

# Hexima Limited

## Short Term Incentive Plan

Effective **1 July 2019**

# Hexima Limited Short Term Incentive Plan

## Plan Rules

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### 1 Purpose

The purposes of this short term incentive plan (**STI Plan**) of Hexima Limited ACN 079 319 314 (**Company**) are as follows:

- (a) To ensure that the Company has the ability to attract and maintain high calibre talent in a competitive and dynamic industry.
- (b) To ensure that the interests of the Company's senior employees are aligned with the interests of the Company, and that participating employees (**Participating Employees**) are rewarded for meeting and exceeding the requirements of their role in each year of participation and to enhance the relationship between the Company and eligible employees.

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### 2 Commencement date

The STI Plan commences on 1 July 2019.

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### 3 Administration

The STI Plan will be administered by the board of directors of the Company (**Board**), which may delegate this authority in whole or in part to a committee with the power to administer the STI Plan.

The Board (or committee) will be responsible for the following:

- (a) Decisions in relation to which employees participate in the STI Plan, and are potentially entitled to benefits under it.
- (b) The setting of key performance indicators (**KPIs**) for Participating Employees (which is a function which will normally be carried out in consultation with the body or person to whom the relevant Participating Employee reports (**Manager**)).
- (c) Deciding what, if any, payment (**STI Payment**) will be made to Participating Employees under the STI Plan, usually following a recommendation from the relevant Manager.

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### 4 Eligibility

All permanent employees of the Company and its associated entities are eligible to be invited to be a Participating Employee in the STI Plan.

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### 5 Offer

In order to be a Participating Employee, an employee must receive a written offer from the Board or committee (**Offer**), and must accept that Offer in writing in a form required by the Board or any committee.

By accepting an Offer, an employee agrees to be bound by the terms of the Offer and these STIP Rules, which will then govern that Participating Employee's participation in the STI Plan.

Each Offer will specify the maximum STI Payment which the Participating Employee can receive in the relevant period of time, which will normally be expressed as a percentage of the

Participating Employee's total fixed remuneration (**TFR**) and will be capped at an amount which is no greater than 50% of the Participating Employee's TFR.

The Offer will also normally set out the KPIs against which the Participating Employee's performance will be evaluated for the purpose of considering what, if any, STI Payment will be made to that Participating Employee.

The Board (or the committee) may set any other terms or conditions which apply in relation to an Offer.

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## **6 Relationship with employment contract**

The STI Plan does not form part of a Participating Employee's terms and conditions of employment.

However, if a Participating Employee has an entitlement under his or her employment contract to qualify for a bonus or other financial incentive (whether annual or otherwise), the Participating Employee's participation in the STI Plan will also satisfy the Company's obligation to provide the Participating Employee with that opportunity.

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## **7 Procedure for setting KPIs**

The following procedure is for guidance only. A failure to strictly comply with the procedure will not amount to a breach of any Participating Employee's terms and conditions of employment.

In normal circumstances the following procedure will apply:

- (a) Each Participating Employee will meet with his or her Manager prior to the commencement of each financial year to review the Participating Employee's performance against the KPIs set for that financial year (if any) and to set KPIs for the forthcoming financial year.
- (b) The Manager will then consult with the Chief Executive Officer or the Board (as appropriate) in relation to these issues for the purpose of making a recommendation to the Board or relevant committee in relation to:
  - (i) the STI Payment, if any, to be made to the Participating Employee for the preceding financial year; and
  - (ii) the KPIs applicable to the Participating Employee for the following financial year.
- (c) Following this discussion, the Company will write to the Participating Employee advising:
  - (i) the Company's assessment of the Participating Employee's performance evaluated against the relevant KPIs for the preceding financial year;
  - (ii) the KPIs applicable to the Participating Employee for the following financial year; and
  - (iii) any other terms that will apply to the Participating Employee's participation in the STI Plan for the following financial year.
- (d) The Chief Executive Officer or the Board (as appropriate) will make a decision in relation to the Participating Employee's STI Payment having regard to the Manager's recommendation and any other factors considered relevant. The decision may be to pay no benefit, pay the maximum benefit, or pay an amount which is less than the maximum benefit. The decision of the Chief Executive Officer or the Board (as

appropriate) will normally be made within one month of the end of the relevant financial year.

- (e) If the Company's decision is to pay the Participating Employee an STI Payment, the Participating Employee will be advised in writing and the STI Payment will be made (less applicable taxes) in the next pay period following that decision.

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## **8 Conditions**

The Company is not required to make any payment to Participating Employee under this STI Plan unless the Participating Employee:

- (a) is employed by the Company or an associated entity on the date the payment is due; and
- (b) has not submitted notice of his or her resignation; or
- (c) the Company has given notice to the Participating Employee of termination of his or her employment with the Company.

The Company is also not required to make any STI Payment to a Participating Employee if, during the relevant period, the employee has committed an act of serious misconduct (whether known to the Company or not) prior to the date that the STI Payment is due to be made (including where the Company discovers this after the STI Payment is made).

A Participating Employee's Offer may also contain other conditions which will apply to the Participating Employee's entitlement to any STI Payment.

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## **9 Amendment**

This STI Plan may be amended by the Company at any time, provided the amendment does not materially and negatively affect a Participating Employee's entitlement to qualify for an STI Payment in the year in which the amendment is made.

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## **10 Reservation of discretion**

The Company retains a discretion in relation to the payment of any STI Payment under this STI Plan.

The Company will exercise this discretion in good faith, and (without limiting the factors which may be relevant), may take into account:

- (a) The Company's evaluation of the Participating Employee's performance having regard to the relevant KPIs.
- (b) The overall financial performance and standing of the Company.
- (c) The extent to which, in the Company's opinion, the Participating Employee has acted consistently with the values and standards of behaviour expected of employees of the Company.

The Company's decision in this regard is final and absolute, and is not subject to challenge or review by the Participating Employee in any forum.

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## **11 Award of STI Payment**

STI Payments to be awarded to Participating Employees under this STI Plan will be paid subject to and following the Board's approval of the relevant STI Payment.

A Participating Employee will not be eligible for an STI Payment in a financial year where they are no longer employed by the Company before the end of the relevant financial year in which the Participating Employee is eligible to participate in the STI Plan.

Participating Employees who commence employment part way through a financial year and have not been employed for the full financial year may receive a pro-rated STI Payment reflecting the period of the financial year they have been employed by the Company if determined by the Board.

For Australian domiciled employees, STI Payments are inclusive of superannuation and are subject to applicable tax withholding.

For United States domiciled employees, participants agree that the Company's employer contribution under the relevant US regulation, if any, is included in any STI Payment paid under this STI Plan.

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## **12 General**

### **12.1 Rights of Participating Employees**

Nothing in these STIP Rules:

- (a) confers on any employee of the Company the right to be invited to apply for, to be offered or to receive an incentive payment other than in accordance with these STIP Rules;
- (b) confers on any employee of the Company the right to continue as an employee of the Company;
- (c) affects any rights which the Company may have to terminate the employment of any employee of the Company; or
- (d) may be used to increase damages in any action brought against the Company in respect of the termination of an employee of the Company's employment.

### **12.2 Board powers and discretions**

Any power or discretion which is conferred on the Board (or the committee) by this STI Plan must be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any power or discretion, under any fiduciary or other obligation (including any obligation implied by law) to any employee or required to exercise the power or discretion in good faith or for the benefit of any employee of the Company.

### **12.3 Compliance with Corporations Act**

Nothing in this plan requires an employee of the Company to be provided with a benefit which would contravene the *Corporations Act 2001* (Cth) or any other law and the Company or its associated entities is not required to perform any obligation which would contravene these laws. This rule prevails to the extent of any inconsistency with any other rule in these STIP Rules.

### **12.4 Governing law**

These STIP Rules are governed by the laws in force in Victoria and are construed and take effect in accordance with those laws.

### **12.5 Definitions**

The following words have the following meaning in these STIP Rules:

“**Board**” means the board of directors of Hexima Limited ACN 079 319 314.

**"Company"** means Hexima Limited ACN 079 319 314.

**"KPIs"** means key performance indicators.

**"STIP Rules"** means these short term incentive plan rules.

## Schedule – KPIs

Target bonus	<p>The percentage of your total fixed remuneration (<b>TFR</b>) corresponding to your performance level in relation to the key performance indicators (<b>KPIs</b>) set out below as follows:</p> <ul style="list-style-type: none"> <li>– Threshold performance – [#]%</li> <li>– Target performance – [#]%</li> <li>– Maximum performance – [#]%</li> </ul> <p>No award of STI Payments will be payable below the threshold performance.</p>		
KPI weighting	—		
Financial KPIs	% of portion of award for performance level		
	Budget target	Maximum target	
	Measure	[x]% of Budget	[x]% of Budget
Non-financial KPIs	% of portion of award for performance level		
	Threshold target	Forecast target	Maximum target
	Measure	Effective	Superior
			Outstanding