

ASX Announcement

EMPLOYEE INCENTIVE OPTION PLAN TERMS

The full terms of Oro Verde Limited employee incentive option plan are annexed to this announcement.

For and on behalf of the Board



Brett Dickson
Company Secretary
Oro Verde Limited



ORO VERDE LIMITED
ACN 083 646 477

EMPLOYEE INCENTIVE OPTION PLAN

The Directors are empowered to operate the Oro Verde Limited Employee Incentive Option Plan (**Plan**) on the following terms and in accordance with the Listing Rules of ASX (where applicable).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of the Plan, the following words have the following meanings.

Associate has the meaning given to that term in the *Income Tax Assessment Act 1936* (Cth).

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the board of Directors of the Company.

Business Day means those days other than a Saturday, Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish is not a business day.

Class Order means ASIC Class Order 03/184 (or any amendment to or replacement of that Class Order).

Company means Oro Verde Limited (ACN 083 646 477).

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

Director means a director of the Company.

Eligible Participant Eligible Participant means:

- (a) full or part time employees of the Company or an Associated Body Corporate;
- (d) directors of the Company or an Associated Body Corporate; and
- (e) if and only if ASIC has granted relief to the Company to extend the definition of "eligible employee" in the Class Order to such person (as contemplated in ASIC Regulatory Guide 49, paragraphs 38 to 40), a person, by whatever name called and whether or not a director, whom the Board determines.

Exercise Condition means, in respect of an Option, any condition set out in the Offer which must be satisfied (unless waived by the Board in its absolute discretion) before that Option can be exercised or any other restriction on exercise of that Option specified in the Offer or in these Rules.

Expiry Date means, in respect of an Option, the date that the Option will lapse if not otherwise exercised as determined by the Board in its discretion with respect to that Option at the time of the grant of that Option.

Group means the Company or an Associated Body Corporate.

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

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

Nominee means a nominee of an Eligible Participant being a permitted Nominee under Rule 4.4.

Offer means an offer made to an Eligible Participant to subscribe for one or more Options under the Plan as set out in an Offer Document.

Offer Document means an offer document in substantially the same form as set out in Schedule 2, or such other form as required by the Board from time to time consistent with the Corporations Act and the Class Order.

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

Option Exercise Price means the exercise price of an Option, as determined in accordance with Rule 4.8.

Participant means an Eligible Participant to whom Options have been granted under the Plan, or if Rule 4.4 applies, an Associate of the Eligible Participant to whom Options have been granted under the Plan.

Plan means the plan established in accordance with these Rules.

Redundancy means termination of the employment of a Relevant Person due to economic, technological, structural or other organisational change where through no act or default of the Relevant Person:

- (a) the Group no longer requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or

- (f) the Group no longer requires the position held by the Relevant Person to be held by anyone.

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant being a permitted Nominee under Rule 4.4, that Eligible Participant.

Restriction Period means the period during which a Share issued on the exercise of an Option cannot be transferred or otherwise dealt with in accordance with Rule 8.1.

Restricted Shares means Shares issued on the exercise of an Option granted under the Plan that the Board has determined are subject to a Restriction Period.

Retirement means where a Participant intends to permanently cease all gainful employment in circumstances where the Participant provides, in good faith, a written statutory declaration to the Board to that effect.

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

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Takeover Bid means a takeover bid (as defined in the Corporations Act).

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which he or she is reasonably qualified by education, training or experience.

Trigger Event means:

- (a) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) a Takeover Bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares; or
- (c) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more Parties binds or benefits all of them jointly and each of them severally;
- (c) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this Plan) is to that document as varied, novated, ratified or replaced from time to time;
- (f) 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;
- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Plan and a reference to this Plan includes any schedule, exhibit or annexure to this Plan;
- (i) 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; and
- (j) a reference to **\$** or **dollar** is to Australian currency.

2. PURPOSE

The purpose of the Plan is to:

- (a) encourage participation by Eligible Participants in the Company through Share ownership; and
- (b) attract, motivate and retain Eligible Participants.

3. COMMENCEMENT

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

4. OFFERS OF OPTIONS

4.1 Determination by the Board

The Board, acting in its absolute discretion, may offer Options to any Eligible Participant from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:

- (a) the Eligible Participant's length of service with the Group;
- (b) the contribution made by the Eligible Participant to the Group;
- (c) the potential contribution of the Eligible Participant to the Group; or
- (d) any other matter the Board considers relevant.

4.2 Offer Document

An Offer must be made using an Offer Document.

4.3 Personal Offer

Subject to Rule 4.4, an Offer is personal and is not assignable.

4.4 Renunciation

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

4.5 Acceptance Time Period

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

4.6 Number of Options

- (a) Subject to Rule 5, the number of Options (if any) to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with the Rules and applicable law and the Listing Rules.
- (b) Each Option will entitle the holder to subscribe for and be allotted one Share.

4.7 No Consideration

Options issued under the Plan will be issued for nil cash consideration.

4.8 Option Exercise Price

- (a) Subject to Rule 4.8(b), in respect of any Offer, the Board may determine the Option Exercise Price (if any) for an Option offered under that Offer in its absolute discretion.
- (b) To the extent the Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the Listing Rules.

4.9 Option Exercise Conditions

An Option may be made subject to Exercise Conditions as determined by the Board in its discretion and as specified in the Offer for the Option.

4.10 Share Restriction Period

A Share issued on exercise of an Option may be made subject to a Restriction Period as determined by the Board in accordance with Rule 8 and as specified in the Offer for the Option.

4.11 Disposal of Options

Options will not be transferable and will not be quoted on the ASX, unless the Offer provides otherwise.

4.12 Adjustment to Terms

- (a) Subject to any requirements of the Listing Rules, the Board will have the power to make adjustments to or vary the terms of an Option.
- (b) No adjustment or variation of the terms of an Option will be made without the consent of the Participant who holds the relevant Option if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options), other than an adjustment or variation introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
 - (ii) to correct any manifest error or mistake;
 - (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or

- (iv) 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.

5. LIMIT ON OFFERS

The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of Options offered under an Offer when aggregated with:

- (a) the number of Shares that would be issued if each outstanding offer for Shares, units of Shares or options to acquire Shares under an employee share scheme were to be exercised or accepted; and
- (b) the number of Shares issued during the previous 5 years from the exercise of Options issued under the Plan (or any other employee share plan extended only to Eligible Participants),

does not exceed 5% of the total number of Shares on issue at the time of an Offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with the Class Order).

6. WHEN OPTIONS MAY BE EXERCISED

6.1 Exercise

- (a) Subject to this Rule 6, a Participant will be entitled to exercise an Option granted as a result of an Offer:
 - (i) where the Option is not subject to any Exercise Conditions, at any time after grant; and
 - (ii) where the Option is subject to any Exercise Conditions, when all Exercise Conditions have been satisfied (or waived by the Board) and which are otherwise capable of exercise in accordance with the terms of the relevant Offer and the Rules.
- (b) An Option may not be exercised if it was issued in accordance with the Class Order and the Class Order prohibits the exercise of the Option.

6.2 One or Several Parcels

Subject to Rule 6.1, Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

6.3 Lapsing of Options

Subject to the terms of the Offer made to a Participant, a Participant's unexercised Option will lapse immediately and all rights in respect of that Option will be lost if, in respect of the Option:

- (a) the Relevant Person ceases to be an employee or Director of a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) and:
 - (i) any Exercise Conditions have not been met by the date the Relevant Person ceases to be an employee or Director of a member of the Group (**Ceasing Date**); or
 - (ii) where any Exercise Conditions have been met by the Ceasing Date or the Option is not subject to any Exercise Conditions, the Participant does not exercise the Option within a period of three (3) months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
 - (b) any Exercise Conditions are unable to be met; or
 - (c) the Expiry Date has passed,
- whichever is earlier.

6.4 Death, Total or Permanent Disability, Retirement or Redundancy

If in respect of a Participant, the Relevant Person dies, suffers Total or Permanent Disability or ceases employment from the Group on the basis of Retirement or Redundancy prior to the Expiry Date of Options granted to that Participant (**Ceasing Event**):

- (a) the Participant or the Participant's legal personal representative, where relevant, may exercise those Options which at that date:
 - (i) have become exercisable;
 - (ii) have not already been exercised; and
 - (iii) have not lapsed,

in accordance with Rule 6.4(c);
- (b) at the absolute discretion of the Board, the Board may resolve that the Participant, or the Participant's legal personal representative, where relevant, may exercise those Options which at that date:
 - (i) have not become exercisable; and
 - (ii) have not lapsed,

in accordance with Rule 6.4(c) and, if the Board exercises that discretion, those unexercisable Options will not lapse other than as provided in Rule 6.4(c);
- (c) the Participant or the Participant's legal personal representative (as the case may be) must exercise the Options referred to in Rule 6.4(a) and, where permitted, Rule 6.4(b), no later than the first to occur of:

- (i) the Expiry Date of the Options in question; and
- (ii) the date which is six (6) months after the Ceasing Event provided that, in the case of Options referred to in Rule 6.4(b), all Exercise Conditions have been met at that time (unless the Board decides to waive any relevant Exercise Conditions, in its absolute discretion); and
- (d) Options which have not been exercised by the end of the period specified in Rule 6.4(c) lapse immediately at the end of that period and all rights in respect of those Options will be lost.

6.5 Discretionary Exercise of Options

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

6.6 Trigger Event

Notwithstanding any other Rule, upon the occurrence of a Trigger Event, the Board may determine:

- (a) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event, provided that the Board will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or
- (b) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Board shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

7. HOW TO EXERCISE OPTIONS

7.1 Delivery to Company Secretary

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

- (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (b) a notice in the form of Schedule 1 addressed to the Company and signed by the Participant:
 - (i) stating that the Participant exercises the Options and specifying the number of Options which are exercised; and
 - (ii) specifying the subregister of the Company in which the Shares referred to in Rule 7.2(a) are to be recorded; and
- (c) payment to the Company of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised unless there is no exercise price payable in respect of the Options to be exercised.

7.2 Issue of Shares

If the items specified in Rule 7.1 are delivered in accordance with that Rule, the Company will, subject to the Listing Rules (if relevant):

- (a) within 10 Business Days of delivery of the documents referred to in Rule 7.1 issue to the Participant the Shares credited as being fully paid in respect of which the Options are exercised together with any additional Shares an entitlement to which has arisen under Rule 9 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Rule 7.1(a) and, if any Options which have not lapsed remain unexercised, deliver to the Participant a replacement certificate reflecting the number of those Options which remain unexercised.

7.3 Death of Participant

If a Participant has died, the Participant's legal personal representative will stand in the place of the Participant for the purposes of Rules 7.1 and 7.2 subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of the Shares held by the Participant.

7.4 Beneficial Owner of Shares

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

- (a) be the beneficial owner of those Shares; and
- (b) subject to Rule 8, the Corporations Act, the Constitution and the Listing Rules, be entitled to deal with those Shares as beneficial owner.

7.5 Equal Rank

A Share acquired on exercise of an Option will rank equally in all respects with Shares already on issue on the date of exercise of the Option, except for entitlements which had a record date before the date of issue of that Share.

7.6 Official Quotation

Application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options if the Company's Shares are listed on ASX at that time in accordance with the Listing Rules.

8. RESTRICTION ON DISPOSAL OF SHARES

8.1 Restriction Period

Where the Board makes an offer of Options to an Eligible Participant, the Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued to a Participant, following exercise of their Options (**Restricted Shares**), up to a maximum of seven (7) years from the date of grant of the Options (**Restriction Period**).

8.2 Waiver of Restriction Period

The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to Rule 8.1.

8.3 No disposal of Restricted Shares

A Participant must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares.

8.4 Enforcement of Restriction Period

- (a) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Restricted Shares for as long as those Shares are Restricted Shares.
- (b) The Participant agrees to:
 - (i) execute an ASX restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan;
 - (ii) the Company lodging the share certificates for Restricted Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period applying to the Restricted Shares or until the Restricted Shares are otherwise released from restrictions (at which time the Company shall arrange for the share certificates to be provided to the Participant); and
 - (iii) the application of a holding lock over Restricted Shares until any Restriction Period applying to the Restricted Shares under the

Plan has expired (at which time the Company shall arrange for the holding lock to be removed).

8.5 Lapse of Restriction Period

When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under these Rules will cease.

9. NEW ISSUES OF SHARES AND REORGANISATIONS

9.1 Participation generally

- (a) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (b) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

9.2 Rights Issues and Bonus Issues

- (a) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option Exercise Price shall be reduced according to the formula specified in the Listing Rules.
- (b) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

9.3 Reorganisation

If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

9.4 Notice of Adjustments

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

9.5 Cumulative Adjustments

Effect will be given to Rule 9.4 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.

10. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding the Rules or the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued under the Plan if to do so:

- (a) would contravene the Corporations Act, the Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

11. AMENDMENT OF RULES

Subject to and in accordance with the Listing Rules (including any waiver granted under such Listing Rules), the Board (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Rules in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option granted before the date of amendment shall not be materially reduced or materially adversely affected unless prior written approval from the affected holder(s) is obtained.

12. ADMINISTRATION OF PLAN

- (a) The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate thereto such authorities as may be necessary or desirable for the administration and management of the Plan.
- (b) Subject to the provisions of the Rules, the Board may make such regulations and establish such procedures for the administration and management of the Plan as they consider appropriate.
- (c) The decision of the Board as to the interpretation, effect or application of the Rules will be final.

13. RIGHTS OF ELIGIBLE PARTICIPANTS

Neither participation in the Plan by the Company or an Associated Body Corporate or any Eligible Participants or Option holders or anything contained in these Rules shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Participant or Option holder or to vary the terms of employment of any Eligible Participant or Option holder. Nor shall participation or the rights or benefits of an Eligible Participant or Option

holder under the Rules be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Participant or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.

14. ATTORNEY

Each Participant, in consideration of an Offer:

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

15. ASIC RELIEF

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

16. NOTICES

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

17. GOVERNING LAW

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

SCHEDULE 1 – NOTICE OF EXERCISE OF OPTIONS

To: The Directors
[insert company]

I/ We _____ of _____
_____ being registered holder(s) of the options to acquire fully paid ordinary shares in the Company set out on the certificate annexed to this notice, hereby exercise _____ of the abovementioned options. I/We enclose my/our cheque for \$ _____ in payment of the option exercise price due in respect of those options calculated on the basis of \$ _____ per option.

I/ We authorise and direct the Company to register me/us as the holder(s) of the shares to be allotted to me/us and I/we agree to accept such shares subject to the provisions of the Constitution of the Company.

Dated the _____ day of _____ 20__.

Signature of Holder(s)

Note:

1. Each holder must sign.
2. An application by a company must be executed in accordance with section 127 of the *Corporations Act 2001* (Cth) and if signing for a company as a sole director/secretary – ensure “sole director” and “sole secretary” is written beside the signature.
3. Cheques should be made payable to [insert].

SCHEDULE 2 – OFFER DOCUMENT

[Name and address of Eligible Participant]

Dear [*]

EMPLOYEE INCENTIVE OPTION PLAN

The board of directors of [insert] (**Company**) is pleased to make an offer to you of [insert] options pursuant to its Employee Incentive Option Plan (**Plan**).

In accordance with ASIC Class Order 03/184, the Company informs you of the following:

- (a) accompanying this letter is a full copy of the terms of the Plan;
- (b) this offer remains open for acceptance by you for 14 days from the date of this letter (**Offer Period**);
- (c) the options under the Plan will be granted to you for nil consideration;
- (d) the exercise price of each of the options is \$[*] and the expiry date is [*]; and
- (e) the Options are subject to the following Exercise Conditions:
 - (i) [insert]
 - (ii) [insert];
- (f) the Shares issued on exercise of the Options are subject to the following Restriction Periods:
 - (i) [insert]
 - (ii) [insert];
- (g) the Company undertakes that during the period commencing on the date of this letter and expiring at the end of the Offer Period, it will within a reasonable period of you so requesting, make available to you the current market price of the underlying shares to which the options relate;
- (h) [the Company will issue, where permitted, a cleansing statement under Section 708A(5) of the Corporations Act at the time of the exercise of the options. Where a cleansing statement cannot be issued, the Company will have a prospectus available in relation to the shares the subject of the options which complies with the requirements of the Corporations Act];
- (i) [employees cannot exercise the options being offered unless either a current prospectus is available to them or the shares the subject of the options are in the same class as securities which have been quoted on the financial market operated by Australian Stock Exchange Limited or an approved foreign market

throughout the 12 month period immediately preceding the exercise date of the options without suspension for more than a total of 5 trading days during that period.]

This letter and all other documents provided to you at the time of this offer contain general advice only and you should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.

Could you please confirm your acceptance of the offer set out in this letter by signing in the appropriate place below and returning it to the Company on facsimile number [insert] **by no later than** [insert].

If you wish to renounce the offer in favour of your Associate, both you and your Associate should complete the acceptance below.

Yours faithfully

[insert name]
For and on behalf of
[insert company]

Encl.

I agree to the terms and conditions set out above and accept the offer of options as contained in the letter set out above.

Name:_____

Date:_____

If the offer is being renounced in favour of an Associate, the Associate agrees to the terms and conditions set out above and accepts the offer of options as contained in the letter set out above.

If the Associate is a corporation:

EXECUTED BY)
(*))
ACN (*))
in accordance with the Corporations Act:)

{Sole} Director

Director/Secretary

Name

Name

Date:_____

If Associate is an individual:

SIGNED by

)

)

in the presence of:

)

(Signature)

Signature of Witness

Full Name of Witness
(BLOCK LETTERS)

Address:

Date:_____