

CLAYTON UTZ

## Mastermyne Group Limited

# Employee Performance Rights Plan - Rules

Mastermyne Group Limited

ACN 142 490 579

The Clayton Utz contact for this document is  
**Andrew Hay/Tony Lalor +61 7 3292 7000**

Clayton Utz Lawyers  
Levels 28, Riparian Plaza, 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T + 61 7 3292 7000 F + 61 7 3221 9669

[www.claytonutz.com](http://www.claytonutz.com)

**Table of Contents**

- 1..... Definitions and interpretation ..... 3**
  - 1.1 Definitions: ..... 3
  - 1.2 Interpretation ..... 5
  - 1.3 Applicable Legislation..... 5
  - 1.4 Reference to Shares..... 6
  - 1.5 Rounding..... 6
- 2..... Purpose ..... 6**
- 3..... Commencement of the Plan ..... 6**
- 4..... Number of Performance Rights to be Offered ..... 6**
  - 4.1 Number of Performance Rights ..... 6
  - 4.2 No Consideration..... 6
  - 4.3 Limitation on Offers to 5% ..... 6
- 5..... Offers of Performance Rights ..... 7**
  - 5.1 Form of Offer ..... 7
  - 5.2 Determination by the Board ..... 7
  - 5.3 Personal Offer ..... 8
  - 5.4 Renunciation ..... 8
  - 5.5 Time Period..... 8
- 6..... Grant of Performance Rights ..... 8**
  - 6.1 Valid Acceptance..... 8
  - 6.2 Rules..... 8
  - 6.3 No Listing ..... 8
- 7..... Exercise Price ..... 9**
  - 7.1 Performance Right Exercise Price ..... 9
  - 7.2 Minimum Exercise Price ..... 9
- 8..... When Performance Rights may be Exercised ..... 9**
  - 8.1 Exercise ..... 9
  - 8.2 One or Several Parcels ..... 9
  - 8.3 Adjustment to Terms of Exercise ..... 9
  - 8.4 Lapsing of Performance Rights ..... 10
  - 8.5 Cessation of Employment where Exercise Conditions met ..... 10
  - 8.6 Death, Permanent Disability, Retirement or Redundancy ..... 10
  - 8.7 Discretionary Exercise of Performance Rights..... 11
  - 8.8 Notice ..... 11
- 9..... Manner of Exercise of Performance Rights ..... 11**
  - 9.1 Delivery to Company Secretary ..... 11
  - 9.2 Issue of Shares ..... 12
  - 9.3 Death of Participant..... 12
  - 9.4 Beneficial Owner of Shares ..... 12
  - 9.5 Equal Rank..... 12
  - 9.6 Official Quotation..... 12
- 10..... Restriction on disposal of Shares ..... 12**
  - 10.1 Restriction Period ..... 12
  - 10.2 No disposal while Shares restricted..... 13

|                |   |           |
|----------------|---|-----------|
| 10.3           | Enforcement of Restriction Period .....                         | 13        |
| 10.4           | Lapse of restrictions attaching to Shares .....                 | 13        |
| <b>11.....</b> | <b>New Issues and Adjustments for Rights Issues .....</b>       | <b>13</b> |
| 11.1           | New Issues.....   | 13        |
| 11.2           | Adjustment for Bonus Issues .....                               | 13        |
| 11.3           | Rights Issues.....  | 14        |
| 11.4           | Reconstruction .....  | 14        |
| 11.5           | New or amended Performance Right Holding Statements .....       | 14        |
| <b>12.....</b> | <b>Notice of Adjustments and Cumulation of Adjustments.....</b> | <b>14</b> |
| 12.1           | Cumulation of Adjustments.....                                  | 14        |
| 12.2           | Notice of Adjustments.....                                      | 14        |
| <b>13.....</b> | <b>Takeovers, compromise, merger or arrangement .....</b>       | <b>14</b> |
| 13.1           | Takeovers .....   | 14        |
| 13.2           | Compromise, merger or arrangement.....                          | 15        |
| <b>14.....</b> | <b>Administration of the Plan .....</b>                         | <b>15</b> |
| <b>15.....</b> | <b>Termination and Suspension of the Plan .....</b>             | <b>16</b> |
| <b>16.....</b> | <b>Rights and Obligations of Participants .....</b>             | <b>16</b> |
| 16.1           | Rights of Participants.....                                     | 16        |
| 16.2           | Rules.....  | 16        |
| 16.3           | Offer .....   | 16        |
| 16.4           | Company Reports .....   | 16        |
| 16.5           | Rights of Performance Rightholders .....                        | 16        |
| 16.6           | Assignment of Performance Rights .....                          | 16        |
| <b>17.....</b> | <b>Amendment of these Rules .....</b>                           | <b>17</b> |
| 17.1           | Amendments .....  | 17        |
| 17.2           | No Reduction of Rights.....                                     | 17        |
| 17.3           | Retrospectivity.....  | 17        |
| <b>18.....</b> | <b>Attorney.....</b>  | <b>17</b> |
| <b>19.....</b> | <b>ASIC relief .....</b>  | <b>18</b> |
| <b>20.....</b> | <b>Notices.....</b>   | <b>18</b> |
| <b>21.....</b> | <b>Governing Law .....</b>                                      | <b>18</b> |

# Mastermyne Employee Performance Rights Plan

## PLAN RULES

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### 1. Definitions and interpretation

#### 1.1 Definitions:

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

"**ASIC**" means the Australian Securities and Investments Commission.

"**Associate**" has the meaning given to that term in section 139GE of the Income Tax Assessment Act.

"**ASX**" means ASX Limited ABN 98 008 624 691.

"**Board**" means all or some of the Directors acting as a board or a committee of the Board appointed for the purposes of the Plan or these Rules.

"**Business Day**" means a day which is not a Saturday, Sunday or public holiday in Queensland or any other day that ASX declares is not a business day.

"**Ceasing Date**" has the meaning given in Rule 8.5.

"**Ceasing Event**" has the meaning given in Rule 8.6.

"**Company**" means Mastermyne Group Limited ACN 142 490 579.

"**Constitution**" means the constitution of the Company.

"**Control**" has the meaning given to that term in section 50AA of the Corporations Act.

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

"**Director**" means a director of a member of the Group.

"**Eligible Participant**" means a person who is, at the time of an Offer, a full or permanent part-time employee of a member of the Group, or such other person as the Board determines, but who is not a non-executive director of the Company.

"**Exercise Condition**" means in respect of a Performance Right any condition set out in the Offer which must be satisfied before that Performance Right can be exercised or any other restriction on exercise of that Performance Right specified in the Offer or in these Rules.

"**Group**" means the Company and its Related Bodies Corporate.

"**Income Tax Assessment Act**" means the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth), as appropriate.

"**Lapsing Date**" means, in respect of a Performance Right the date which is 7 years after the date of the grant of that Performance Right, or as detailed in an Offer, or such other date as the Board determines in its discretion with respect to that Performance Right at the time of the grant of that Performance Right.

"**Life**" means, in relation to a Performance Right, the period between the date of the grant of

the Performance Right and the first to occur of the date the Performance Right lapses pursuant to Rule 8 and the Lapsing Date.

**"Listing Rules"** means the official listing rules of ASX, as amended or replaced from time to time, except to the extent of any express written waiver by ASX in their application to the Company.

**"Marketable Parcel"** has the meaning given to that term in the Listing Rules.

**"Nominee"** has the meaning given in Rule 5.4.

**"Offer"** means an offer made to an Eligible Participant to subscribe for one or more Performance Rights under the Plan.

**"Outstanding Performance Rights"** means, in relation to a Participant, Performance Rights which remain unexercised from time to time and have not lapsed or been surrendered and the right to exercise that Performance Right lost.

**"Participant"** means an Eligible Participant to whom Performance Rights have been granted under the Plan, or if Rule 5.4 applies, an Associate of the Eligible Participant to whom Performance Rights have been granted under the Plan.

**"Performance Right"** means an option granted pursuant to these Rules to subscribe for one Share upon and subject to the terms of these Rules and the terms of the Offer.

**"Performance Right Exercise Price"** means in respect of a Performance Right, the price per Share determined in accordance with Rule 7 and specified in the Offer made in respect of that Performance Right.

**"Permanently Disabled"** means, in relation to a Participant, a Participant who is deemed, at the discretion of the Board, to be totally and permanently disabled.

**"Plan"** means the Mastermyne Employee Performance Rights Plan established in accordance with these Rules.

**"Product Disclosure Statement"** has the meaning given to that term in Chapter 7 of the *Corporations Act*.

**"Quoted"** means official quotation of securities on ASX.

**"Record Date"** has the meaning given to that term in the Listing Rules.

**"Related Body Corporate"** has the meaning given to that term in section 9 of the *Corporations Act*.

**"Relevant Interest"** has the meaning given to that term in section 608 of the *Corporations Act*.

**"Relevant Person"** means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant being a permitted Nominee under Rule 5.4, that Eligible Participant.

**"Restricted Share"** means a Share issued subsequent to the exercise of Performance Rights by a Participant which is subject to restrictions under Rule 10.

**"Rules"** means the rules of the Plan set out in this document.

**"Share"** means a fully paid ordinary share in the capital of the Company or, if at any time the Company's issued ordinary share capital consists of shares of some other description by virtue of an event of a kind dealt with by Rule 13, a share of that description.

**"Takeover Bid"** has the meaning given to that term in section 9 of the *Corporations Act*.

**"Trading Day"** means a Business Day other than a day which ASX declares is not a trading day, but including a day which for the purposes of settlement ASX declares is a trading day, notwithstanding that there is to be no official meeting of that stock exchange or that dealings between participating organisations of that stock exchange are suspended on that day.

**"Voting Power"** has the meaning given to that term in section 610 of the *Corporations Act*.

## 1.2 Interpretation

In these Rules (unless the context otherwise requires),

(a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) the expression "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (d) a reference to any document (including these Rules) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (g) references to parties, rules, schedules, exhibits or annexures are references to parties, rules, schedules, exhibits and annexures to or of these Rules, and a reference to these Rules includes any schedule, exhibit or annexure to these Rules;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) the word "includes" in any form is not a word of limitation; and
- (j) a reference to "\$" or "dollar" is to Australian currency.

## 1.3 Applicable Legislation

These Rules, the offering and granting of any Performance Rights, the rights attaching to the Performance Rights granted and the issue of any Shares pursuant to the exercise of Performance Rights will at all times be subject to the *Corporations Act*, the *Income Tax*

Assessment Act and any other applicable legislation from time to time and, while the Shares are Quoted, subject also to the Listing Rules.

#### **1.4 Reference to Shares**

A reference to a Share comprised in a Performance Right is a reference to the Share for which the Participant has, for the time being, a Performance Right to subscribe by reason of the grant to him or her of that Performance Right, including any Share resulting from an adjustment made pursuant to these Rules.

#### **1.5 Rounding**

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

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### **2. Purpose**

The purpose of the Plan is to:

- (a) encourage participation by full time or permanent part-time employees in the Company through Share ownership; and
- (b) attract, motivate and retain full time or permanent part-time employees of the Company.

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### **3. Commencement of the Plan**

The Plan will commence on the earlier of the date determined by the Board, or the date on which the Plan is approved by shareholders of the Company.

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### **4. Number of Performance Rights to be Offered**

#### **4.1 Number of Performance Rights**

Subject to Rule 4.3, the number of Performance Rights (if any) to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with the Rules and applicable law.

#### **4.2 No Consideration**

Performance Rights issued under the Plan will be issued for no consideration.

#### **4.3 Limitation on Offers to 5%**

The Company will not make an Offer if, at the time of that Offer, the total number of Shares to be received on exercise of Performance Rights the subject of that Offer, when aggregated with:

- (a) the number of Shares which would be issued were each outstanding offer with respect to Shares, units of Shares and options to acquire unissued Shares, under the Plan or any other employee share scheme extended only to Eligible Participants to be accepted or exercised; and
- (b) the number of Shares issued, during the previous 5 years pursuant to the Plan or any other employee share scheme extended only to Eligible Participants,

but disregarding any offer made, or option acquired or Share issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (d) an offer that was an excluded offer or invitation within the meaning of the *Corporations Law* as it stood prior to the commencement of Schedule 1 to the *Corporate Law Economic Reform Program Act 1999*; or
- (e) an offer that did not need disclosure to investors because of section 708 of the *Corporations Act*; or
- (f) an offer that did not require the giving of a Product Disclosure Statement because of section 1072D of the *Corporations Act*; or
- (g) an offer made under a disclosure document (as defined in section 9 of the *Corporations Act*) or Product Disclosure Statement,

would exceed 5% of the total number of issued Shares at the time of that Offer.

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## **5. Offers of Performance Rights**

### **5.1 Form of Offer**

Each Offer must be in writing and:

- (a) specify the name and address of the Eligible Participant to whom the Offer is made;
- (b) specify the number of Performance Rights being offered;
- (c) specify the Performance Right Exercise Price (if any);
- (d) state that no amount is payable on the issue of any Performance Right;
- (e) specify the date of the Offer;
- (f) specify the date by which the Offer must be accepted and the manner of acceptance of the Offer;
- (g) include an undertaking that, and an explanation of the way in which, the Company will, during any period or periods during which the Participant may acquire the Shares the subject of the Performance Right, within a reasonable period of the Participant so requesting, make available to the Participant information on the current market price of the Shares, and such other undertakings as may be required by law or any requirement, policy or practice of ASIC;
- (h) specify terms and conditions and/or any restrictions (including performance hurdles and disposal restrictions) on a Participant's right to exercise Performance Rights and deal with the Shares the subject of the Performance Rights;
- (i) be accompanied by a copy of these Rules; and
- (j) otherwise be on terms which the Board may, in its discretion from time to time, determine.

### **5.2 Determination by the Board**

The Board, acting in its absolute discretion may:

- (a) offer Performance Rights to any Eligible Participant from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:
  - (i) the Eligible Participant's length of service with the Group;
  - (ii) the contribution made by the Eligible Participant to the Group;
  - (iii) the potential contribution of the Eligible Participant to the Group; or
  - (iv) any other matter the Board considers relevant; and
- (b) impose conditions, including performance-related conditions, on the right of a Participant to exercise any Performance Right granted.

### **5.3 Personal Offer**

Subject to Rule 5.4, an Offer is personal and is not assignable.

### **5.4 Renunciation**

Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate an Associate of that Eligible Participant ("**Nominee**") in whose favour the Eligible Participant wishes to renounce the Offer. The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision. If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the Rules.

### **5.5 Time Period**

An Eligible Participant (or permitted Nominee) may only accept an Offer within the time period specified in the Offer document.

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## **6. Grant of Performance Rights**

### **6.1 Valid Acceptance**

Where the Company receives a valid acceptance of an Offer under the Rules, it will grant the Performance Rights to the Participant within 10 Business Days of receipt of the valid acceptance and will issue to the Participant a holding statement in respect of the Performance Rights granted (including a notice of exercise of Performance Rights).

### **6.2 Rules**

Performance Rights must be issued in accordance with the Rules and each Participant to whom Performance Rights are granted will be taken to have agreed to be bound by the Rules and the terms upon which those Performance Rights were granted.

### **6.3 No Listing**

The Performance Rights will not be listed on any securities exchange.

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## **7. Exercise Price**

### **7.1 Performance Right Exercise Price**

In respect of any proposed Offer, the Board may determine the Performance Right Exercise Price for that Offer in its absolute discretion.

### **7.2 Minimum Exercise Price**

Subject to the Listing Rules, the Performance Right Exercise Price may be nil but to the extent the Listing Rules specify or require a minimum price, the Performance Right Exercise Price in respect of an Offer made while the Shares are Quoted must not be less than any minimum price specified in the Listing Rules.

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## **8. When Performance Rights may be Exercised**

### **8.1 Exercise**

- (a) Subject to Rules 8.1(b), 8.4 and 8.5, a Participant will be entitled to exercise Performance Rights granted as a result of an Offer in respect of which all Exercise Conditions have been satisfied and which are otherwise capable of exercise in accordance with the terms of the relevant Offer and the Rules.
- (b) No Performance Right may be exercised unless at the time of exercise of the Performance Rights, the Shares have been Quoted throughout the 12 month period immediately preceding the exercise of the Performance Right without suspension for more than a total of 5 Trading Days during that period.
- (c) Once a Performance Right is capable of exercise in accordance with this Rule 8.1, it may be exercised at any time up until 5.00pm in Brisbane on the Lapsing Date.

### **8.2 One or Several Parcels**

Subject to Rule 8.1, Performance Rights may be exercised in one parcel equal to the total number of Performance Rights which are then exercisable, or in several parcels which, when aggregated, equal the total number of Performance Rights which are then exercisable, provided that the number of Shares issued upon exercise of the number of Performance Rights in any parcel is not less than a Marketable Parcel.

### **8.3 Adjustment to Terms of Exercise**

- (a) The Board will have the power to make adjustments to or vary the terms of exercise of a Performance Right. While the Shares are Quoted, any proposed variation or adjustment will be subject to any requirements of the Listing Rules.
- (b) No adjustment or variation of the terms of exercise of a Performance Right will be made without the consent of the Participant who holds the relevant Performance Right if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her Outstanding Performance Rights), other than an adjustment or variation introduced primarily:
  - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) to correct any manifest error or mistake; or

- (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of ASIC or other foreign or Australian regulatory body.

#### **8.4 Lapsing of Performance Rights**

Subject to the terms of the Offer made to a Participant and unless Rule 8.6 or 8.7 applies, a Participant's Performance Rights will lapse immediately and all rights in respect of those Performance Rights will thereupon be lost if, in respect of a Participant or an Offer:

- (a) the Relevant Person ceases to be an employee or director of a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) and the Exercise Conditions have not been met;
- (b) the Exercise Conditions are unable to be met;
- (c) the Lapsing Date has passed;
- (d) a Participant fails to exercise an entitlement under Rule 13; or
- (e) the deadline provided for in Rule 8.5 has passed,

whichever is earlier.

#### **8.5 Cessation of Employment where Exercise Conditions met**

Where a Relevant Person ceases to be an employee or director of a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) prior to the Lapsing Date in relation to the Performance Rights granted under an Offer ("**Ceasing Date**") and the Exercise Conditions have been met, the Participant will be entitled to exercise Performance Rights granted as a result of an Offer in accordance with the terms of the Offer and the Rules, for a period of up to 90 days after the Ceasing Date, after which the Participant's Performance Rights will lapse immediately and all rights in respect of those Performance Rights will thereupon be lost.

#### **8.6 Death, Permanent Disability, Retirement or Redundancy**

If in respect of a Participant, the Relevant Person dies, becomes Permanently Disabled, resigns employment on the basis of retirement from the workforce or is made redundant by the relevant member of the Group, during the Life of any Performance Rights granted to that Participant ("**Ceasing Event**"):

- (a) the Participant or the Participant's legal personal representative, where relevant, may exercise those Performance Rights which at that date:
  - (i) have become exercisable;
  - (ii) have not already been exercised; and
  - (iii) have not lapsed,in accordance with Rule 8.6(c);
- (b) at the absolute discretion of the Board, the Board may resolve that the Participant, or the Participant's legal personal representative, where relevant, may exercise those Performance Rights which at that date:
  - (i) have not become exercisable; and

- (ii) have not lapsed,

in accordance with Rule 8.6(c) and, if the Board exercises that discretion, those unexercisable Performance Rights will not lapse other than as provided in Rule 8.6(c);

- (c)
  - (i) The Participant or the Participant's legal personal representative (as the case may be) must exercise the Performance Rights referred to in Rule 8.6(a) and, where permitted, Rule 8.6(b), no later than the first to occur of: (A) the Lapsing Date of the Performance Rights in question; and (B) the date which is 6 months after the Ceasing Event provided that in the case of Performance Rights referred to in Rule 8.6(b), all Exercise Conditions have been met at that time (unless the Board decides to waive any relevant Exercise Conditions, in its absolute discretion);
  - (ii) Performance Rights which have not been exercised by the end of the period specified in Rule 8.6(c)(i) lapse immediately at the end of that period and all rights in respect of those Performance Rights will thereupon be lost; and

## **8.7 Discretionary Exercise of Performance Rights**

Where, in respect of a Participant, the Relevant Person ceases to be an employee or director of a member of the Group, for any reason, prior to the date on which Performance Rights become exercisable the Board may, in its absolute discretion, determine that some or all of the Performance Rights held by that Participant do not lapse and may be exercised by the Participant, if otherwise permitted under the Rules, within such additional time as is determined by the Board following the Ceasing Date. Performance Rights which have not been exercised by the end of that period lapse immediately and all rights in respect of these Performance Rights will thereupon be lost.

## **8.8 Notice**

The Company will send a notice addressed to the Participant (or where the Participant is not the Relevant Person, to the Relevant Person) setting out the number of Performance Rights which can be exercised by the Participant and the period(s) during which the Participant may exercise those Performance Rights fourteen days prior to the first day of the relevant exercise period of any of the Performance Rights granted to a Participant together with such other information as is required by the Corporations Act, the Income Tax Assessment Act, any other applicable legislation from time to time and, while the Shares are Quoted, the Listing Rules.

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## **9. Manner of Exercise of Performance Rights**

### **9.1 Delivery to Company Secretary**

Performance Rights granted to a Participant may only be exercised by delivery to the Company's secretary (at a time when the Performance Rights may be exercised) of:

- (a) the holding statement for the Performance Rights;
- (b) a notice addressed to the Company and signed by the Participant:
  - (i) stating that the Participant exercises the Performance Rights and specifying the number of Performance Rights which are exercised; and
  - (ii) specifying the subregister of the Company in which the Shares referred to in Rule 9.2(a) are to be recorded; and

- (c) payment to the Company of an amount equal to the Performance Right Exercise Price multiplied by the number of Performance Rights which are being exercised unless there is no Exercise Price payable in respect of the Performance Rights to be exercised.

## **9.2 Issue of Shares**

If the items specified in Rule 9.1 are delivered in accordance with that Rule, the Company will, subject to the Listing Rules (if relevant):

- (a) within 10 Business Days of delivery of the documents referred to in Rule 9.1 issue to the Participant the Shares credited as being fully paid in respect of which the Performance Rights are exercised together with any additional Shares an entitlement to which has arisen under Rules 11 and 12 in consequence of the exercise of the Performance Rights; and
- (b) cancel the holding statement delivered pursuant to Rule 9.1(a) and, if any Performance Rights which have not lapsed remain unexercised, deliver to the Participant a replacement holding statement reflecting the number of those Performance Rights which remain unexercised.

## **9.3 Death of Participant**

If the Participant has died, the Participant's legal personal representative will stand in the place of the Participant for the purposes of Rules 9.1 and 9.2 subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of Shares held by the Participant.

## **9.4 Beneficial Owner of Shares**

From and including the date of issue to a Participant of any Shares in accordance with these Rules, the Participant will:

- (a) be the beneficial owner of those Shares; and
- (b) subject to Rule 9.6, the Corporations Act, the Constitution and, while the Shares are Quoted, the Listing Rules, be entitled to deal with those Shares as beneficial owner.

## **9.5 Equal Rank**

A Share issued on exercise of a Performance Right will rank equally in all respects with Shares already on issue on the date of exercise of the Performance Right, except for entitlements which had a Record Date before the date of issue of that Share.

## **9.6 Official Quotation**

While the Shares are Quoted, the Company will make application for Shares which are issued after that time pursuant to Rule 9.2 to be Quoted in accordance with the Listing Rules and for the avoidance of doubt may delay such application until the time that they are no longer Restricted Shares in accordance with the Listing Rules.

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# **10. Restriction on disposal of Shares**

## **10.1 Restriction Period**

- (a) Subject to paragraph (b), the Board may, in its discretion, determine for the purposes of any invitation under this Plan that:

- (i) some or all of the Shares issued to a Participant subsequent to exercise of Performance Rights will or will not be Restricted Shares; or
  - (ii) different restriction periods will apply to some or all of the Shares, such that restriction (if any) on those Shares will cease at different times.
- (b) Where the Board issues an invitation that is intended to satisfy the exemption conditions under the Tax Act, a Share allocated to or on behalf of a Participant will be a Restricted Share until the earlier of:
  - (i) the end of 7 years after the date of the grant of the Performance Right to which the Share relates; and
  - (ii) the time when the Eligible Participant ceases to be employed by the Group.
- (c) The Board may, in any circumstances, including but not limited to personal hardship of the Eligible Participant, and from time to time, waive a restriction period determined pursuant to Rule 10.1(a)(ii) or determine another period permitted by relevant legislation for the purposes of Rule 10.1(a)(ii).

## **10.2 No disposal while Shares restricted**

A Participant must not Trade or purport to Trade any Shares while they are Restricted Shares.

## **10.3 Enforcement of Restriction Period**

The Company may implement any procedure it considers appropriate to restrict a Participant from Trading the Shares for as long as those Shares are Restricted Shares (including through the imposition of a holding lock).

## **10.4 Lapse of restrictions attaching to Shares**

- (a) When a Share ceases to be a Restricted Share, all restrictions on Trading with that Share provided in or under these Rules will cease.

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# **11. New Issues and Adjustments for Rights Issues**

## **11.1 New Issues**

Subject to the Listing Rules (where relevant), a Participant may only participate in respect of a Performance Right in a new issue of Shares or other securities to holders of Shares if the Performance Right has been exercised in accordance with its terms and Shares are allotted and registered in respect of the Performance Right on or before the Record Date for determining entitlements to the issue. The Company must give notice to Participants of any issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

## **11.2 Adjustment for Bonus Issues**

If, during the Life of any Performance Right, Shares are issued pro rata to the Company's shareholders for which no consideration is payable by those shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the Participant will be entitled, upon later exercise of that Performance Right, to receive in addition to the Share comprised in the Performance Right an issue of so many additional Shares as would have been issued to a shareholder who, on the Record Date for determining entitlements under the bonus issue, held Shares equal in number to the Shares comprised in the Performance Right exercised.

### **11.3 Rights Issues**

If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Performance Right Exercise Price shall be reduced according to the formula specified in the Listing Rules (as if the Performance Rights were classified as options).

### **11.4 Reconstruction**

In the event of any reconstruction of the issued ordinary capital of the Company the number of Shares attaching to each Performance Right or the Performance Right Exercise Price or both will be reconstructed in the manner as specified in the Listing Rules. If the manner is not specified in the Listing Rules then the Board will determine the reconstruction provided that the number of Shares attaching to each Performance Right or the Performance Right Exercise Price, or both, must be reorganised so that the Participants will not receive a benefit which the shareholders of the Company do not receive. This Rule does not prevent a rounding up of the number of securities to be received on exercise if the rounding up is approved at the shareholders' meeting which approves the reconstruction.

### **11.5 New or amended Performance Right Holding Statements**

After each reorganisation of the issued capital of the Company, upon the return by the Participant of the original Performance Right holding statement to the Company, that Performance Right holding statement will be amended or a new Performance Right holding statement will be issued to reflect either or both the adjusted number of Shares that may be taken up upon the exercise of that Performance Right and the adjusted Performance Right Exercise Price (as the case may be).

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## **12. Notice of Adjustments and Cumulation of Adjustments**

### **12.1 Cumulation of Adjustments**

Effect will be given to Rule 11 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.

### **12.2 Notice of Adjustments**

Whenever the number of Shares comprised in a Performance Right or the Performance Right Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant and ASX together with calculations on which the adjustment is based.

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## **13. Takeovers, compromise, merger or arrangement**

### **13.1 Takeovers**

If during the Life of a Performance Right or while any Restricted Shares are held by a Participant:

- (a) a Takeover Bid is made to the Company's shareholders to acquire their Shares;
- (b) the Board recommends that a Takeover Bid be accepted; or
- (c) a Takeover Bid is declared unconditional,

the Board may, in its absolute discretion, resolve that:

- (d) any unexercised Performance Rights (whether vested or not) will be exercisable; or
- (e) any restrictions on trading imposed under Rule 10 cease at a time and in a manner determined by the Board.

## **13.2 Compromise, merger or arrangement**

If during the Life of a Performance Right or while any Restricted Shares are held by a Participant:

- (a) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) any person becomes bound or entitled to acquire shares in the Company under:
  - (i) section 414 of the Corporations Act; or
  - (ii) Chapter 6A of the Corporations Act;
- (c) the Company merges with another company;
- (d) the Board concludes that there has been a change in Control of the Company;
- (e) the Company passes a resolution for voluntary winding up; or
- (f) an order is made for the compulsory winding up of the Company,

the Board may, in its absolute discretion, resolve that:

- (g) any unexercised Performance Rights (whether vested or not) will be exercisable; or
- (h) any restrictions on trading imposed under Rule 10 cease at a time and in a manner determined by the Board.

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## **14. Administration of the Plan**

- (a) The Plan will be administered by the Board in accordance with these Rules. The Board may make regulations for the operation of the Plan which are consistent with these Rules.
- (b) Any power or direction which is conferred on the Board by these Rules may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.
- (c) Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board for such period and upon such conditions as the Board may determine to:
  - (i) a committee consisting of such Directors as the Board determines; or
  - (ii) any one or more persons selected by the Board.
- (d) Every exercise of discretion by the Board (or its delegate) and every decision of the

Board as to the interpretation, effect or application of these Rules is final, conclusive, and binding.

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## **15. Termination and Suspension of the Plan**

The Plan may be terminated or suspended at any time by resolution of the Board. Termination or suspension of the Plan will not affect the rights of Participants who were granted Performance Rights prior to that termination or suspension.

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## **16. Rights and Obligations of Participants**

### **16.1 Rights of Participants**

Nothing in these Rules:

- (a) confers on an Eligible Participant the right to receive any Shares;
- (b) confers on a Relevant Person the right to continue as an employee of the Group;
- (c) affects any rights which any member of the Group may have to terminate the employment of any employee; or
- (d) may be used to increase damages in any action brought against any member of the Group in respect of any such termination.

### **16.2 Rules**

All Participants will be entitled to the benefit of and will be bound by the terms and conditions of the Rules and any amendments thereto.

### **16.3 Offer**

The Plan will not form part of any contract between any member of the Group and any Participant and will not confer directly or indirectly on any Participant any legal or equitable rights whatsoever against any such corporation (other than rights as a Participant under the Plan against the Company).

### **16.4 Company Reports**

Every report and other document sent by the Company to its shareholders generally will, during the Life of any Performance Right, be sent also to the holders of any Performance Rights.

### **16.5 Rights of Performance Rightholders**

A grant of a Performance Right does not confer on a Participant any right to receive notice of, or to vote at, a meeting of members of the Company or any right to receive a dividend, before the Performance Right is exercised.

### **16.6 Assignment of Performance Rights**

Subject to the Board's consent (which may be given in the Board's absolute discretion), Performance Rights granted cannot be assigned (other than to the legal personal representative of the Participant as contemplated in Rule 8.6).

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## **17. Amendment of these Rules**

### **17.1 Amendments**

Subject to the Listing Rules and Rule 17.2, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this Rule 17).

### **17.2 No Reduction of Rights**

- (a) Subject to Rule 17.2(b), no amendment of the provisions of these Rules is to reduce the rights of any Participant in respect of his or her outstanding Performance Rights, other than an amendment introduced primarily:
- (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) to correct any manifest error or mistake;
  - (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of ASIC or other foreign or Australian regulatory body; or
  - (iv) to provide for a trustee to hold Restricted Shares on behalf of Participants.
- (b) Notwithstanding Rule 17.2(a), the Company may amend all or any of the provisions of these Rules, provided that the Company provides to any affected Participant appropriate compensation, such that the Participant remains no worse off as a result of any such amendment.

### **17.3 Retrospectivity**

Subject to Rules 17.1 and 17.2, any amendment made pursuant to Rule 17 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

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## **18. Attorney**

Each Participant, in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules; and
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in

respect thereof.

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**19. ASIC relief**

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

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**20. Notices**

Any notice to Participants may be given in such manner as the Board determines.

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**21. Governing Law**

This Plan is governed by and shall be construed and take effect in accordance with the laws of Queensland.

Adopted by the Board of Directors on the 22nd day of March 2010.

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Peter Slaughter Chairman of the Board of Directors