

CLAYTON UTZ

Tigers Realm Coal Staff Option Plan

Plan Rules

Tigers Realm Coal Limited
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Our reference 181/11305/80113972

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Tigers Realm Coal Limited

Tigers Realm Coal Staff Option Plan

Plan Rules

1. Definitions and interpretation

1.1 Definitions

In these Rules the following words and expressions have the meanings indicated unless the context indicates a contrary intention:

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

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

"**ASIC Approved Foreign Market**" means an approved foreign market as defined in ASIC Class Order 03/184.

"**Board**" means all or some of the Directors acting as a board, or a committee of the Board appointed for, or the functions of which are determined to include, the purposes of this Plan or these Rules.

"**Change of Control**" means when, in relation to the Company, any person, either alone or together with any associate (as defined in the Corporations Act) acquires a relevant interest (as defined in the Corporations Act) in more than 50% of the issued Shares in the Company, or any similar event which the Board determines, in its discretion, is a Change of Control.

"**Company**" means Tigers Realm Coal Limited ACN 146 752 561.

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

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

"**Director**" means a director of the Company.

"**Disposal Restriction**" means such restriction on disposal or dealing in a Share to be delivered upon the exercise of an Option, as determined by the Board in its discretion and notified to a Participant at the Time of Grant.

"**Eligible Employee**" means such employees of the Company or a Related Company, including executive Directors, or such other person as the Board, in its discretion, determines.

"**Entitlements**" means any rights to acquire shares, options or other securities granted or issued by the Company or by any other company to shareholders of the Company.

"**Holding Lock**" means a holding lock as defined in the Listing Rules.

"**Listing Rules**" means the official Listing Rules of ASX as amended or waived from time to time.

"**Notice of Exercise**" means a duly completed and signed notice of exercise of an Option by a Participant as referred to in Rule 4.2(b), in the form approved by the Board from time to time.

"Official List" means the official list of ASX.

"Option" means an Option granted under Rule 3 to acquire a Share.

"Participant" means an Eligible Employee to whom an Option has been granted under the Plan.

"Plan" means the Tigers Realm Coal Staff Option Plan established in accordance with these Rules.

"Related Company" means a company which is a related body corporate (as defined in the Corporations Act) of the Company.

"Restricted Securities" means Securities which are restricted securities under the Listing Rules.

"Restriction Agreement" means an agreement in the form of Appendix 9A to the Listing Rules, or as ASX requires in a particular case.

"Rules" means the rules of the Plan.

"Securities" means Shares and Options.

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

"Special Circumstance" means Total and Permanent Disablement or death of a Participant and such other circumstances as determined by the Board in its discretion and notified to a Participant in writing.

"Time of Grant" means the time of grant of an Option under Rule 3.

"Total and Permanent Disablement" in relation to a Participant means that the Participant has, in the opinion of the Board, after considering such medical and other evidence as it in its discretion determines, become incapacitated to such an extent as to render the Participant unlikely to engage in an equivalent occupation for which he or she is reasonably qualified by education, training or experience.

"Trustee" means the trustee for the time being under the Trust Deed.

"Trust Deed" means a deed entered into between the Company and the Trustee for the purposes of, inter alia, this Plan and as amended from time to time.

"Unvested Options" means Options which have Vesting Conditions attached and in respect of which a Vesting Notice has not been given to a Participant.

"Vested Options" means Options in respect of which a Vesting Notice has been given to a Participant or Options which have no Vesting Conditions attached.

"Vesting Conditions" means one or more conditions, including time or performance conditions, as determined by the Board in its discretion and advised to a Participant at the Time of Grant.

"Vesting Notice" means a notice to a holder of an Option that, to the extent specified in the Vesting Notice, the Vesting Conditions applicable to the Option have been satisfied, or waived by the Board at its discretion.

"Vesting Period" means the period referred to at the Time of Grant during which Vesting Conditions must be satisfied, or waived by the Board at its discretion.

1.2 Interpretation

In these Rules unless the context indicates a contrary intention:

- (a) the singular includes the plural and vice versa;
- (b) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (c) a reference to these Rules or any particular part of these Rules means these Rules or the relevant part as amended from time to time;
- (d) a reference to a person includes a reference to the person's executors, administrators and successors, a firm or a body corporate; and
- (e) "includes" in any form is not a word of limitation.

2. Commencement of Plan

2.1 Commencement

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

2.2 Trustee

The Company may appoint the Trustee on such terms and conditions as the Board determines for the purpose of acquiring and delivering Shares to Participants and/or holding Shares on behalf of Participants where specified at the Time of Grant.

3. Options

3.1 Grants of Options

- (a) The Board may from time to time grant Options to Eligible Employees under the Plan.
- (b) The Board will determine the procedure for granting Options, including the form and content of any invitation, offer or acceptance procedure.
- (c) A grant shall be in such form and content and with such terms and conditions as the Board determines, including:
 - (i) exercise price (if any);
 - (ii) Vesting Conditions (if any);
 - (iii) Disposal Restrictions (if any);
 - (iv) the terms of expiry of the Options; and
 - (v) whether the Shares to be delivered on exercise are to be held by the Trustee for the benefit of the Participant.

- (d) A grant of an Option does not confer any right or interest, whether legal or equitable, in a Share until all Vesting Conditions in respect of such an Option have been satisfied or waived by the Board at its discretion.

3.2 Acquisition of Shares

- (a) Where the terms of a grant of Options include that the Shares to be delivered upon exercise of Options are to be acquired, delivered and/or held by the Trustee, the Board by notice in writing will instruct the Trustee to acquire or allocate Shares for the benefit of the Participant and the Company will pay to the Trustee such amount as is necessary for that purpose having regard to the grant of Options.
- (b) The Trustee will:
 - (i) in accordance with instructions received pursuant to Rule 3.2(a), acquire or allocate Shares for the benefit of a Participant, provided that the Trustee has sufficient funds to acquire those Shares; and
 - (ii) hold those Shares and any Entitlements accruing to, or in connection with, those Shares as trustee for and on behalf of the Participant as beneficial owner upon the trusts and subject to the terms and conditions of the Trust Deed and these Rules.

3.3 5% cap - ASIC Class Order 03/184

Unless the Board determines otherwise, the Company will not make an offer of an Option if the number of Shares to be issued on exercise of the Option, when aggregated with:

- (a) the number of Shares which could be issued were each outstanding offer or grant with respect to Shares, units of Shares and options or rights to acquire unissued Shares, under the Plan or any other employee share scheme of the Company 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 of the Company,

but disregarding any offer made, or option or right 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 did not need disclosure to investors because of section 708 of the Corporations Act or was an excluded offer or offer or invitation under the Corporations Law; or
- (e) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D of the Corporations Act; or
- (f) 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 the offer.

4. Terms

4.1 Vesting

The Board shall give a Participant a Vesting Notice upon any Vesting Conditions relating to Options granted to the Participant having been satisfied, or waived by the Board at its discretion.

4.2 Exercise

- (a) A Participant may exercise Vested Options which have not expired under Rule 4.4 or been forfeited under Rule 5.
- (b) Vested Options may be exercised by the Participant lodging with the Company a signed Notice of Exercise and complying with such other requirements as specified at the Time of the Grant or subsequently by the Board.
- (c) Subject to Rule 2.2, a Share in respect of which a Participant has exercised an Option may, at the discretion of the Company, be delivered to the Participant by being issued to the Participant or the Company procuring its transfer to the Participant.
- (d) A Participant must exercise Options in multiples of 100 or such other multiple as the Board determines and notifies the Participant, unless the Participant exercises all Options able to be exercised by the Participant at that time.

4.3 Transfers or encumbrances

Without the prior approval of the Board, Options may not be transferred or encumbered.

4.4 Expiry of Options

Unless otherwise determined by the Board at its discretion, Options which have not been exercised will expire and cease to exist on the first to occur of the following.

- (a) Where a Participant has ceased to be employed by the Company or a Related Company:
 - (i) 30 days thereafter in respect of Vested Options;
 - (ii) immediately in respect of Unvested Options.
- (b) The occurrence of a Special Circumstance:
 - (i) 90 days thereafter in respect of Vested Options;
 - (ii) immediately in the case of Unvested Options.
- (c) The operation of Rule 5.
- (d) The seventh anniversary of the Time of Grant, unless the Board in its discretion has determined at the Time of Grant that another expiry date is to apply to the Option.

4.5 Participation in future issues

(a) Participation generally

- (i) A Participant cannot participate in new issues of Shares or other securities to holders of Shares unless the Shares in respect of the Options held by the Participant have been issued or transferred, as the case requires, to and registered in the name of, the Participant before the record date for determining entitlements to the new issue.
- (ii) The Company must give notice to Participants of any new issue of securities before the record date for determining entitlements to the issue in accordance with the Listing Rules if the Company is admitted to the Official List, or otherwise as determined by the Board.

(b) Bonus issues

If the Company makes a pro rata bonus issue of Shares or other securities to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and Shares in respect of Options held by a Participant have not been issued or transferred, as the case requires, to and registered in the name of, the Participant before the record date for determining entitlements to the bonus issue, then the number of Shares subject of the Options held by the Participant shall be increased by the number of Shares that the Participant would have received if the Shares subject of the Options had been registered in the name of the Participant before the record date for the bonus issue.

(c) 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):

- (i) if no amount is payable on the exercise of Options, the number of Options (or other terms and conditions, if any, applicable to the Options) held by a Participant may be adjusted in such manner as the Board in its discretion determines. Such adjustment, if any, shall be subject to the Listing Rules if the Company is admitted to the Official List, the Corporations Act and any other applicable law;
- (ii) if an amount is payable on the exercise of Options, the exercise price shall be changed as permitted by the Listing Rules if the Company is admitted to the Official List, or otherwise as determined by the Board.

4.6 Reorganisation

In the event of any reorganisation of the issued ordinary share capital of the Company, the number of Shares to be delivered in respect of each Option or the amount payable, if any, by a Participant in respect of Shares to be delivered to a Participant will be reorganised in the manner as specified in the Listing Rules as applicable to options at the time of the reorganisation.

5. Forfeiture

5.1 Forfeiture

While Options held by a Participant are subject to Vesting Conditions which have not been satisfied or waived, if:

- (a) those Options have not become Vested Options by the end of the applicable Vesting Period or the Board determines that the Vesting Conditions are incapable of being satisfied by the end of the Vesting Period, the Participant shall forfeit any right or interest in the Options; or
- (b) the Board determines that the Participant has committed any act of fraud, defalcation or gross misconduct, or such other circumstances occur as may be specified at the Time of Grant, in relation to the affairs of the Company or a Related Company, the Participant shall forfeit any right or interest in the Options or other entitlements of the Participant under the Plan.

5.2 Forfeited Options

Options which are forfeited shall cease to exist.

5.3 No transfer of Options

Other than as provided by these Rules, the Company must not register or permit the share registry to register a transfer of an Option to which this Rule 5 applies and for that purpose the Company may do such things and enter into such arrangements with the share registry or otherwise as it considers necessary, including the application of a Holding Lock, to enforce such restrictions on the transfer of such Options and Participants will upon request by the Company do all things necessary to give effect thereto and shall be bound by such arrangements.

6. Change of Control

Upon the occurrence of a Change of Control, the Board may at its discretion and subject to such terms and conditions as it determines, resolve that the Vesting Conditions applicable to Unvested Options be waived.

7. Removal of Disposal Restriction

- (a) Without limiting Rule 6, the Board may at its discretion determine at any time that a Disposal Restriction is no longer to apply and shall notify relevant Participants and the Trustee (as applicable) of such a determination in writing.
- (b) The Board may establish such procedures as it considers appropriate for the purpose of making a determination under Rule 7(a).

8. Plan costs

8.1 Acquisition costs

The Company will pay all costs and expenses in relation to the establishment and operation of the Plan including all costs and expenses in relation to an issue, or purchase and transfer of Shares to a Participant (including any brokerage, commission, stamp duty or other transaction costs).

8.2 Disposal costs

Any brokerage, commission, stamp duty or other transaction costs in connection with the disposal of a Participant's Shares acquired under the Plan will be paid for by the Participant.

9. Administration of the Plan

- (a) The Plan will be administered by the Board in accordance with these Rules. The Board may make rules and regulations for the operation of the Plan which are consistent with these Rules.
- (b) Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board at its absolute discretion and 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 a power or discretion by the Board (or its delegate) and every decision of the Board (or its delegate) as to the interpretation, effect or application of these Rules is final, conclusive, and binding.

10. Rights of Participants

Nothing in these Rules:

- (a) confers on an Eligible Employee the right to be granted Options;
- (b) confers on a Participant the right to continue as an employee of the Company or a Related Company;
- (c) affects any rights which the Company or a Related Company may have to terminate the employment of any employee; or
- (d) may be used to increase damages in any action brought against the Company or a Related Company in respect of any such termination.

11. Amendment of these Rules

11.1 Amendments

- (a) Subject to the Listing Rules (if the Company is admitted to the Official List) and Rule 11.2, 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 11).

- (b) Where the Board determines that the laws of a particular jurisdiction require the grant of Options to be made subject to certain terms and conditions, the Board may direct that for the purpose of that jurisdiction these Rules will be read subject to such provisions as shall be specified in an addendum to be appended hereto for that purpose.

11.2 No reduction of rights

No amendment of these Rules is to reduce the rights of any Participant in respect of Options granted under the Plan to or on behalf of a Participant prior to the date of the amendment, other than:

- (a) an amendment introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth or foreign legislation governing or regulating the maintenance or operation of the Plan or like plans; or
 - (ii) to correct any manifest error or mistake; or
 - (iii) to enable the Company or a Related Company to comply with the Corporations Act, the Listing Rules, any other Australian laws, applicable foreign laws, or a requirement, policy or practice of the Australian Securities and Investments Commission or other foreign or Australian regulatory body; or
- (b) an amendment agreed in writing by a Participant.

11.3 Retrospectivity

Subject to Rules 11.1 and 11.2, any amendment made pursuant to Rule 11.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

12. Restricted Securities

12.1 ASX

If the Company proposes to seek admission, or is admitted, to the Official List, then unless the Listing Rules otherwise provide, if a Participant holds any Options, or Shares delivered upon the exercise of Options, that are Restricted Securities, the Participant will:

- (a) enter into a Restriction Agreement with respect to those Securities with the Company and any Controller; and
- (b) procure that any Controller enter into the Restriction Agreement.

12.2 ASIC Approved Foreign Market

If the Company is or proposes to be listed on or has its Shares quoted on an ASIC Approved Foreign Market the Participant will enter into such agreements and do such things as are reasonably necessary as regards the Securities to facilitate such listing or quotation.

13. Replacement Options and Replacement Shares

13.1 New IPO entity

If the Board resolves to undertake a restructure of the Shares or the assets of the Company such that a company other than the Company will undertake an initial public offer ("**IPO Entity**"), the Board may, on such terms and conditions as it determines, resolve that:

- (a) Options be cancelled and be replaced with a grant of options, rights or other interests ("**Replacement Options**") in respect of shares in the IPO Entity; or
- (b) Options in respect of which Shares have not been delivered will be satisfied not by the delivery of Shares, but by the delivery of shares in the IPO Entity ("**Replacement Shares**").

13.2 Terms of Replacement Options or Replacement Shares

The Board will determine, in conjunction with the board of the IPO Entity:

- (a) the terms of the Replacement Options (having regard to the terms and conditions applicable to the Options including the rules of any option plan under which the Replacement Options will be granted) and the Replacement Shares (as the case may be);
- (b) the procedure for the grant of Replacement Options or delivery of Replacement Shares.

13.3 Further agreement

The terms of the Replacement Options or Replacement Shares (as the case may be), the procedure for the grant of the Replacement Options or delivery of Replacement Shares and such other terms as appropriate may, in the discretion of the Board, be set out in an agreement between one or more of the Company, the IPO Entity and each Participant.

13.4 Amendment to Rules

Upon the terms of the Replacement Options or Replacement Shares and the procedure for their grant or issue being determined under Rules 13.2 and 13.3, the Board will make such amendments to these Rules as it considers necessary to give effect thereto.

14. Attorney

Each Participant, in consideration of a grant of Options, shall be deemed to irrevocably appoint each Director, the Company, the Trustee (where applicable) and any person nominated from time to time by the Company or the Trustee (where applicable) (each an "**Attorney**"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers or any document or other agreement to give effect to these Rules 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 the Participant shall be deemed to covenant that the Participant shall ratify and confirm any act or thing done pursuant to this power and shall release the Company, each Director, each Related Company, the Attorney and the Trustee (where applicable) from any liability whatsoever arising from the exercise of the powers conferred by this Rule and shall indemnify and hold harmless the Company, each Director, each Related Company, the Attorney and the Trustee (where applicable) in respect thereof.

15. Notices

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

16. Termination, suspension or reinstatement of the Plan

- (a) The Board may resolve at any time to terminate, suspend or reinstate the operation of the Plan.
- (b) If the Plan is suspended or terminated, the Board shall decide how Shares then held for Participants under the Plan are to be dealt with and must give such directions to the Trustee regarding the operation of the Plan as the Trustee may request.

17. Governing law

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