



AUSTRALASIA CONSOLIDATED LIMITED

EMPLOYEE SHARE OPTION PLAN RULES

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Australasia Consolidated Employee Share Option Plan Rules

1. Definitions and Interpretation

1.1 Definitions

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

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

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

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

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate of the Company means each:

- (a) related body corporate of the Company (within the meaning of section 50 of the Corporations Act);
- (b) body corporate that has voting power in the Company of not less than 20%; or
- (c) body corporate in which the Company has voting power of not less than 20%,

where “voting power” has the meaning in section 610 of the Corporations Act.

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

Bad Leaver means, in relation to an Eligible Employee who is a Participant or in relation to an Eligible Employee who has nominated a Nominated Party who is a Participant, where:

- (a) the Participant's employment is terminated, or the Participant is dismissed from office, due to:

- (i) serious and wilful misconduct;
 - (ii) material breach of the terms of any contract of employment entered into by the Company and the Participant;
 - (iii) gross negligence; or
 - (iv) other conduct justifying termination of employment without notice either under the Participant's contract of employment or at common law;
- (b) the Participant's employment is terminated due to poor performance;
 - (c) the Participant resigns from his or her employment with the Company; or
 - (d) the Participant is ineligible to hold his or her office of director for the purposes of Part 2D.6 of the Corporations Act.

Board means a quorum of the Directors of the Company or a committee or person appointed by the Directors for the purposes of fulfilling any function which may be carried out by the Board under these Rules.

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

Buy-Back means the purchase by the Company of an Option prior to its exercise or the buy-back by the Company of Shares pursuant to clause 15.

Cancel means the deletion of an Option or Plan Share (as the case may be) by the Company, and **Cancelled** and **Cancellation** has a similar meaning.

Change of Control Event means a Shareholder, or a group of associated Shareholders, becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board.

Company means Australasia Consolidated Limited (ACN 104 757 904).

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act* 2001 (Cth) as amended from time to time.

Director means a director of any member of the Group.

Eligible Employee means any person who is an Employee or Director, and who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options under the Plan.

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

Exercise Period means the period during which an Option may be exercised, as determined under clause 8.1.

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

Expiry Date means the last day of the Option Term.

Forfeiture Conditions means any criteria, requirements or conditions as determined by the Board or under these Rules which if it occurs (notwithstanding the satisfaction of any Vesting Conditions) will result in a Participant forfeiting any unexercised Options.

Good Leaver means, in relation to an Eligible Employee who is a Participant or in relation to an Eligible Employee who has nominated a Nominated Party who is a Participant:

- (a) where the Participant ceases employment or office and the Participant is not an Bad Leaver, including but not limited to ceasing employment or office due to redundancy, retirement, illness, or death; or
- (b) where in the Board's sole and absolute discretion a person who would otherwise be a Bad Leaver should be considered to be a Good Leaver.

Grant Date means the date of the grant of the Options to a Participant.

Group means the Company and each Associated Body Corporate of the Company.

Invitation means an invitation to apply for the grant of Options under these Rules.

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

Issued Capital means issued Shares whether fully paid or not.

Listing Rules means the official Listing Rules of the ASX.

Market Value means the value of the Options or Plan Shares as determined by:

- (a) in relation to Options, a valuation methodology approved by the Board; or
- (b) in relation to Plan Shares, the weighted average closing sale price of Shares sold on the ASX over the last 5 trading days immediately before the relevant date.

Nominated Party means an individual related to the Participant, or an entity with which the Participant has an association acceptable to the Board, that is nominated by the Participant and accepted by the Board in its sole and absolute discretion and who will be bound by these Rules.

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

Option means an option issued pursuant to the Plan to acquire one Share upon payment of the Exercise Price.

Option Certificate means the certificate issued by the Company in respect of an Option held

by a Participant.

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

Option Register means the option register maintained by the Company as required by section 168(1)(b) of the Corporations Act or any relevant corporations or securities law.

Option Term means the earlier of the date 7 years from the Grant Date or the date determined by the Board as specified in the Invitation.

Participant means an Eligible Employee whose Application to participate in this Plan has been accepted.

Plan means the Australasia Consolidated Employee Share Option Plan established in accordance with these Rules.

Plan Share means any Share held by a Participant in respect of which they exercised an Option.

Rules mean the rules in respect of the operation of the Plan as amended from time to time.

Securities has the meaning given in the Listing Rules.

Security Interest means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

Share means an ordinary share in the capital of the Company.

Share Trading Policy means the Company's share trading policy as amended from time to time.

Shareholder means any holder of Shares.

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

Vesting Conditions means any time based and/or performance based criteria, requirements or conditions (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Options vesting in a Participant.

1.2 Interpretation

Unless expressed to the contrary, in these Rules:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) “includes” means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) 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 following Business Day; and
- (g) a reference to:
 - (i) a person includes a partnership, trust, joint venture, unincorporated association, body corporate and a government or statutory body or authority;
 - (ii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (iii) a bill of parliament includes the legislation as enacted, and as modified prior to enactment;
 - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (v) a right includes a benefit, remedy, discretion and power;
 - (vi) time is to local time in the capital of New South Wales;
 - (vii) “\$” or “dollars” is a reference to Australian currency;
 - (viii) this or any other document includes the document as varied or replaced;
 - (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmission and email; and
 - (x) these Rules includes all schedules and annexures to it.

1.3 Applicable legislation

These Rules, the offering and granting of any Options or Plan Shares and the rights attaching to or interests in the Options or Plan Shares will at all times be subject to Applicable Laws.

1.4 Rounding

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

1.5 Headings

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

1.6 Constitution

The entitlements of Eligible Employees and Participants under these Rules are subject to the Constitution.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Employees;
- (b) link reward to shareholder value creation; and
- (c) align the economic interests of Eligible Employees with those of Shareholders by providing an opportunity for Eligible Employees to invest via an equity interest in the form of Options.

3. Commencement

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

4. Maximum Option allocation

Unless prior Shareholder Approval is obtained, the number of Options which may be granted under this Plan which upon exercise will vest Plan Shares must not exceed 10% of the Issued Capital of the Company.

5. Invitation to apply for Options

5.1 Eligibility

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

5.2 Selection

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

5.3 Invitation

The manner, form and content of an Invitation Letter will be as determined by the Board.

5.4 Application

Unless otherwise determined by the Board in its sole and absolute discretion, an Eligible Employee who wishes to apply to participate in the Plan in response to an Invitation must, on or before the period of time allowed for acceptance of the Invitation, give an Application:

- (a) to the person specified in the Invitation;
- (b) in accordance with any instructions or conditions set out in the Invitation; and
- (c) on the acceptance by the Board of the Application, the notice confirming the issue of the Options will be accompanied by an Option Certificate.

5.5 Person ceasing to be an Eligible Employee

An Application from a person who ceases to be an Eligible Employee, or who gives or receives notice of termination of his or her employment and/or directorship, lapses.

5.6 Option Fee

Unless otherwise determined by the Board in its sole and absolute discretion, no consideration will be paid for the issue of the Options.

5.7 Exercise Price

The Exercise Price (if any) payable upon the exercise of Options will be determined by the Board in its sole and absolute discretion.

5.8 Nominated Party

Unless otherwise determined by the Board in its sole and absolute discretion and as specified in the Invitation Letter, a Participant must hold Options granted to them under the Plan personally and cannot renounce those Options in favour of a Nominated Party.

5.9 Multiple issues to a Participant

The Board may make any number of issues to Eligible Employees, as set out in any Invitation Letter, notwithstanding that an issue or issues may have been previously made to the Eligible Employee.

6. Option terms

6.1 Board determination

The terms and conditions of Options offered or granted under these Rules to each Participant will be:

- (a) determined by the Board in its sole and absolute discretion and include as a minimum:
 - (i) the number of Options;
 - (ii) the Grant Date;
 - (iii) the Option Fee (if any);
 - (iv) the Exercise Price (if any);
 - (v) the Option Term;
 - (vi) Vesting Conditions (if any);
 - (vii) Forfeiture Conditions (if any); and
 - (viii) any rights or restrictions attaching to the Plan Shares in respect of which the Options are exercisable being offered to the Participant; and
- (b) set out in an Invitation Letter delivered to the Participant.

6.2 Option entitlements

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

- (a) each Option entitles (subject to the Vesting Conditions and/or Forfeiture Conditions) the Participant to subscribe for or to be transferred one Share on payment of the Exercise Price; and
- (b) any Plan Share issued pursuant to an exercise of an Option will rank pari passu with all existing Shares from the date of issue.

6.3 Participant rights

Participants are not entitled to:

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

until the Options are exercised and the Participants hold Plan Shares.

6.4 Conditions for vesting and exercise

- (a) The Board will determine prior to an Invitation being made and specify in the Invitation any Vesting Conditions and/or Forfeiture Conditions attaching to the Options.
- (b) Options may only be exercised if the applicable Vesting Conditions and/or Forfeiture Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules.

6.5 No transfer of Options

Options granted to a Participant under this Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant or any person entitled to exercise the Options, without the prior consent of the Board which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit, unless such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

7. Trust

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

8. Exercise of Options

8.1 Exercise Period

The Exercise Period for Options will be as determined by the Board in its sole and absolute discretion.

8.2 Method of exercise

A vested Option must be exercised by the Participant within the period specified by the Board in the Invitation Letter following the issuing of a notice of vesting to the Participant, and by delivery to the registered office of the Company or such other address as determined by the Board of:

- (a) a signed Notice of Exercise;
- (b) subject to clause 8.3, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price; and
- (c) the Option Certificate or documentary evidence satisfactory to the Board that the Option Certificate was lost or destroyed.

8.3 Cashless exercise of Options

The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the Exercise Price by cash, cheque or some other method acceptable to the Company, but that on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant which are equal in value to the difference between the Exercise Price otherwise payable in relation to the Options and the then Market Value of the Shares as at the time of the exercise (with the number of Plan Shares rounded down).

8.4 Minimum exercise

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

8.5 No issue unless cleared funds

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

8.6 Actions on exercise

On completion of the exercise of Options:

- (a) the Options will automatically lapse; and
- (b) the Company will allot and issue or transfer the number of Plan Shares which the Participant was entitled to acquire through the exercise of the Options.

9. Leavers

9.1 Bad Leaver

Where a Participant who holds Options ceases to be a person who would be considered to be an Eligible Employee and the Participant is a Bad Leaver, all unvested Options will automatically lapse unless the Board in its sole and absolute discretion determines otherwise.

9.2 Good Leaver

- (a) Where a Participant who holds Options ceases to be a person who would be considered to be an Eligible Employee and the Participant is a Good Leaver:
 - (i) all unvested Options will immediately vest and remain exercisable until the Expiry Date (or such other period as specified by the Board), unless the Board in its sole and absolute discretion determines otherwise; and
 - (ii) all of the Options which have vested but have not yet been exercised will continue in force and remain exercisable until the Expiry Date (or such other

period as specified by the Board), unless the Board in its sole and absolute discretion determines otherwise.

- (b) If during the period referred to in clause 9.2(a)(ii), the Participant subsequently commences employment, or subsequently holds office of a director, in breach of any post termination restrictions in his or her employment contract, then the Board may deem the Participant to be a Bad Leaver and any vested but unexercised Options will automatically be forfeited by the Participant.

10. Forfeiture

10.1 Forfeiture Conditions

The Board may determine prior to an Invitation if any Forfeiture Conditions apply in respect of Options.

10.2 Where forfeiture occurs

Where Options are forfeited the Company will:

- (a) notify the Participant that the Options held by them have lapsed; and
- (b) not be liable for any damages or other amounts to the Participant in respect of the Options.

10.3 Fraudulent or dishonest actions

In addition to any applicable Forfeiture Conditions, where, in the reasonable opinion of the Board, a Participant:

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

then the Board may deem all Options held by a Participant will automatically lapse.

11. Options may be Cancelled if Participant consents

Notwithstanding any other provisions of the Plan, and subject to the Listing Rules, if a Participant and the Board have agreed in writing that some or all of the Options granted to that Participant may be Cancelled on a specified date or on the occurrence of a particular event, then the Board may Cancel those Options on the relevant date or on the occurrence of the particular event (as the case may be).

12. Lapse of Options

Unless the Board otherwise determines in its sole and absolute discretion, Options will lapse and be incapable of exercise on the earlier of:

- (a) subject to clause 9, the Participant ceasing to be an Eligible Employee;
- (b) clause 10 applying;
- (c) if the Board determines in its reasonable opinion that the Vesting Conditions have not been met and cannot be met prior to the Expiry Date; and
- (d) the Expiry Date.

13. Listing

13.1 Options

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

13.2 Plan Shares

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

14. Disposal restrictions on Plan Shares

14.1 Board determines

The Board may determine in its sole and absolute discretion prior to an Invitation, whether there will be any restrictions on the disposal or transfer of Plan Shares held by any Participants.

14.2 No transfer

No Plan Shares may be transferred unless any disposal restrictions determined by the Board or which apply to the Plan Shares cease to apply and any Forfeiture Conditions cease to apply.

14.3 Board actions

The Company may do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary to enforce the transfer restrictions set out in clauses 14.1 and 14.2. Participants will be bound by any action by the Company under this clause 14.3.

14.4 Overriding restrictions on dealing with Plan Shares

Plan Shares must not be dealt with under this Plan if to do so would contravene the Corporations Act and the Listing Rules.

14.5 Company's Share Trading Policy

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

14.6 Subject to law

The disposal restrictions in this clause 13 are subject to any disposal required by law.

15. Buy-Back

15.1 General Buy-Back

The Company may either Buy-Back Options or Plan Shares in accordance with this clause.

15.2 Buy-Back procedure

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

- (a) an amount agreed with the Participant at any time;
- (b) with respect to a Buy-Back of Options, the Market Value without the agreement of a Participant; or
- (c) with respect to a Buy-Back of Plan Shares, where there is a formal takeover offer made for at least 5% of the Shares of the Company, the Company may Buy-Back at the higher of a value determined by a suitably qualified independent valuer appointed by the Board or the price offered by the bidder under the takeover offer.

15.3 Buy-Back mechanism

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

16. Change of Control Event

In the event of a Change of Control Event, unless the Board determines otherwise in its sole and absolute discretion, all Options may be exercised by a Participant prior to their Expiry Date, whether or not any or all applicable Vesting Conditions have been met.

17. Bonus issues and reconstruction

17.1 Bonus issues

- (a) If Securities are issued by way of "bonus issue" (as that term is defined in the Listing Rules) to the holders of Shares, a Participant is entitled, upon vesting of a Option, to receive in addition to the Share in respect of which the Option vests and without the payment of any further consideration, the number of Securities which the Participant would have received if the Option had vested before the record date for the bonus issue.

- (b) Any additional Securities to which a Participant becomes entitled under clause 17.1(a) will, until those additional Securities are issued, transferred or allocated to the Participant, be regarded as:
 - (i) additional Securities into which the Option may vest for the purposes of any subsequent application of clause 17.1(a); and
 - (ii) additional Options to which the Participant is entitled for the purposes of any application of clause 17.2.

17.2 Reorganisation

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

17.3 Limited right to participate in new issues

Subject to clauses 17.1 and 17.2, during the currency of any Options and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Options.

17.4 Fairness in application

In the application of this clause 17, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other Securities in the Company subject to the Listing Rules.

18. Contravention of Applicable Laws

No act will be done or determination made in accordance with these Rules where to do so would be a breach of any Applicable Laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of unexercised Options.

19. Administration of the Plan

19.1 Regulations

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

19.2 Delegation

- (a) The Board may delegate any of their powers or discretions conferred on them by these Rules to:
 - (i) a committee; or

- (ii) any one or more persons selected by them.
- (b) Any delegation will be for such period and upon such terms and conditions as determined by the Board from time to time.

19.3 Decisions final

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

19.4 Attorney and agent

- (a) Each Participant hereby authorises and appoints each of the Directors and the company secretary holding office at the relevant time (or their delegate) as their agent or attorney with power to do all things necessary in the name of and on behalf of the Participant to give effect to these Rules.
- (b) Each Participant agrees to indemnify and hold harmless any person acting as their agent or attorney in accordance with these Rules in respect of all costs, damages or losses of whatever nature arising from so acting.

19.5 Protection of Board

The Company indemnifies, to the full extent permitted by law, each person who is or has been a director of the Board for all losses or liabilities incurred by the person as an officer of any member of the Group in relation to any act or matter covered by or arising out of the administration of the Plan.

19.6 Notice

- (a) Address for service
 - (i) Any notice required to be given to the Participant under the Plan or the terms of the Options granted will be sent to the address of the Participant as entered in the Option Register unless delivered in person.
 - (ii) Any notice required to be given to the Company under the Plan or the terms of an Option will be sent to the registered office of the Company or such other address as is notified to Participants from time to time.
- (b) Delivery of notices
 - (i) Any notice to be given to Participants may be delivered by hand to the Participant or by any other means specified in the Constitution for delivery of notices to members.
 - (ii) Any notice to be given to the Company may be delivered by hand or by prepaid post. Notices may also be given to the Company by means of facsimile, e-mail or other mode of electronic delivery to such address as is

notified by the Company to the Participant.

- (iii) Notices delivered to Participants in accordance with the Constitution will be taken to be delivered in accordance with the Constitution. Notices delivered to the Company by pre-paid post will be taken to be delivered if properly addressed and stamped, 48 hours after mailing in Australia and 7 days after mailing outside Australia. Notices delivered by facsimile, e-mail or other mode of electronic delivery will be taken to be delivered on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery.

20. Plan amendment

20.1 Amendment of Plan

- (a) Subject to clause 20.1(b), the Listing Rules and the Constitution, the Board may at any time amend these Rules or the terms and conditions upon which any Options have been issued under the Plan.
- (b) No amendment to these Rules or to Options granted under the Plan may be made if the amendment materially reduces the rights of any Participant in respect of Options granted to them prior to the date of the amendment other than:
 - (i) an amendment introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (B) to correct any manifest error or mistake;
 - (C) to allow the implementation of a trust arrangement in relation to the holding of Plan Shares in relation to the exercise of Options which are granted under the Plan;
 - (D) for the purpose of complying with Applicable Laws; or
 - (E) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
 - (ii) an amendment agreed to in writing by the Participant(s).
- (c) The Board may determine that any amendment to these Rules or the terms of Options granted under the Plan be given retrospective effect.
- (d) Amendment of these Rules or the terms and conditions upon which Options are granted under the Plan by the Board will be of immediate effect unless otherwise determined by them.

- (e) As soon as reasonably practicable after making any amendment to these Rules or the terms and conditions of Options granted under the Plan the Board will give notice of the amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

20.2 Amendment by addendum

Subject to any other provision of these Rules, the Board may from time to time amend the terms of this Plan as they will apply in particular jurisdictions or circumstances by means of an addendum to these Rules.

21. Termination or suspension

21.1 Termination or suspension

The Board may at any time resolve to terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit.

21.2 Resolution to terminate, suspend, supplement or amend

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

22. Employment contract

22.1 Employment rights

Nothing in these Rules or the terms of any Option:

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

22.2 Calculation of employee benefits

The value of any Options does not increase a Participant's income for the purpose of calculating any employee benefits.

22.3 Acknowledgment by Participant

It is acknowledged and accepted by each Participant that the terms of the Plan do not form part of the terms and conditions of the Participant's employment contract, nor do the terms of the Plan constitute a contract or arrangement (including any related condition or collateral arrangement) in relation to the Participant's employment contract.

23. ASIC relief

Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this clause 23 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

24. Non-exclusivity

24.1 Non-exclusivity

This Plan will not be deemed to be the exclusive method of providing incentive compensation to Participants, nor will it preclude any member of the Group from authorising or approving other forms of incentive compensation for employees of any member of the Group.

24.2 Relationship to other equity plans

Participation in this Plan will not affect or be affected by any participation in any other employee equity plan operated by any member of the Group, except as specifically provided in the terms of that other plan.

25. General

25.1 No fiduciary capacity

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

25.2 Listing Rules

While the Company remains admitted to the ASX, the provisions of the Listing Rules will apply to the Plan, and to the extent that the Plan and the Rules are inconsistent, the

provisions of the Listing Rules will apply.

25.3 Enforcement

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

25.4 Governing law

These Rules, and any Option granted under these Rules, will be governed by, and must be construed according to, the laws of the State of New South Wales.