

Long Term Incentive and Bonus Sacrifice Plan Rules

Huon Aquaculture Group Limited
Company

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Long Term Incentive and Bonus Sacrifice Plan Rules

Background

- A. The purpose of the Plan is to increase employee motivation and create a stronger link between increasing shareholder value and employee reward by providing employees with the opportunity to participate in the growth of the Company.
- B. The Plan is designed to permit employees of the Group Companies to participate, at the invitation of the Company, in the acquisition of Performance Rights and Shares.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In these Rules:

ASIC means Australian Securities and Investment Commission.

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

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

- (a) the Corporations Act;
- (b) the Listing Rules;
- (c) the constitution of the Company;
- (d) the Income Tax Assessment Act 1936 (Cth);
- (e) the Income Tax Assessment Act 1997 (Cth);
- (f) 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), (c), (d) or (e) above; and
- (g) any other legal requirement that applies to the Plan.

Board means the board of directors of the Company, any committee of the Board or a duly authorised person or body to which the Board has delegated its powers under this Plan.

Bonus means the gross amount of the aggregate of all cash bonuses (whether discretionary or guaranteed) to which the recipient may become entitled in respect of their employment.

Bonus Sacrifice means where the Employee agrees to contractually forgo part of their future pre-tax Bonus.

Cessation Date means the date on which a Participant ceases to be an employee of the Group.

Charity means an entity where gifts or contributions to that entity are deductible in accordance with Division 30 of the Tax Act or any charitable organisation as determined by the Board from time to time.

Company means Huon Aquaculture Group Limited, ACN 114 456 781.

Control Event means:

- (a) a Court orders a meeting to be convened in relation to a proposed compromise or arrangement for the purposes of, or in connection with:
 - (i) a scheme which would, if it becomes effective, result in any person (either alone or together with its related bodies corporate) owning all of the shares in the Company; or
 - (ii) a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) members of the Company approve any compromise or arrangement referred to in paragraph (a);
- (c) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) any compromise or arrangement referred to in paragraph (a) which has been approved by the Court;
 - (ii) section 414 of the Corporations Act; or
 - (iii) Part 6A.1 or Part 6A.2 of the Corporations Act;
- (d) a resolution is proposed to be put to shareholders proposing a voluntary winding up; or
- (e) an order is sought for the compulsory winding up of the Company.

Corporations Act means Corporations Act 2001 (Cth).

Dealing means in relation to a Performance Right or a Share (as the case may be), any dealing, including but not limited to:

- (a) a sale, transfer, assignment, trust, encumbrance, option, swap, any alienation of all or any part of the rights attaching to the Performance Right or Share;
- (b) any attempt to do any of the actions set out in paragraph (a); and
- (c) any hedging or dealing with a derivative instrument intended to limit the economic risk associated with holding a Share or Performance Right.

Eligible Employee means an employee of the Group (including a director employed in an executive capacity) or any other person who is declared by the Board in its discretion to be eligible to receive a grant of Performance Rights under the Plan.

Group means the Company and each Group Company.

Group Company means the Company and each of its Subsidiaries.

Invitation means an invitation to an Eligible Employee made by the Board under Rule 2.1 to apply for, or participate in a grant of, Performance Rights.

Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

On-Market Acquisition means the acquisition of Shares in the ordinary course of trading or otherwise on a Trading Day on the ASX.

Participant means a person who holds a Performance Right or Share under the terms of this Plan from time to time.

Performance Condition means one or more conditions which must be satisfied or circumstances which must exist before a Performance Right vests under these Rules.

Performance Right means a right to acquire one Share in the capital of the Company (or a cash amount of equivalent value) in accordance with these Rules and an Invitation.

Plan means the Huon Aquaculture Group Pty Ltd Long Term Incentive Plan and Bonus Sacrifice Plan as set out in these Rules.

Rules means the terms and conditions of the Plan as set out in this document as amended from time to time.

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

Subsidiaries means a body corporate which is a subsidiary of the Company within the meaning of section 9 of the Corporations Act.

Takeover Bid has the meaning given in section 9 of the Corporations Act.

Takeover Event means:

- (a) a Takeover Bid being made for Shares in the Company (and for these purposes, a Takeover Bid will be made when a bidder serves its bidder's statement on the Company);
- (b) the Board recommending that shareholders of the Company accept any Takeover Bid for Shares in the Company; or
- (c) a Takeover Bid for Shares in the Company becoming unconditional.

Tax Act means the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth) or both, as the context requires.

Trading Day means a day on which Shares are traded on the ASX.

Trustee means the person or entity nominated by the Board from time to time which may hold contributions from Group Companies and Shares on trust for the persons or classes of persons as set out in these Rules on the terms and conditions set out in these Rules and the trust deed.

1.2 Interpretation

In these Rules:

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

and unless the context indicates a contrary intention:

- (b) "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to a document (including these Rules) is to that document as varied, novated, ratified or replaced from time to time;
- (d) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;

- (e) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;
- (f) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of these Rules, and a reference to these Rules includes all schedules, exhibits, attachments and annexures to it;
- (g) if 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) **"includes"** in any form is not a word of limitation; and
- (i) a reference to "\$" or "dollar" is to Australian currency.

2. Grants of Performance Rights

2.1 Board to make invitations

The Board may, from time to time, in its discretion invite Eligible Employees to participate in a grant of Performance Rights upon the terms set out in the Plan and upon such additional terms, including Performance Conditions (if any) as the Board determines.

2.2 Bonus sacrifice

- (a) The Board may decide that an Invitation will involve a Bonus Sacrifice, and if so, the terms and conditions of the Bonus Sacrifice and the way in which the Board will determine the number of Performance Rights that will be offered in lieu of that Bonus.
- (b) Where an Invitation is made which will involve a Bonus Sacrifice by a Participant, the Invitation is conditional on the Participant and the Employer entering into an agreement setting out the terms and conditions of the Bonus Sacrifice arrangement.
- (c) Participants will only have the opportunity to amend their Bonus Sacrifice or other monetary sacrifice amounts at the times set out in the Invitation or at any other date and time as determined by the Board from time to time.

2.3 Form of Invitation

- (a) An Invitation may take any form and be upon the terms and subject to any restrictions determined by the Board.
- (b) Without in any way limiting the Board's discretion, an Invitation must include the following information:
 - (i) the number of Performance Rights being offered or the method by which the number will be calculated, provided that the number of Performance Rights offered to the Eligible Employee does not exceed 5% of the issued capital of the Company at that time;
 - (ii) the Bonus Sacrifice amount for which Performance Rights are offered in lieu of (if applicable);
 - (iii) the period or periods during which Performance Rights may vest;
 - (iv) whether Shares will be allocated to the Eligible Employee automatically upon vesting of the Performance Rights, or upon the Eligible Employee giving notice to the Company;

- (v) whether the Board, on vesting of the Performance Rights:
 - A. must allocate Shares to the Eligible Employee (or his or her personal representative); or
 - B. will at that time, in its discretion, allocate Shares to the Eligible Employee (or his or her personal representative) or pay a cash amount of equivalent value to the Eligible Employee (or his or her personal representative);
- (vi) the dates and times when Performance Rights lapse;
- (vii) the amount (if any) that will be payable upon the grant of a Performance Right;
- (viii) any applicable Performance Conditions;
- (ix) any restrictions (including the period of restriction) on the transfer of Shares acquired on vesting of a Performance Right;
- (x) the final date for receipt of applications or elections not to participate (as the case may be);
- (xi) instructions in relation to accepting an Invitation to participate in the Plan; and
- (xii) any other terms or conditions to be attached to either or both the Performance Rights and Shares allocated under the Plan.

2.4 Acceptance of an Invitation

- (a) Acceptance of an Invitation must be made in accordance with the instructions that accompany the Invitation, or in any other way the Board determines.
- (b) The Board may only allow the participation of an Eligible Employee where that Eligible Employee continues to satisfy any relevant conditions imposed by the Board, which may include that the Eligible Employee continues to be an employee of the Group at the time of grant.
- (c) Nothing limits the Board's ability to treat the conduct of an Eligible Employee in respect of an Invitation as valid acceptance of that Invitation under these Rules.
- (d) By accepting an Invitation the Eligible Employee is deemed to have agreed to be bound by:
 - (i) the terms of the Invitation;
 - (ii) these Rules; and
 - (iii) the constitution of the Company.

2.5 Board to grant Performance Rights

- (a) Subject to the conditions of the Invitation and upon acceptance of an Invitation under Rule 2.4, the Board will as soon as practicable grant Performance Rights in the name of the Eligible Employee.
- (b) Unless the Board determines otherwise:
 - (i) no payment is required for the grant of a Performance Right; and

- (ii) Performance Rights may not be registered in any name other than that of the Eligible Employee.

2.6 Limit on grant of Performance Rights

The Company will not make an Invitation under the Plan where the grant of Performance Rights contemplated by the Invitation would result in the Company exceeding the maximum permitted under any instrument of relief issued by ASIC from time to time relating to employee share schemes which the Company is relying on in regards to the Invitation.

2.7 Nature of a Performance Right

A Participant has no legal or beneficial interest in a Share by virtue of acquiring or holding a Performance Right. A Performance Right does not confer on the Participant any rights attaching to any Shares, such as the right to vote or the right to receive dividends. A Participant will only have a right to acquire a Share if determined by the Board on the vesting of a Performance Right or otherwise in accordance with the Invitation and these Rules.

3. Dealing with Performance Rights

- (a) A Performance Right granted under the Plan is only transferable:
 - (i) with the prior consent of the Board; or
 - (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) Any Dealing in respect of an unvested Performance Right is prohibited, unless the Board determines otherwise.
- (c) Where the Participant purports to Deal with a Performance Right other than in accordance with Rule 3(a), the Performance Right will immediately lapse.

4. Vesting, lapse and forfeiture

4.1 Vesting requirements

Subject to Rules 4.3, 8.1, 8.2 and 15.2, a Performance Right will only vest where the Performance Conditions and any other relevant conditions advised to the Participant by the Board pursuant to Rule 2.3 have been satisfied.

4.2 Lapse of Performance Rights

An unvested Performance Right will lapse upon the earliest to occur of:

- (a) a date specified by the Board for the purposes of Rule 2.3(b)(vi);
- (b) the Performance Right lapsing in accordance with Rule 3(c);
- (c) the Performance Right lapsing in accordance with a provision of this Rule 4;
- (d) failure to meet the Performance Condition applicable to the Performance Right within the specified period; or
- (e) where, in the opinion of the Board, a Participant has acted fraudulently or dishonestly.

4.3 Cessation of Employment

- (a) Subject to Rules 4.3(b), 4.3(d) and 4.4, unless the Board determines otherwise either prior to or within 60 days of the Cessation Date, any unvested Performance Rights do not vest or lapse as a result of the Participant ceasing employment by a Group Company, and these Rules and the relevant conditions advised to the Participant by the Board pursuant to Rule 2.3 (including any Performance Conditions) continue to apply, except that any continuous service requirement will be deemed to have been waived.
- (b) For the purposes of Rule 4.3(a) the Board in its discretion may determine that some or all unvested Performance Rights;
 - (i) vest;
 - (ii) lapse with effect from the Cessation Date; or
 - (iii) in the case of Performance Rights issued as part of a Bonus Sacrifice, are forfeited in accordance with Rule 4.4(a),
 as a result of the Participant ceasing employment.
- (c) Where the Board exercises its discretion under Rule 4.3(b), it will give written notice to the Participant of the Performance Rights that have vested or lapsed (as applicable).
- (d) The Board may at the time of an Invitation, provide for a different treatment on a Participant ceasing employment with a Group Company than that contemplated by Rule 4.3(a) in which case the terms of the Invitation to Eligible Employees under Rule 2.3 shall prevail over Rule 4.3(a) to the extent of any inconsistency.
- (e) Subject to applicable laws, at the discretion of the Board, a Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the vesting of a Performance Right under the Plan will be treated for those purposes as not having ceased to be such an employee.

4.4 Fraudulent or dishonest actions

- (a) Where, in the opinion of the Board, a Participant:
 - (i) acts fraudulently or dishonestly or has made a material misstatement on behalf of any Group Company; or
 - (ii) is in breach of his or her obligations to the Group,
 then the Board may:
 - (iii) where they have not lapsed automatically under Rule 4.2(e), deem any unvested Performance Rights held by the Participant to have lapsed;
 - (iv) deem all or any Shares already allocated to the Participant following vesting of Performance Rights to be forfeited (in which case the Participant is deemed to have agreed to dispose of the Shares for a total aggregate consideration of A\$1.00);
 - (v) where a cash amount has been paid to the Participant under clause 6.1(b), require the Participant to pay to the Company all or part of that cash amount;

- (vi) appoint an officer of the Company as his or her agent and attorney to either or both sell the Shares on the ASX or transfer them into the name of the Company's nominee; and
 - (vii) where any Shares have been sold by the Participant, require the Participant to pay to the Company all or part of the proceeds realised on that sale.
- (b) Where, in the opinion of the Board, a Participant's Performance Rights vest, or may vest, as a result of the fraud, dishonesty or breach of obligations of another employee of the Group or a material misstatement of the financial statements of the Group and, in the opinion of the Board, the Performance Rights would not otherwise have vested, the Board may determine that the Performance Rights have not vested and may, subject to applicable laws, determine:
- (i) where Performance Rights have not vested or Shares have not been allocated upon vesting of Performance Rights, that the Performance Rights have not vested and reset the Performance Conditions applicable to the Performance Rights; or
 - (ii) where Shares have been allocated upon vesting of Performance Rights, that the Shares are forfeited by the Participant (as described in Rule 4.4(a)(iv)) and may, at the discretion of the Board, reissue any number of Performance Rights to the Participant subject to new Performance Conditions in place of the forfeited Shares;
 - (iii) that any cash amount paid to the Participant under clause 6.1(b) be paid to the Company and that new Performance Rights are granted to the Participant with new Performance Conditions; or
 - (iv) any other treatment in relation to Performance Rights or Shares or cash payments to ensure no unfair benefit is obtained by a Participant as a result of such actions of another person.

5. Trustee

5.1 Methods of Share Acquisition

Shares may be acquired for the purposes of the Plan in any way lawfully permitted, including:

- (a) by way of allotment and issue of Shares by the Company to the Participant or Trustee; or
- (b) by the Company or Trustee making an On-Market Acquisition.

5.2 Appointment of trustee

The Company may appoint a Trustee, on terms and conditions that it considers appropriate, to do all such things and perform all such functions as considered appropriate to enable the implementation of the Plan, including to acquire and hold Shares, or other securities of the Company, on behalf of Participants, for transfer to future Participants or otherwise for the purposes of the Plan.

6. Allocation of Shares

6.1 Allocation of Shares

On vesting of a Performance Right the Company must at the Board's discretion either:

- (a) issue to, procure the transfer to or procure the setting aside for the Participant (or his or her personal representative) of, the number of Shares in respect of which Performance Rights have vested and in so doing the Company is taken to have allocated the Shares in accordance with these Rules; or
- (b) pay to the Participant (or his or her personal representative) a cash amount of equivalent value.

6.2 Share ranking

Any Shares issued under the Plan upon vesting of a Performance Right will rank equally in all respects with other Shares of the same class for the time being on issue by the Company except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

6.3 Listing of Shares on ASX

If Shares of the same class as those issued on the vesting of a Performance Right are quoted on ASX, the Company will apply for quotation of Shares issued under the Plan within the period required by ASX.

6.4 Notification of Share allocation

The Company must ensure that, as soon as reasonably practicable after the Company has allocated Shares to a Participant in accordance with Rule 6.1, the Company gives the Participant written notice specifying the:

- (a) number of Performance Rights that have vested; and
- (b) number of Shares allocated to the participant.

7. Restriction on Dealing with Shares

- (a) The Board may, at its discretion, impose a restriction on Dealing with Shares allocated on vesting of a Performance Right.
- (b) The Board must provide the Participant with details of any such restrictions in accordance with Rule 2.3(b)(ix).
- (c) The Company may implement any procedure it considers appropriate to restrict a Participant from Dealing in Shares in accordance with a determination made under Rule 7(a), including through the imposition of a holding lock or requiring that the Shares be held in trust on behalf of a Participant.
- (d) A Participant will have the full benefit of rights attaching to those Shares such as the right to vote and right to receive dividends, notwithstanding any restrictions on Dealing imposed under Rule 7(a).
- (e) By accepting an Invitation, each Participant undertakes not to take any action or permit another person to take any action to remove any restriction procedure imposed by the Company under Rule 7(c).

8. Takeovers and Control Events

8.1 Takeover Events

- (a) In the event of a Takeover Event, the Board must consider whether, and may in its absolute discretion determine that, all or a specified number of a Participant's unvested Performance Rights vest, having regard to all relevant circumstances,

including whether performance is in line with the Performance Condition over the period from the date of grant of the Performance Right to the date of the relevant Takeover Event.

- (b) Where the Board determines that Performance Rights vest pursuant to Rule 8.1(a), the Board must as soon as practicable give written notice to each Participant of the number of Performance Rights that have vested and the number of Shares allotted to the Participant.
- (c) If the Board determines under Rule 8.1(a) that only some of a Participant's unvested Performance Rights will vest, all Performance Rights that remain unvested will lapse, unless the Board determines otherwise.

8.2 Control Events

- (a) In the event of a Control Event, the Board may, in its absolute discretion, determine that all or a specified number of a Participant's unvested Performance Rights vest having regard to all relevant circumstances, including whether performance is in line with the Performance Conditions over the date of grant of the Performance Right to the date of the relevant Control Event.
- (b) Where the Board makes a determination pursuant to Rule 8.2(a), the Board will, as soon as practicable, give written notice to each Participant of the number of Performance Rights that have vested and the number of Shares allotted to the Participant.
- (c) If the Board does not make a determination, or determines that only some of a Participant's unvested Performance Rights will vest, all Performance Rights that remain unvested will lapse, unless the Board determines otherwise.

8.3 Effect on Shares

On the occurrence of a Takeover Event or a Control Event:

- (a) all trading restrictions in respect of Shares allocated on vesting of Performance Rights will cease to have effect; and
- (b) where allocated Shares are held on behalf of the Participant, on receiving notice from the Company that a Takeover Event or Control Event has occurred, the Company will require the trustee to arrange for the Shares to be transferred into the name of the Participant, unless the Board determines otherwise.

8.4 Acquisition of shares in Acquiring Company

If a company (**Acquiring Company**) obtains control of the Company as a result of:

- (a) a Takeover Bid;
- (b) a proposed scheme of arrangement between the Company and its members;
- (c) a selective capital reduction; or
- (d) another corporate action,

and the Company, the Acquiring Company and the Participant agree, a Participant may, upon vesting of Performance Rights be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

9. Adjustments to Performance Rights

- (a) Prior to the allocation of Shares to a Participant upon vesting of Performance Rights in accordance with Rule 6.1, the Board may make any adjustments it considers appropriate to the terms of a Performance Right granted to that Participant in order to minimise or eliminate any material advantage or disadvantage to a Participant resulting from a corporate action such as a capital raising or capital reconstruction.
- (b) Without limiting Rule 9(a), if:
 - (i) Shares are issued pro rata to the Company's shareholders generally by way of a bonus issue (other than an issue in lieu of dividends or by way of a dividend reinvestment) involving capitalisation of reserves of distributable profits;
 - (ii) Shares are issued pro rata to the Company's shareholders generally by way of a rights issue; or
 - (iii) any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected,

the number of Performance Rights, or the number of Shares to which each Participant is entitled upon vesting of Performance Rights, or any amount payable on vesting of the Performance Rights (or both the number and amount payable if appropriate) will be adjusted in the manner determined by the Board, having regard to the Listing Rules and the general principle set out in Rule 9(a).
- (c) Where additional Performance Rights are granted to the Participant under this Rule 9, such Performance Rights will be subject to the same terms and conditions as the original Performance Rights granted to the Participant (including without limitation, any Performance Conditions) unless the Board determines otherwise.
- (d) The Board must as soon as reasonably practicable after making any adjustments under this Rule 9, give notice in writing of the adjustment to any affected Participant.

10. Withholding

- (a) If the Company is obliged, or reasonably believes it may have an obligation, as a result of or in connection with:
 - (i) the grant of Performance Rights to a Participant, or the vesting of such Performance Rights;
 - (ii) the allocation of Shares to, or on behalf of, a Participant upon vesting of Performance Rights,

to account for income tax or employment taxes under any wage, withholding or other arrangements or for any other tax, social security contributions or levy or charge of a similar nature, then the Company is entitled to be reimbursed by the Participant for the amount or amounts so paid or payable.
- (b) Where paragraph 10(a) applies, the Company is not obliged to grant the Performance Rights or to allocate Shares to the Participant unless the Company is satisfied that arrangements have been made for reimbursement. Those arrangements may include the sale, on behalf of the Participant, of Shares issued or transferred or otherwise to be allocated to the Participant and where this happens, the Participant will also reimburse the costs of any such sale, including any stamp duty or brokerage.

11. Participants based overseas

11.1 Non-Australian residents

When a Performance Right is granted under the Plan to a person who is not a resident of Australia, the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any applicable or relevant laws, matters of convenience and desirability and similar factors which may have application to the Participant or to the Company in relation to the Performance Right.

11.2 Overseas transfers

If a Participant is transferred to work in another country and, as a result of that transfer, the Participant would:

- (a) suffer a tax disadvantage in relation to their Performance Rights which is demonstrated to the satisfaction of the Board; or
- (b) become subject to restrictions on their ability to Deal with the Performance Rights, or to hold or Deal in the Shares or the proceeds of the Shares acquired on vesting or exercise, because of the security laws or exchange control laws of the country to which he or she is transferred,

then, if the Participant continues to hold an office or employment with the Group, the Board may decide that the Performance Rights will vest on a date it chooses before or after the transfer takes effect. The Performance Rights will vest to, or on behalf of, the Participant to the extent permitted by the Board and will not lapse as to the balance.

12. Applicable Law

- (a) Notwithstanding any other provision of these Rules, no Performance Right or Share may be offered under the Plan if to do so would contravene the Corporations Act, the Listing Rules or instruments of relief issued by ASIC from time to time relating to employee share schemes which the Company is relying on.
- (b) Notwithstanding any other provision of these Rules, Performance Rights and Shares must not be issued, assigned, transferred, sold, purchased or otherwise dealt with under the Plan if to do so would contravene the Applicable Law.
- (c) These Rules and the entitlements of Participants under these Rules are subject to the Applicable Law.
- (d) Notwithstanding any other provision of these Rules, every provision set out in an exemption from, or modification to, the provisions of the Corporations Act granted from time to time by ASIC in respect of the Plan that is required to be included in these Rules in order for the exemption or modification to have effect is deemed to be contained in these Rules.
- (e) To the extent that any provision deemed by Rule 12(d) to be contained in these Rules is inconsistent with any other provision in these Rules, the deemed provision will prevail.

13. Amendments to the Plan

13.1 Power to make amendments

- (a) Subject to Rule 13.2, the Board may at any time by resolution:

- (i) amend all or any of the provisions of the Plan; or
 - (ii) amend the terms or conditions of any Performance Right granted under the Plan.
- (b) Notwithstanding Rule 13.2, the Board may waive, amend or replace any performance measure in a Performance Condition attaching to a Performance Right if the Board determines that the original Performance Condition is no longer appropriate or applicable (for instance, if a particular stock market index is no longer published, there are extraneous economic circumstances or there is a corporate action, including a discounted rights issue, which impacts on the performance measure), provided that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

13.2 Restrictions on amendments

Subject to these Rules, without the consent of the Participant, the Board may not exercise its powers under Rule 13.1(a) in a manner which reduces the rights of the Participant in respect of any granted Performance Right or Share already granted other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future laws governing or regulating the maintenance or operation of the Plan or similar Plans, in any jurisdiction in which invitations under the Plan have been made;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst other things:
 - (i) adverse rulings from a taxation authority;
 - (ii) changes to tax legislation (including an official announcement by the Commonwealth of Australia); or
 - (iii) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

13.3 Termination or Suspension of the Plan

- (a) The Board may, at any time, terminate or suspend the Plan.
- (b) The termination or suspension of the Plan will not prejudice the existing rights of Participants.
- (c) A Participant may not claim any compensation as a result of termination or suspension of the Plan.

14. Rights and obligations of Participant

- (a) Unless the subject of an express provision in an employment contract, the rights and obligations of any Eligible Employee under the terms of their office, employment or contract with the Group are not affected by their participation in the Plan.
- (b) These Rules will not form part of and are not incorporated into any contract of any Eligible Employee (whether or not they are an employee of the Group).
- (c) Nothing in these Rules:

- (i) confers on any Eligible Employee the right to become or remain an Eligible Employee or to participate in the Plan;
 - (ii) confers on any Eligible Employee or Participant the right to continue as an employee of a Group Company;
 - (iii) affects any rights which a Group Company may have to terminate the employment of an Eligible Employee; or
 - (iv) may be used to increase damages in any action brought against a Group Company in respect of such termination of employment.
- (d) The grant of Performance Rights on a particular basis in any year does not create any right or expectation of the grant of Performance Rights on the same basis, or at all, in any future year.
- (e) No Participant has any right to compensation for any loss in relation to the Plan, including:
- (i) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);
 - (ii) any exercise of a discretion or a decision taken in relation to a grant of Performance Rights or in relation to the Plan, or any failure to exercise a discretion under these Rules; or
 - (iii) the operation, suspension, termination or amendments of the Plan.

15. Administration of the Plan

15.1 Power of the Board

- (a) The Plan is administered by the Board which has power to:
- (i) determine appropriate procedures for administration of the Plan consistent with these Rules including the form of application and other forms and notices to be issued under the Plan, and other such matters so as to implement an employee share trust for the purposes of delivering and holding Shares on behalf of Participants upon the vesting of Performance Rights;
 - (ii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the Plan;
 - (iii) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan, including as to the interpretation of the Plan or any restrictions or other conditions relating to any Performance Rights or Shares allocated under the Plan, and the decision of the Board is final and binding upon all persons;
 - (iv) subject to the Listing Rules and Rule 13.2, amend, add to or waive all or any of the provisions of the Plan (including this rule), or any restriction or other condition relating to any Shares allocated under the Plan;
 - (v) waive any breach of a provision of the Plan.

- (b) Except as otherwise expressly provided in the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan and in the exercise of any power or discretion under the Plan.

15.2 Waiver of terms and conditions

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Performance Condition) in relation to any Performance Rights granted to any Participant.

15.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights granted under it, the decision of the Board is final and binding.

15.4 Liability

The Group Companies and their respective directors and officers are not liable for anything done or omitted to be done by such person or any other person with respect to:

- (a) the price, time, quantity or other conditions and circumstances of the acquisition, custody or sale of Shares;
- (b) any fluctuations in the market price of Shares; and
- (c) anything done in connection with the Plan,

except for the dishonesty, fraud or wilful default of such person.

15.5 Data protection

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant to the Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participant records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan; and
- (c) providing information to future purchasers of the Company or the business in which the Participant works.

15.6 Connection with other schemes

- (a) A Group Company is not restricted to using the Plan as the only method of providing incentive rewards to employees and may approve and introduce other incentive schemes.
- (b) Participation in the Plan does not affect participation in any other incentive or other scheme of the Group Companies unless that other scheme provides otherwise.

16. Notices

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile, in the case of:

- (i) a company, to its registered office;
 - (ii) an individual, to the individual's last notified address; or
 - (iii) a Participant who is a director or employee of the Group, either to the Participant's:
 - A. last known address;
 - B. email address; or
 - C. address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office or employment.
- (b) Where a notice or other communication is given:
- (i) by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped; and
 - (ii) by facsimile or email, it is deemed to have been received on completion of transmission.

17. Governing Law

The Rules are governed by and must be construed according to the law applying in Tasmania.