's fees, or other remuneration; or

(ii) by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment.

(b) Unless a different Restriction Period is specified in an Offer, the Restriction Period for Deferred Share Awards will expire on the earlier of:

(i) when a Participant ceases to be an Employee;

(ii) when the Board, in its discretion, agrees to end the Restriction Period; and

(iii) 10 years from the date of issue of the Shares.

3.6 **Exempt Share Awards**

(a) The Company may offer or issue Exempt Share Awards, which are Shares issued for no consideration or at an Issue Price which is a discount to the Market Price with the intention that up to $1,000 (or such other amount which is exempted from tax under the Tax Act from time to time) of the total value or discount received by each Employee will be exempt from tax.

(b) Unless a different Restriction Period is specified in an Offer, the Restriction Period for Exempt Share Awards will expire on the earlier of:

(i) three years from the date of issue of the Shares; and

(ii) the time when a Participant ceases to be an Employee.

(c) The Company must offer Exempt Share Awards on a non-discriminatory basis as defined by section 83A-35(6) of the Tax Act.

4 Loan Shares

4.1 **Offer of Acquisition Loan**

(a) The Company may provide an Acquisition Loan in relation to Loan Shares by making a loan to a Participant on the terms set out in an Offer and in these Rules.

(b) The offer of an Acquisition Loan may be subject to the Company and the Participant executing agreements and other documents in a form acceptable to the Company providing for:

(i) the offer by the Company and the acceptance by the Participant of an Acquisition Loan equal to the aggregate Issue Price of the Loan Shares offered;

(ii) the grant by the Participant in favour of the Company of a Security Interest over the Loan Shares as set out in this clause 4 and the perfection of that Security Interest under the PPSA as a first ranking Security Interest; and

(iii) if required by the Company, a written agreement by the Participant to the application of a holding lock in respect of the Loan Shares.

4.2 **Default Acquisition Loan Terms**

(a) Unless otherwise determined by the Board:

(i) (**Timing**) an Acquisition Loan will be made to a Participant at the time the Participant acquires a Loan Share as the result of their acceptance of an Offer;

(ii) (**Amount**) the amount of the Acquisition Loan will be equal to the aggregate Issue Price of the Loan Shares offered;

(iii) (**Application of Acquisition Loan money**) a Participant who accepts an Acquisition Loan irrevocably authorises the Company to apply the Acquisition Loan on behalf of the Participant to pay for the aggregate Issue Price of the Loan Shares to be issued or transferred to the Participant;

(iv) (**Acquisition Loans interest free**) an Acquisition Loan will not bear interest;

(v) (**Acquisition Loan Period**) the Acquisition Loan Period commences when the Acquisition Loan is made and ends on the earliest of:

(A) the date on which the Participant ceases to be an Employee;

(B) the buy-back of the Loan Shares in accordance with clause 11;

(C) the failure to satisfy any Vesting Conditions applicable to the Loan Shares;

(D) any breach by the Participant of this Plan where the breach is not remedied within seven days of the Company's notice to the Participant to do so; or

(E) an application being made to a court for an order, or an order being made, that the Participant be made bankrupt (or any similar event in any jurisdiction as determined by the Board in its discretion); and

(vi) (**Repayment**) a Participant:

(A) may repay all or part of an Acquisition Loan made to the Participant at any time before expiry of the Acquisition Loan Period; and

(B) must repay in full the outstanding amount of the Acquisition Loan at the end of the Acquisition Loan Period.

4.3 **Repayment of Acquisition Loan**

(a) If an Acquisition Loan provided to a Participant becomes repayable, the Company must accept in full and complete satisfaction of the Participant's indebtedness and obligations to it under the Acquisition Loan:

(i) if the applicable Vesting Conditions have been satisfied, the total amount owing by the Participant to the Company in cash or by other means agreed between the Participant and the Company; or

(ii) in any case, the transfer to the Company (or its nominee) of the Loan Shares to which the Acquisition Loan relates in accordance with clause 11.

(b) If the Participant has:

(i) not repaid the outstanding amount of an Acquisition Loan (if any) at the end of the Acquisition Loan Period; or

(ii) not satisfied the Vesting Conditions applicable to the Loan Shares,

the Board may, in its discretion, determine that the Company may, on behalf of the Participant:

(iii) transfer to the Company (or its nominee) the Loan Shares to which the outstanding amount of the Acquisition Loan or outstanding Vesting Conditions (as applicable) relate in accordance with clause 11; or

(iv) sell the relevant Loan Shares to which the outstanding amount of the Acquisition Loan or outstanding Vesting Conditions (as applicable) relate.

(c) Without limiting the generality of clause 15, for the purpose of the sale of the Loan Shares in accordance with clause 4.3(b), the Participant appoints the secretary of the Company (or his or her duly authorised delegate) as their attorney and authorises the secretary of the Company (or their duly authorised delegate) to sell the relevant Loan Shares on behalf of the Participant. The Company and the secretary will have complete discretion in respect of the sale of the

relevant Loan Shares under clause 4.3(b) and will not be liable to the Participant in respect of the timing of or price obtained on or any other circumstances relating to such sale.

(d) If the Company sells any Loan Shares in accordance with clause 4.3(b), the proceeds of sale will be applied in the following order, unless the Board otherwise determines:

(i) in payment of any costs and expenses of the sale incurred by the Company;

(ii) in reduction of the outstanding amount of the Acquisition Loan (if any); and

(iii) the balance (if any):

(A) if Vesting Conditions applicable to the Loan Shares were satisfied at the time of the sale, in payment to the Participant; or

(B) if the Loan Shares were unvested at the time of the sale, in payment to the Company.

4.4 **Limited recourse**

If the Acquisition Loan is discharged or repaid under clauses 4.3 then:

(a) no further amount will be repayable by the Participant to the Company under the Acquisition Loan in respect of the Loan Shares; and

(b) no further amount will at any time be recoverable by the Company from the Participant in respect of the Acquisition Loan.

4.5 **Security**

(a) As security for the Acquisition Loan, each Participant grants to the Company:

(i) a pledge of its Loan Shares provided under the Plan; and

(ii) a charge over all dividends and other amounts paid or payable on those Loan Shares.

(b) While the Shares are subject to the restrictions of this Plan, a Participant must not without the consent of the Board:

(i) create, other than in favour of the Company, any Security Interest over any Shares; or

(ii) grant, or agree to grant, a first right of refusal, voting right, or pre-emptive right or enter into any agreement, option or other arrangement to grant such an interest or right.

(c) Loan Shares are Restricted Awards until the Vesting Conditions applicable to the Loan Shares (if any) are satisfied and/or the Acquisition Loan is repaid, unless the Board in its discretion determines otherwise.

(d) The Company is entitled to retain the share certificates (if any) for any Loan Shares provided under this Plan to the Participant, and to impose a holding lock on the Loan Shares.

4.6 **Dividends and other entitlements**

(a) The Company may retain, or pay to itself on behalf of a Participant, any moneys (including dividends) and any capital distributions that may become payable in respect of a Loan Share in reduction of the amount outstanding under the Acquisition Loan in respect of that Loan Share.

(b) A Participant may not participate in any dividend reinvestment plan (or similar plan) established by the Company until the Acquisition Loan in respect of his or her Loan Shares has been fully repaid.

(c) If any Shares or other securities are issued in respect of Loan Shares as part of a bonus or entitlement issue, then those Shares or other securities will also be subject to the security in this clause 4.5 and the other terms of this Plan as if they were a Loan Share (unless the Board otherwise determines).

5 Offers of Awards

5.1 Offers to any Employee or Related Persons

Subject to the Corporations Act, the Company's constitution and Listing Rules, the Company may make an Offer to any Employee or Related Persons.

5.2 Form of Offer for Awards involving monetary consideration

(a) Each Offer for Awards involving consideration must be in writing (which includes email), include an Application if acceptance is required, and specify the following to the extent applicable:

(i) the identity of the Employee to whom the Offer is made;

(ii) the type of Awards being offered;

(iii) the number of Awards being offered;

(iv) any Vesting Conditions for the Awards;

(v) the Issue Price and/or Exercise Price for the Awards, or the manner in which the Issue Price and/or Exercise Price is to be determined;

(vi) the Expiry Date (if any);

(vii) any Restriction Period;

(viii) any other terms or conditions that the Board decides to include; and

(ix) any other matters required to be specified in the Offer by either the Corporations Act or the Listing Rules.

(b) If required by applicable laws or the conditions to applicable ASIC relief, the Offer must include an undertaking by the Company to provide to a Participant, if a request is made before the Award is exercised and within a reasonable period of being so requested, the current Market Price of the Shares.

5.3 Form of Offer for Awards involving no monetary consideration

Offers for Awards made for no monetary consideration will be made in writing (which includes email) and, at the discretion of the Board, may only be accompanied by a statement that the offer is made pursuant to Division 1A of Part 7.12 of the Corporations Act.

5.4 Compliance with laws

No Offer will be made to the extent that any such Offer would contravene the Company's Constitution, the Listing Rules, the Corporations Act or any other applicable law.

5.5 **Acceptance**

(a) If acceptance of an Offer is required, it may be accepted:

(i) by an Employee completing and returning the Application, as required by the Offer, by not later than the date specified in the Offer; and

(ii) if required, by the Employee making or directing payment of the total amount payable for the Awards (if any) accepted under the Offer, in the manner specified in the Offer.

(b) An Offer which requires acceptance lapses if it is not accepted by the Employee to whom the Offer is made as required under clause 5.5.

6 Vesting and Exercise of Awards

6.1 **Vesting**

(a) The Awards held by a Participant will vest in and become exercisable by that Participant upon the satisfaction of any Vesting Conditions specified in the Offer and in accordance with these Rules.

(b) Vesting Conditions may be waived at the absolute discretion of the Board (unless such waiver is excluded by the terms of the Award).

6.2 **Default vesting conditions if none specified in an Offer**

If vesting conditions or other vesting events are not specified in an Offer and the Offer does not expressly state to the effect that no vesting conditions apply, the following Vesting Conditions apply to any Options, Performance Rights or Loan Shares offered under the Plan:

(a) the Awards only vest if at the applicable vesting date the Participant either:

(i) remains employed with a Group Member, continues to provide consulting services to a Group Member or acts as a director of a Group Member (as applicable); or

(ii) ceased to do so before the applicable vesting date in circumstances where the person was a Good Leaver; and

(b) the Awards vest in equal one-third tranches on the first, second, and third anniversaries of the grant date of the Awards (or of another date specified in the Offer for this purpose).

6.3 **Automatic Exercise**

(a) Unless clause 6.2 applies, the vesting of an Award on the satisfaction of any Vesting Conditions will not automatically trigger the exercise of the Award.

(b) The terms of an Award which has a nil Exercise Price may provide for the Award to be exercised automatically upon vesting. Further, and whether or not the terms of the Award provide for it, the Board may in its discretion waive any requirement that an issued Award which has a nil Exercise Price be exercised by the Participant. In either case the Company will treat the Award as having been validly exercised on the Vesting Date.

6.4 **Exercise of Awards**

(a) A Participant is, subject to this clause 6, entitled to exercise an Award on or after the Vesting Date. Any exercise must be for a minimum number or multiple of Shares (if any) specified in the terms of the Offer.

(b) Awards may be exercised by the Participant delivering to the Company a notice stating the number of Awards to be exercised together with the Issue Price or Exercise Price (if any) for the Shares to be issued (unless the Participant elects to utilise the Cashless Exercise Facility in accordance clause 6.5 below).

6.5 **Cashless Exercise of Options**

(a) If a Participant wishes to exercise some or all of their Options, it may elect to pay the Exercise Price by using the cashless exercise facility provided for under this Rule 6.5 (**Cashless Exercise Facility**) unless the terms of the Offer provide otherwise.

(b) The Cashless Exercise Facility entitles a Participant to set-off the Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Exercise Price has been set-off.

(c) If a Participant elects to use the Cashless Exercise Facility, the Participant will be issued, allocated or caused to be transferred that number of Shares (rounded down to the nearest whole number) equal to:

(i) the aggregate Market Price of the Shares that would otherwise be issued or transferred on exercise of the vested Options as at the date the vested Options are exercised, less the aggregate Exercise Price otherwise payable in respect of all vested Options exercised,

(ii) divided by the Market Price of a Share as at the date the vested Options is exercised.

(d) If the difference between the Exercise Price otherwise payable on the Options being exercised and the Market Price of Shares at the time of exercise is zero or negative, then a Participant will not be entitled to use the Cashless Exercise Facility.

7 Allotment of Shares on exercise or vesting of Awards

7.1 **Rights attaching to Shares**

The Shares issued under this Plan will upon allotment:

(a) be credited as fully paid;

(b) rank equally for dividends and other entitlements where the record date is on or after the date of allotment, but will carry no right to receive any dividend or entitlement where the record date is before the date of allotment;

(c) be subject to any restrictions imposed under these Rules, and

(d) otherwise rank equally with the existing issued Shares at the time of allotment.

7.2 **Quotation**

While the Company is Listed, then as soon as practicable after the date of the allotment of Shares, the Company will, unless the Board otherwise resolves, apply for official quotation of such Shares on the ASX.

7.3 **New or existing Shares**

(a) The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules.

(b) If the Company determines to cause the transfer of Shares to a Participant, the Shares may be acquired in such manner as the Company considers appropriate, including from a trustee appointed under clause 7.4.

7.4 **Trustee**

The Company may appoint a trustee on terms and conditions which it considers appropriate to acquire and hold Shares, Options, or other securities of the Company either on behalf of Participants or for the purposes of this Plan.

8 Restricted Awards

8.1 **Restrictions**

(a) A Participant must not sell, transfer, grant a Security Interest over or otherwise dispose of any Restricted Awards, or agree to do any of those things, during the Restriction Period.

(b) The Company may implement any procedures it considers appropriate to ensure that Restricted Awards are not disposed of during the Restriction Period, including applying a holding lock in respect of Shares.

(c) Without limiting its discretions under these Rules, the Board may at any time in its discretion waive or shorten the Restriction Period applicable to an Award.

8.2 **Bonus issues**

If the Company makes a pro rata bonus issue to holders of Restricted Awards, the Shares issued to Participants under the pro rata bonus issue will be subject to the balance of the Restriction Period that applied to the Restricted Awards.

8.3 **Takeovers and control transactions**

If a takeover bid is made to acquire all of the issued Shares of the Company, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid for Shares in the Company, then Participants are entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Awards other than Exempt Share Awards notwithstanding that the Restriction Period in respect of such Awards has not expired. The Board may, in its discretion, waive unsatisfied Vesting Conditions in relation to some or all Awards in the event of such a takeover or other transaction.

8.4 **Personal representatives**

If a Participant dies before the end of the Restriction Period, then the legal personal representative of that deceased Participant will have the same rights and benefits and be subject to the same obligations in respect of those Shares as the deceased Participant would have had or been subject to had they survived until the end of the Restriction Period.

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9 Hedging unvested Awards

(a) Participants must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested Awards.

(b) Without limiting clause 10, if a Participant is a member of the Company's key management personnel (as defined in the Corporations Act) then the Participant must also observe any additional restrictions imposed by the Corporations Act.

10 Clawback

If in relation to a Participant's Awards:

(a) the Company or Board waived any Vesting Condition; or

(b) the Company or Board determined that a Vesting Condition was satisfied; or

(c) clause 6.2(a)(ii) (Good Leaver vesting) applied to the Awards, and it was the case or is later discovered that:

(i) a Vesting Condition was not, in fact, satisfied; or

(ii) the Participant was not, in fact, entitled to the benefit of clause 6.2(a)(ii); or

(iii) the satisfaction of a Vesting Condition, or the decision of the Company or Board to waive a Vesting Condition, was contributed to by the Participant's fraud, unlawful behaviour, wilful default, or conduct in material breach of the Company's policies and codes of conduct,

then the Board may determine that:

(d) all or some of the Awards held by the Participant immediately expire and are incapable of being exercised; and/or

(e) the Participant must, or must procure that any relevant third party, immediately on request by the Company transfers any or all Shares issued upon the exercise of the relevant Award on terms, determined by the Company (which may include transferring them for nil consideration), to:

(i) the Company in accordance with clause 11; or

(ii) to a person, determined by the Board in its discretion; and/or

(f) the Participant must pay the Company any:

(i) proceeds received from the sale of any Shares issued upon the exercise of the Awards; and

(ii) any distributions or dividends paid on Shares issued upon the exercise of the Awards,

as a debt due to the Company.

11 Share buy-back or transfer

11.1 When Shares are bought back or transferred

Shares held by a Participant may be bought back and cancelled if:

(a) the Participant elects to transfer Loan Shares to the Company in satisfaction of any outstanding Acquisition Loan under clause 4.3(a)(ii);

(b) an Acquisition Loan has become repayable and either the Participant does not repay the Acquisition Loan in accordance with clause 4.3(a)(i) on the repayment due date or any Vesting Conditions in respect of relevant Loan Shares have not been satisfied at the repayment due date;

(c) any Vesting Conditions in respect of relevant Loan Shares have not been satisfied by the last date for their satisfaction (if applicable) or have otherwise failed to be satisfied; or

(d) the circumstances set out in clause 4.3(a)(ii) arise and the Board in its discretion determines that Participant must, or must procure that any relevant third party must transfer any or all Shares issued upon the exercise of a relevant Award.

11.2 Buy-back price

The consideration for a buy-back of Shares is:

(a) if the buy-back is in respect of Loan Shares, the full satisfaction of any Acquisition Loan provided in connection with the acquisition of those Loan Shares, even if the amount of Acquisition Loan was or has been reduced to nil; or

(b) if the buy-back is in the circumstances set out in clause 10, nil.

11.3 How Shares are bought back

(a) A Participant and the Company must do whatever is necessary or desirable to effect a buy-back or transfer of Shares when required under clause 11. Each Participant irrevocably appoints the Company and each of its Directors and secretaries from time to time severally as its attorney to sign any document necessary or desirable, and carry out any act, on that Participant's behalf for the purposes of this clause 11.

(b) If the buy-back is in respect of Loan Shares where an Acquisition Loan is outstanding, payment of the amount by the Company under a buy-back of the Loan Share as provided in this clause 11 will be satisfied by being set off and applied against the amount of the Acquisition Loan outstanding in respect of the Loan Share bought back.

(c) If it is impractical to buy back Shares to which this clause 11 applies, or if the Board in its discretion otherwise determines, the Company may, instead of buying back the relevant Shares, direct that they be transferred to a person nominated by the Company. Any transfer under this clause 11.3(c) will discharge the Participant's Acquisition Loan in the same way as a buy-back would have done if conducted under this clause 11.

12 Adjustments

12.1 Application of this clause

This clause 12 applies to Options, Performance Rights, and other Awards where the Participant may be entitled to acquire Shares in the future on exercise of the Award.

12.2 **New issues of shares**

A Participant is not entitled to participate in a new issue of Shares or other securities made by the Company to holders of its Shares without exercising the Awards, or unless the applicable Loan Shares or other Shares comprising the Award are on issue, before the record date for the relevant new issue.

12.3 **Bonus issues**

If, prior to the exercise of an Award, the Company makes a pro-rata bonus issue to the holders of its Shares, and the Award is not exercised prior to the record date in respect of that bonus issue, the Award will, when exercised, entitle the holder to one Share plus the number of bonus shares which would have been issued to the holder if the Award had been exercised prior to the record date.

12.4 **Other reorganisations of capital**

If, prior to the exercise of an Award, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash) the terms of the Awards of the Participant will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

12.5 **General**

(a) Unless otherwise permitted by the Listing Rules, the number of Shares which the Participant is entitled to receive on exercise of an Award will only be adjusted in accordance with this clause 12.

(b) The Company must give notice to Participants of any adjustment to the number of Shares which the Participant is entitled to receive on exercise of an Award in accordance with the Listing Rules.

13 Termination benefits

(a) This clause 13 applies to any benefit which may be required to be provided by any Group entity (**Benefit**). This clause 13 applies notwithstanding, and prevails over, any other provision of this Plan, an Offer, Award or other agreement or arrangement.

(b) No person will be entitled to any Benefit in connection with any person's cessation of employment to the extent that the giving of the Benefit would give rise to a breach of Part 2D.2 of the Corporations Act, any other provision of the Corporations Act, or any other applicable law which limits or restricts the giving of such Benefits (**Limiting Legislation**).

(c) If any Limiting Legislation limits the amount of the Benefit, or the amount of the Benefit that may be given without obtaining shareholder approval, the Benefit is capped at that amount and no further Benefit is required to be provided to the relevant person. The Group may reduce any Benefit in such manner as it determines appropriate to ensure compliance with Limiting Legislation and so that shareholder approval does not need to be obtained. No Group entity is required to seek or obtain the approval of its shareholders for the purpose of overcoming any limitation or restriction imposed by any Limiting Legislation.

14 Tax compliance

14.1 **Taxes and withholding**

(a) The Company is not responsible for any taxes which may become payable by a Participant in connection with the issue or transfer of Awards, the issue, transfer or allocation of Shares, or

any other dealing by a Participant with such Awards or Shares including the payment of any cash amount. Participants are solely responsible for all such amounts.

(b) Where a Group entity, or a trustee appointed under these Rules, must account for any tax or social security contributions (in any jurisdiction) for which a Participant may be liable because of the issue or transfer of Shares, payment of cash, or the vesting or exercise of an Award (the Amount), the entity or trustee may in its discretion:

(i) withhold up to the Amount from any cash payment; and/or

(ii) withhold a number of Shares which would otherwise be provided to the Participant and sell them in order to realise the Amount (with any excess received over the Amount net of costs of sale being paid to the Participant).

The entity or trustee may also, either instead of or in addition to exercising the above discretion:

(i) accept payment from the Participant of the relevant Amount; or

(ii) make acceptable arrangements with the Participant for the Amount to be made available.

14.2 **Tax reporting**

Participants acknowledge that the Company may have reporting obligations in relation to participation in the Plan. Participants authorise the Company to provide information regarding their participation in the Plan, and any related personal or financial information, to any tax authority or other government agency (in any jurisdiction) to the extent required by law, or by the official policy of the tax authority or a government agency.

15 Power of attorney

(a) In consideration of the issue of the Awards, each Participant irrevocably appoints each director and the secretary for the time being of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including share transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules or the terms of an Award.

(b) The Participant (or after his or her death, his or her legal personal representative) 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.

16 Powers of the Board

(a) The Plan will be administered by the Board, or a committee of the Board, which will have an absolute discretion to:

(i) determine appropriate procedures for administration of the Plan consistent with these Rules;

(ii) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Rules;

(iii) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions under the Plan or these Rules;

(iv) formulate special terms and conditions (subject to the Listing Rules), in addition to those set out in these Rules to apply to Participants employed and/or resident in and/or who are citizens of countries other than Australia. Each of these special terms and conditions will be restricted in their application to those Participants employed and/or resident in and/or who are citizens of other jurisdictions; and

(v) amend these Rules, provided that such amendments do not materially prejudice the rights of existing Participants except where the amendment is made primarily:

(A) for the purpose of complying with a law which affects the Group, a Participant, or Awards;

(B) for the purpose of complying with the Listing Rules; or

(C) to correct any manifest error or mistake.

(b) While the Company is Listed, the Board may only exercise its powers in accordance with the Listing Rules.

17 Commencement, suspension, termination and amendment of Plan

(a) Subject to the passing of any necessary resolution approving the establishment of the Plan and the issue of the Awards, the Plan will take effect when the Board decides.

(b) The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules.

18 General provisions

18.1 Bound by Constitution and Securities Trading Policy

Participants who are issued or who exercise Awards under this Plan are deemed to agree to be bound by these Rules, the Constitution, and by any Securities Trading Policy (by whatever name called), as each of those documents is in force from time to time.

18.2 Notices

(a) Any notice required to be given by the Company to a Participant or any correspondence to be made between the Company and a Participant may be given or made by the Board or its delegate on behalf of the Company.

(b) Any notice to be given by the Company may be given by email, and any reference to the Company giving or providing information or documents in writing includes doing so by email.

18.3 Effect on employee entitlements

(a) Participation in the Plan does not affect an Employee's terms of employment or appointment with the Group. In particular, participation in the Plan does not detract from any right the Group may have to terminate the employment or appointment of an Employee.

(b) Participation in the Plan, or the issuing of any Awards, does not form part of the Employee's remuneration for the purposes of determining payments in lieu of notice of termination of employment, severance payments, leave entitlements, or any other compensation payable to an Employee upon the termination of employment.

(c) Participation in the Plan, or receipt of an Offer, does not confer on any person any expectation to receive an Offer in the future, or an expectation of benefits in lieu of participation in the Plan, even if participation is offered repeatedly.

18.4 **Governing law and jurisdiction**

These Rules are governed by and are to be construed in accordance with the laws of the State of Victoria and each Participant submits to the non-exclusive jurisdiction of the Courts of Victoria.