



BEGA CHEESE LIMITED

INCREMENTAL PLAN RULES

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BEGA CHEESE LIMITED INCREMENTAL PLAN RULES

PART A – DEFINITIONS, PURPOSE, COMMENCEMENT AND ELIGIBILITY

1. Definitions and Interpretation

1.1 Definitions

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

Acquisition Price means the price at which the Company offers Plan Shares to Qualifying Employees, and which may be a nominal or nil amount.

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

- (a) the Corporations Act and its applicable regulations;
- (b) the Listing Rules (as applicable);
- (c) the Constitution;
- (d) the *Income Tax Assessment Act* 1936 (Cth) and the *Income Tax Assessment Act* 1997 (Cth), each as amended from time to time;
- (e) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), and (d) above; and
- (f) any other legal requirement that applies to the Plan.

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

ASIC means the Australian Securities and Investments Commission.

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

Bad Leaver means a Participant who ceases to be a Qualifying Employee of any member of the Group in any of the following circumstances:

- (a) the employment of the Participant is terminated, or the Participant is dismissed from office, due to serious misconduct, material breach, gross negligence or other conduct which in the sole and absolute discretion of the Company justified termination of employment without notice;
- (b) the Participant resigns or ceases their employment or office with any member of the Group and commences employment, or holds the office of director, or directly or indirectly holds more than 5% of the issued capital, with a Competitor in the Geographic Region within 12 months of their resignation; or

- (c) if applicable, the Participant is ineligible to hold their office for the purposes of Part 2D.6 of the Corporations Act.

Board means the board of Directors of the Company, a committee appointed by the board of Directors of the Company as constituted from time to time, or any person who is provided with delegated authority by the board from time to time, which are or is appointed for the purposes of this Plan.

Company means Bega Cheese Limited (ABN 81 008 358 503).

Competitor means a person who, or organisation which, directly or indirectly operates a same or similar business to that operated by the Group, as determined by the Board from time to time.

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.

Employee means any employee of any member of the Group.

Expiry Date means the date seven years subsequent to the Grant Date, or another date as determined by the Board in its sole and absolute discretion and specified in the Invitation, after which Performance Rights lapse and may no longer vest.

Geographic Region means the States and Territories of Australia and any other country where the Company employs permanent staff or has permanent operations from time to time.

Good Leaver means a Participant who ceases to be a Qualifying Employee of any member of the Group and who is not a Bad Leaver, and includes where a Participant's employment or office ceases due to death, permanent disability, redundancy or retirement.

Grant Date means the date on which Plan Shares and/or Performance Rights are granted to a Participant following the acceptance of an Application.

Group means the Company and its Related Bodies Corporate.

Holding Lock means a mechanism arranged or approved by the Board and administered by the Company (including through the Company's share registry) that prevents Plan Shares or Resulting Plan Shares (as the case may be) being disposed of or dealt with by a Participant during the relevant restriction period.

Invitation means an invitation to a Qualifying Employee to acquire Plan Shares and/or apply for the grant of Performance Rights (as the case may be) under these Rules.

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

Listing Rules means the official listing rules of the ASX as amended from time to time.

Participant means a Qualifying Employee who has been offered Plan Shares and/or Performance Rights and who has returned a corresponding Application to the Company which has been accepted by the Company pursuant to these Rules.

Performance Hurdles means any ongoing minimum performance requirements (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Performance Rights vesting in a Participant.

Performance Right means an entitlement of a Participant granted under this Plan to subscribe for, acquire and/or be allocated (as determined by the Board in its sole and absolute discretion) one Share subject to the satisfaction of any Vesting Conditions. For the avoidance of doubt, a Performance Right may have a nil exercise price. The award of a Performance Right to a Participant may be referred to as a “**Retention Award**”.

Plan means the Bega Cheese Limited Incremental Plan in respect of which these Rules apply.

Plan Share means any Share held by a Participant acquired in accordance with clause 8. Where a Plan Share is awarded to a Participant with no Vesting Conditions and/or Performance Hurdles, such an award may be referred to as a “**Loyalty Award**”.

Qualifying Employee means a Director or Employee, or a category of Employees, who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Plan Shares and/or Performance Rights under the Plan.

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

Resulting Plan Share means any Share held by a Participant upon automatic exercise of a Performance Right.

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

Securities has the meaning given in the Listing Rules.

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

Settlement Rules means the rules of the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

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

Security Trading Policy means the Company's security trading policy as amended from time to time.

Shareholder means any holder of issued share capital in the Company.

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

1.2 Interpretation

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

- (a) 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;
- (b) 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;
- (c) a reference to any document (including these Rules) is to that document as varied, novated, ratified or replaced from time to time;
- (d) 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;
- (e) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (f) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of these Rules, and a reference to these Rules, includes any schedule, exhibit or annexure to these Rules;
- (g) 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;
- (h) the word "includes" in any form is not a word of limitation;
- (i) a reference to "\$" or "dollar" is to Australian currency;
- (j) nothing in these Rules is intended to create a mortgage or other security over Shares; and
- (k) nothing in these Rules is intended to create an agency relationship between any trustee and the Company.

1.3 Applicable Laws

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

1.4 Rounding

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

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Qualifying Employees;
- (b) link the reward of Qualifying Employees to Shareholder value creation; and/or
- (c) align the economic interests of Qualifying Employees with Shareholders by providing an opportunity to earn rewards via an equity interest in the Company based on creating Shareholder value.

3. Commencement of Plan

The Plan will commence on the date determined by the Board.

4. Maximum Plan Share and/or Performance Rights allocation

The number of Plan Shares and/or Performance Rights which may be granted under this Plan must not exceed (assuming all outstanding Performance Rights were exercised) a maximum of five percent (5%) of the total issued capital of the Company at the time of the grant of the Plan Shares and/or Performance Rights.

5. Eligibility and grant

5.1 Participation

The Board may from time to time in its sole and absolute discretion determine that Employees and/or Directors may participate in the Plan.

5.2 Selection

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

5.3 Invitation

The manner, form, content, timing and frequency of an Invitation Letter and Application will be as determined by the Board in its sole and absolute discretion.

5.4 Multiple Invitations

Unless otherwise determined by the Board in its sole and absolute discretion, the Board may make any number of issues to Qualifying Employees, as set out in the Invitation Letter, notwithstanding that an issue or issues may have been previously made to the Qualifying Employee.

6. Application

Unless otherwise determined by the Board in its sole and absolute discretion, a Qualifying 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; and
- (b) in accordance with any instructions or conditions set out in the Invitation.

PART B – TERMS OF PLAN SHARES

7. Plan Share terms

The terms and conditions of Plan Shares offered or granted under these Rules to each Participant will be determined by the Board and include as a minimum:

- (a) the number of Plan Shares;
- (b) the Grant Date;
- (c) the Acquisition Price (if any);
- (d) any disposal or other restrictions attaching to the Plan Shares; and
- (e) any rights attaching to the Plan Shares; and

will be set out in the document evidencing the Invitation in the form of an Invitation Letter delivered to the Participant.

8. Acquisition of Plan Shares

8.1 Acceptance of Application with full payment

Subject to the Board's acceptance of an Application and the payment of any Acquisition Price, the Company must issue, or procure the transfer of, the Plan Shares applied for, to the Participant.

8.2 Board's discretion

The Board may determine in respect of each Invitation to Qualifying Employees the method by which Plan Shares may be acquired under the Plan.

8.3 Methods

Plan Shares may be acquired under the Plan in the following ways as determined by the Board from time to time:

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

8.4 Payment for Plan Shares

The method of payment for Plan Shares will be determined by the Board in its sole and absolute discretion, having regard to the following:

- (a) the Company may require or invite a Qualifying Employee to pay money on account of Plan Shares to be acquired by a Participant under the Plan; and

- (b) the Company will not require nor invite a Qualifying Employee to deposit with or lend money to the Group in connection with the Plan.

9. Listing

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

10. Disposal restrictions

10.1 Board determines

The Board may in its sole and absolute discretion determine, prior to an Invitation being made, whether there will be any restrictions on the disposal of, the granting (or purporting to grant) of any Security Interest in or over, or otherwise on dealing with (or purporting to dispose or deal with), Plan Shares held by any Participants.

10.2 No transfer

Subject to clause 10.1, Plan Shares or any beneficial or legal interest in Plan Shares may not be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over them, by a Participant unless all restrictions on transfer, encumbrance or disposal of the Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

10.3 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 clause 10.2, including but not limited imposing an ASX Holding Lock on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period. Participants will be bound by any action by the Company under this clause 10.3.

10.4 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 or the Listing Rules.

10.5 Plan Shares entitlements

For the avoidance of doubt, the imposition of a restriction on the Plan Shares held by a Participant pursuant to clause 10.1 will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company or holders of Shares, and to receive any dividends declared by the Company during the relevant restriction period.

10.6 Company's Security Trading Policy

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

10.7 Subject to law

The disposal restrictions in this clause 10 are subject to any disposal required by law.

11. Rights attaching to Plan Shares

11.1 Plan Shares to rank equally

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

11.2 Dividends

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

11.3 Dividend reinvestment

The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held on behalf of the Participant. Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by the Participant.

11.4 Voting rights

A Participant may exercise any voting rights attaching to Plan Shares registered in the Participant's name, irrespective of whether a Holding Lock continues to apply to the Plan Shares.

**PART C – RETENTION AWARDS: TERMS OF PERFORMANCE RIGHTS AND RESULTING PLAN
SHARES**

12. Performance Right and Resulting Plan Share terms

12.1 Board determination

The terms and conditions of Performance Rights offered or granted under these Rules to each Participant will be determined by the Board and include as a minimum:

- (a) the number of Performance Rights;
- (b) the Grant Date;
- (c) the exercise price (if any);
- (d) the Vesting Conditions (if any);
- (e) the Performance Hurdles (if any);
- (f) whether any additional Performance Rights may be granted as a result of clause 12.2(c);
- (g) any disposal or other restrictions attaching to the Performance Rights and/or Resulting Plan Shares; and
- (h) any rights attaching to the Performance Rights and/or Resulting Plan Shares; and

will be set out in the document evidencing the Invitation in the form of an Invitation Letter delivered to the Participant.

12.2 Performance Rights entitlements

- (a) Each Performance Right entitles (subject to the Vesting Conditions and Performance Hurdles (if any)) the Participant holding the Performance Right to subscribe for or to be transferred one Share.
- (b) A Participant who holds Performance Rights is not entitled to:
 - (i) notice of, or to vote or attend at, a meeting of the members of the Company or holders of Shares; or
 - (ii) receive any dividends declared by the Company,as a result of solely holding Performance Rights, until the Performance Rights are exercised and the Participant holds Resulting Plan Shares.
- (c) Notwithstanding clause 12.2(b)(ii), and at the Board's sole and absolute discretion, a Participant who holds Performance Rights when dividends are declared by the Company may be granted additional Performance Rights equal in number to:
 - (i) the dividend per Share declared and paid by the Company;

- (ii) multiplied by the number of Resulting Plan Shares that would have been held by the Participant had the Performance Rights vested and been exercised prior to the declaration of dividends; and
- (iii) divided by the issue price (as defined in the Company's dividend reinvestment policy) applicable to the relevant dividend or, in the absence of a dividend reinvestment policy, the arithmetic average of the daily volume weighted average price of all Shares sold in the ordinary course of trading on the stock market of the ASX over the five business days prior to the record date for the dividend.

12.3 Conditions for vesting

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

12.4 Performance Rights non-transferable without consent

Performance Rights granted under this Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:

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

12.5 Performance Rights to be registered

Performance Rights will be registered in the appropriate register of the Company.

13. Exercise of Performance Rights

13.1 Method of exercise

Where a Performance Right has vested:

- (a) the Participant will receive a notice of vesting; and
- (b) the vested Performance Right will be automatically exercised within the period specified by the Board in the Invitation Letter and/or notice of vesting.

13.2 Actions on exercise

On completion of the exercise of Performance Rights:

- (a) the Performance Rights will automatically lapse; and

- (b) the Company will issue or transfer the number of Resulting Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Performance Rights.

14. Leavers

14.1 Good Leaver

If the Board determines that a Participant is a Good Leaver:

- (a) all unvested Performance Rights will automatically lapse, unless the Board determines in its sole and absolute discretion to allow some or all of those Performance Rights to vest; and
- (b) all vested Performance Rights will lapse within 30 days of the Participant's cessation of employment or office (as the case may be).

14.2 Bad Leaver

If the Board determines that a Participant is a Bad Leaver, all unvested and vested Performance Rights will automatically lapse unless the Board determines otherwise in its sole and absolute discretion.

15. Fraudulent or dishonest actions

Where, in the opinion of the Board, a Participant acts fraudulently or dishonestly, then the Board may deem any Performance Rights held by the Participant to have lapsed.

16. Performance Rights 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 unvested Performance Rights 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 Performance Rights on the relevant date or on the occurrence of the particular event (as the case may be).

17. Lapse of Performance Rights

17.1 Lapsing events

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

- (a) the cessation of employment or office of a Participant (other than in accordance with clause 14);
- (b) where clause 15 applies;
- (c) if any applicable Vesting Conditions and/or Performance Hurdles are not achieved by the relevant time;
- (d) if the Board determines in its reasonable opinion that the applicable Vesting Conditions and/or Performance Hurdles have not been met and cannot be met prior

to the Expiry Date; and

(e) the Expiry Date.

17.2 What happens on lapsing

Where a Participant's Performance Rights have lapsed under clause 17.1, the Company will:

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

18. Listing

18.1 Performance Rights

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

18.2 Resulting Plan Shares

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

19. Disposal restrictions

19.1 Board determines

The Board may in its sole and absolute discretion determine, prior to an Invitation being made, whether there will be any restrictions on the disposal of, the granting (or purporting to grant) of any Security Interest in or over, or otherwise on dealing with (or purporting to dispose or deal with), Resulting Plan Shares held by any Participants.

19.2 No transfer

Subject to clause 19.1, Resulting Plan Shares or any beneficial or legal interest in Resulting Plan Shares may not be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over them, by a Participant unless all restrictions on transfer, encumbrance or disposal of the Resulting Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

19.3 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 clause 19.2, including but not limited imposing an ASX Holding Lock on the Resulting Plan

Shares or using an employee share trust to hold the Resulting Plan Shares during the relevant restriction period. Participants will be bound by any action by the Company under this clause 19.3.

19.4 Overriding restrictions on dealing with Resulting Plan Shares

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

19.5 Resulting Plan Shares entitlements

For the avoidance of doubt, the imposition of a restriction on the Resulting Plan Shares held by a Participant pursuant to clause 19.1 will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company or holders of Shares, and to receive any dividends declared by the Company during the relevant restriction period.

19.6 Company's Security Trading Policy

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

19.7 Subject to law

The disposal restrictions in this clause 19 are subject to any disposal required by law.

20. Rights attaching to Resulting Plan Shares

20.1 Resulting Plan Shares to rank equally

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

20.2 Dividends

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

20.3 Dividend reinvestment

The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Resulting Plan Shares held on behalf of the Participant. Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Resulting Plan Shares held by the Participant.

20.4 Voting rights

A Participant may exercise any voting rights attaching to Resulting Plan Shares registered in the Participant's name, irrespective of whether a Holding Lock continues to apply to the Resulting Plan Shares.

21. Bonus issues and reconstruction

21.1 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 Performance Right, to receive in addition to the Share in respect of which the Performance Right vests and without the payment of any further consideration, the number of Securities which the Participant would have received if the Performance Right had vested before the record date for the bonus issue.
- (b) Any additional Securities to which a Participant becomes entitled under clause 21.1(a) will, until those additional Securities are issued, transferred or allocated to the Participant, be regarded as:
 - (i) additional Securities into which the Performance Rights may vest for the purposes of any subsequent application of clause 21.1(a); and
 - (ii) additional Performance Rights to which the Participant is entitled for the purposes of any application of clause 21.2.

21.2 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 Performance Rights to which each Participant is entitled or the exercise price of the Performance Rights (if any) will be changed to the extent necessary in the case of a Performance Right to an issue of a Share to comply with the Listing Rules, and in the case of a Performance Right to acquire a Share by transfer to comply with the Settlement Rules, applying to a reorganisation of capital at the time of the reorganisation.

21.3 Limited right to participate in new issues

Subject to clauses 21.1 and 21.2, during the currency of any Performance Rights 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 Performance Rights.

21.4 Fairness in application

In the application of this clause 21, 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.

PART D – ADMINISTRATION AND GENERAL

22. Adjustments for capital reconstructions

- (a) The number of Plan Shares and/or Resulting Plan Shares held by a Participant under the Plan will be adjusted in accordance with the Listing Rules following any variation in the share capital of the Company arising from:
 - (i) a reduction, subdivision or consolidation of share capital;
 - (ii) a reorganisation of share capital;
 - (iii) a distribution of assets in specie;
 - (iv) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or
 - (v) any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves.
- (b) Upon any adjustment being made pursuant to this clause the Board will notify each Participant (or his or her legal personal representative where applicable) in writing, informing them of the number of Plan Shares and/or Resulting Plan Shares to be then held by the Participant.

23. Employee share 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 and/or Resulting Plan Shares for Participants under the Plan and/or delivery of Plan Shares and/or Resulting Plan Shares.

24. 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 Plan Shares, Performance Rights and/or Resulting Plan Shares.

25. Administration of the Plan

25.1 Plan to be administered in accordance with the Rules

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.

25.2 Delegation of powers

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:

- (a) a committee consisting of such Directors as the Board determines; or
- (b) any one or more persons selected by the Board, including but not limited to, the company secretary of the Company as appointed from time to time.

25.3 Decisions are final, conclusive and binding

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

25.4 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, including and without limitation, signing Performance Rights or Share transfers, and accounting for the proceeds of the sale of forfeited Shares.
- (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.

25.5 Notice

- (a) Address for Service
 - (i) Any notice required to be given under the Plan or the terms of the Performance Rights granted, to a Participant will be sent to the address of the Participant as entered in the register unless delivered in person.
 - (ii) Any notice required to be given under the Plan or the terms of a Performance Right, to the Company 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.

26. No employment contract

Nothing in these Rules or the terms of any Plan Shares, Performance Rights or Resulting Plan Shares:

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

27. Plan amendment

27.1 Amendment of Plan

- (a) Subject to the Listing Rules, the Constitution, and clause 27.1(b), the Board may at any time amend these Rules or the terms and conditions upon which any Plan Shares, Performance Rights or Resulting Plan Shares have been issued under the Plan.
- (b) No amendment to these Rules or to Plan Shares, Performance Rights or Resulting Plan Shares granted under the Plan may be made if the amendment materially reduces the rights of any Participant (unless agreed by the Participant) in respect of Plan Shares, Performance Rights and/or Resulting Plan Shares granted to them prior to the date of the amendment other than an amendment introduced primarily:
 - (i) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (ii) to correct any manifest error or mistake;

- (iii) for the purpose of complying with the Applicable Laws;
 - (iv) to allow the Company to utilise a trust arrangement for the purposes of dealing with Plan Shares and/or Resulting Plan Shares issued or acquired under the Plan; or
 - (v) to take into consideration possible adverse taxation implications in respect of the Plan from matters 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.
- (c) The Board may determine or procure that any amendment to these Rules or the terms of Plan Shares, Performance Rights or Resulting Plan Shares granted under the Plan be given retrospective effect.
 - (d) Any amendment of these Rules or the terms and conditions upon which Plan Shares, Performance Rights or Resulting Plan Shares are granted under the Plan by the Board or the Company at the request of the Board will be of immediate effect unless otherwise determined by them.
 - (e) As soon as reasonably practicable after the making of any amendment to these Rules or the terms and conditions of Plans Shares, Performance Rights or Resulting Plan Shares 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.

27.2 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.

28. Termination or suspension

- (a) Subject to clause 28(b), the Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit.
- (b) The Board may only terminate the Plan in the event that no disposal restrictions in clauses 10 or 19 continue to apply to any Plan Share or Resulting Plan Share respectively.

29. Expenses

Unless otherwise determined by the Board in its absolute discretion, the Company:

- (a) will be responsible for any brokerage or incidental expenses which may become payable by a Participant in connection with the issue and allotment of Plan Shares and/or Resulting Plan Shares; but

- (b) will not be responsible for any brokerage or incidental expenses which may become payable by a Participant in connection with the subsequent sale, transfer or disposal of Plan Shares and/or Resulting Plan Shares in accordance with this Plan.

30. 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 30 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

31. Non-exclusivity

31.1 Non-exclusivity

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

31.2 Relationship to other share 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.

32. General

32.1 No fiduciary obligation

Any power or discretion 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 obligation or other obligation to any other person.

32.2 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 Listing Rules are inconsistent, the provisions of the Listing Rules will apply.

32.3 Governing Law

This Plan, and any Plan Shares, Performance Rights or Resulting Plan Shares granted under it, is governed by, and must be construed according to, the laws of the State of New South Wales and the Commonwealth of Australia.