

**PALADIN ENERGY LIMITED**

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**PERFORMANCE SHARE RIGHTS PLAN**

**(Approved by the Board on 14 October 2020)**

**(Approved by the Shareholders for the purposes of the exceptions to ASX  
Listing Rule 7.1 on 17 November 2020)**

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**PALADIN ENERGY LTD**  
**PERFORMANCE SHARE RIGHTS PLAN**  
**TERMS & CONDITIONS**

**1. PURPOSE**

The Performance Share Rights Plan is a long term incentive plan aimed at advancing the interests of the Company by creating a stronger link between the performance and reward of the Company's employees and contractors, and shareholder value, by enabling Participants to have a greater involvement with, and share in the future growth and profitability of, the Company.

**2. DEFINITIONS AND INTERPRETATION**

**2.1 Definitions**

In this Plan the following terms have the following meanings:

**"Application Form"** means an application form by which an Eligible Person or a Permitted Nominee can accept an Offer in such form as the Board may approve from time to time;

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

**"ASIC Class Order"** means an instrument issued by ASIC to exempt a class of persons from certain provisions of the Corporations Act;

**"ASX"** means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

**"Board"** means the board of directors of the Company from time to time;

**"Blackout Period"** means an interval of time when:

- (a) the trading guidelines of the Company, as amended from time to time, restrict one or more Participants from trading in Shares because they may be in possession of confidential information;
- (b) the Company has determined that one or more Participants may not trade in Shares because they may be in possession of confidential information; or
- (c) in accordance with the Listing Rules or applicable securities laws and regulations, dealings (including issuances or trades) in Shares are prohibited;

**“Cash Equivalent Value”** means, unless the Board determines otherwise, a cash amount equal to the Market Price of the Shares that would have been issued or transferred to the Participant if the Board chose to settle the exercised Performance Rights in Shares under clause 6.3(g)(i);

**“Cash Payment Performance Condition”** means a Performance Condition that is satisfied solely by the payment of cash consideration for the issuance of Shares, provided that such cash consideration shall not be less than the Market Price;

**“Cause”** means:

- (a) with reference to termination of employment of an Eligible Person who is an Employee, summary termination for serious misconduct (being conduct amounting to repudiation of the contract of employment by the Eligible Person) or fraud, or in circumstances where the Group Company that is the employer of the Eligible Person otherwise has the right, under applicable law, to summarily terminate employment; or
- (b) with reference to termination of the contract between an Eligible Person (who is a Contractor) and a Group Company, termination for serious misconduct (being conduct amounting to repudiation of the contract by the Participant) or fraud, or in circumstances where the relevant Group Company that is in a contractual relationship with the Eligible Person otherwise has the right, under applicable law, to terminate the contract;

**“Change of Control Event”** means a shareholder, or a group of associated shareholders:

- (c) becoming entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board; or
- (d) gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company;

**“Company”** means Paladin Energy Limited ACN 061 681 098 whose registered office is at Grand Central, 1<sup>st</sup> Floor, 26 Railway Road, Subiaco, Western Australia;

**“Constitution”** means the constitution of the Company;

**“Contractor”** means a person or company that is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to a Group Company under a written contract;

**“Corporations Act”** means the Corporations Act 2001 (Cth);

**“Eligible Person”** means an Employee or Contractor to whom the Board determines in its absolute discretion to extend an Offer;

**“Employee”** means a full time or permanent part-time employee (including a director) of a Group Company;

**“Exercise Restriction”** means restrictions on the ability of a Participant to exercise a vested Performance Right as specified for the purposes of clause 4.1(a);

**“Existing Share Plans”** means:

- (a) the Employee Performance Share Rights Plan adopted by the Board and the shareholders of the Company on 19 November 2015 and renewed on 9 November 2018; and
- (b) the Contractor Performance Share Rights Plan adopted by the Board and the shareholders of the Company on 22 November 2012 and renewed on 19 November 2015 and 9 November 2018;

**“Expiry Time”** means 5.00 pm Perth, Western Australia time on the date five years after the date of grant of the Performance Right, or such other date as determined by the Board in its absolute discretion, and specified in the Offer;

**“Group”** means the Company and its Subsidiaries (if any) from time to time and a **“Group Company”** means any one of them;

**“Law”** means the laws of Australia;

**“Legal Personal Representative”** means the executor of the will or an administrator of the estate of a deceased person, (b) and (d), the volume weighted average trading price of the Shares calculated by dividing the total value of Shares traded by the total volume of Shares traded for the five trading days immediately preceding the date of the Offer on the stock exchange upon which the majority of the trading volume and trading value of the Shares occurred for such period; or

- (c) subject to paragraph (d), if the Shares are not listed on any stock exchange, the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market on the last day prior to the date of the Offer; or
- (d) such other price as reasonably determined by the Board.

**“Measurement Date”** in relation to a Performance Right means the date at which a Performance Condition (other than a Time-based Performance Condition or a Cash Payment Performance Condition, which Performance Conditions will not have Measurement Dates) attached to the Performance Right is to be measured pursuant to clause 6.2;

**“Nominee”** with reference to an Eligible Person means:

- (a) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the Eligible Person,
- (b) a corporation or other entity that is controlled by the Eligible Person,
- (c) a spouse of the Eligible Person,
- (d) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of, the Eligible Person,
- (e) a corporation or other entity that is controlled by the spouse of the Eligible Person,
- (f) a superannuation fund, pension fund, retirement plan or similar retirement benefit fund (“**Fund**”) that permits income tax deferred or sheltered retirement savings established under the laws of the place of residence of a Eligible Person for the benefit of the Eligible Person or the spouse of the Eligible Person;

**“Offer”** means an offer to participate in the Plan made in accordance with clause 4.1;

**“Participant”** means an Eligible Person or their Permitted Nominee, as the case may be, who returns a duly completed Application Form and to whom Performance Rights are granted under the Plan;

**“Performance Conditions”** means the conditions set out in the Offer relating to the performance of the Eligible Person and/or any or all of the Group Companies which must be met for the Participant’s Performance Rights to vest (and become exercisable), and which may include any or all of:

- (a) individual performance metrics;
- (b) corporate performance metrics;
- (c) subject to clause 6.3(d), Cash Payment Performance Conditions; and/or
- (d) Time-based Performance Conditions;

**“Performance Right”** means a right granted under clause 5.1(a) to acquire a Share or a number of Shares on the terms set out in the Plan (or to receive a Cash Equivalent Value, at the discretion of the Board), subject to satisfaction of the Performance Conditions set forth in the Offer, which right is subject to vesting as set out in clause 6.3;

**“Permitted Nominee”** has the meaning given to it under clause 4.3(b);

**“Plan”** means this Performance Share Rights Plan of the Company;

**“Redundancy”** means, in relation to an Eligible Person who is an Employee, a determination that the Group’s need, or the need of any Group Company that employs the Eligible Person, to employ the Eligible Person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal, performance or disciplinary reasons or where the Eligible Person leaves the employ of any Group Company of his or her own accord);

**“Retirement”** means, in relation to an Eligible Person who is an Employee, retirement by that Eligible Person from the Group at age 60 or over, or at such earlier age as is considered appropriate by the Board;

**“Security Interest”** means a mortgage, charge, pledge, lien or other encumbrance of any nature;

**“Shares”** means fully paid ordinary shares in the capital of the Company;

**“Specified Reason”** means:

- (a) in respect of an Eligible Person who is an Employee, Retirement, Total and Permanent Disablement, Redundancy or death of the Eligible Person; and
- (b) in respect of an Eligible Person who is a Contractor, death of the Eligible Person;

**“Subsidiary”** means a body corporate which is a subsidiary of the Company within the meaning of section 9 of the Corporations Act;

**“Time-based Performance Condition”** means a Performance Condition that is satisfied solely by the completion of a period of time;

**“Total and Permanent Disablement”** means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation



for which he is reasonably qualified by education, training or experience;  
and

**“Winding Up Event”** means:

- (a) the Company passes a resolution for voluntary winding up;
- (b) an order is made for the compulsory winding up of the Company; or
- (c) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.

## 2.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules of interpretation apply unless the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.
- (e) A reference to a clause is to a clause of the Plan.
- (f) A reference to any agreement or document is to that agreement or document as amended, novated, supplemented, varied or replaced from time to time, except to the extent prohibited by the Plan.
- (g) 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.
- (h) A reference to conduct includes any omission and any statement or undertaking, whether or not in writing.
- (i) A reference to writing includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
- (j) Mentioning anything after the word “include”, “includes” or “including” does not limit what else might be included.

### **3. INTERACTION WITH EXISTING PLANS**

#### **3.1 Effective Date**

With effect from the date this Plan is approved by the Board (“Effective Date”), all Performance Rights to be offered by the Board to Eligible Persons will be offered pursuant to, and on the terms and conditions of, this Plan.

#### **3.2 Termination of Existing Plans**

Subject to clause 3.3, at any time on and from the Effective Date, the Board may determine, in its absolute discretion, to terminate the Existing Plans.

#### **3.3 Existing Rights**

Performance Rights granted under the Existing Plans prior to the Effective Date shall continue in place in accordance with the terms of the offer under which such Performance Rights were granted and the terms and conditions of the Existing Plans and the termination of the Existing Plans pursuant to clause 3.2 will not affect any existing grants of Performance Rights already made under the Existing Plans and the terms of the Existing Plans will continue to apply to such Performance Rights.

### **4. OFFER TO PARTICIPATE**

#### **4.1 Offers**

(a) The Board may from time to time in its absolute discretion issue or cause to be issued Offers on behalf of the Company to Eligible Persons. An Offer will be made in accordance with any applicable requirements of any ASIC Class Order on which the Company relies in respect of this Plan and will otherwise be in such form as the Board determines from time to time and will include the following information:

- (i) the date of the Offer;
- (ii) the name of the Eligible Person to whom the Offer is made;
- (iii) the number or value of Performance Rights which are capable of becoming vested, or the formula for determining the number or value of Performance Rights which will vest, upon the Performance Condition or Performance Conditions set out in the Offer being met;

- (iv) the applicable Performance Condition(s), including, if applicable, any Cash Payment Performance Conditions, if any, in respect of the vesting or exercise of any of the Performance Rights and any relevant terms applicable to payment;
  - (v) the period or periods during which vested Performance Rights may be exercised and the manner of exercise of those Performance Rights (including whether Performance Rights may be automatically exercised at a specified time or event);
  - (vi) any applicable Exercise Restrictions;
  - (vii) a statement as to whether Performance Rights may be settled in cash by payment of the Cash Equivalent pursuant to clause 6.3(g)(ii);
  - (viii) the approximate Measurement Date(s) in respect of the Performance Conditions;
  - (ix) the Expiry Time; and
  - (x) the time period in which to accept the Offer by returning a duly completed Application Form.
- (b) Offers may be made by the Board on a differential basis to Eligible Persons, different classes of Eligible Persons or to Eligible Persons within the same class, as the case may be.

#### 4.2 **Application Form**

- (a) An Eligible Person who receives an Offer can only participate in the Plan by returning a duly completed Application Form within the time period and as otherwise specified in the Offer.
- (b) An Eligible Person may nominate a Nominee to whom the Eligible Person wishes to be granted some or all the Performance Rights as specified in the Offer by notice in writing to the Board and shall provide to the Board such information about such Nominee as the Board may reasonably require. The Board may, in its absolute discretion, determine not to allow the grant of the Performance Rights to the Nominee, without being required to give any reason for such decision.
- (c) If an Application Form is not returned within the time specified or otherwise in accordance with the requirements set out in the Offer, the Board may nevertheless in its sole discretion treat any

Application Form received from an Eligible Person (or their Nominee) as being returned in accordance with clause 4.2(a).

- (d) For the avoidance of doubt, the Board in its sole discretion can refuse to allow an Eligible Person (or their Nominee) to participate in the Plan even though a duly completed Application Form is received from the Eligible Person (or their Nominee) in accordance with clause 4.2(a).

#### 4.3 **Participants**

Subject to clause 4.2(d), following:

- (a) receipt of a duly completed Application Form by an Eligible Person; or
- (b) the Board resolving to grant Performance Rights to an Eligible Person's Nominee ("**Permitted Nominee**") and the Permitted Nominee giving the Company a duly completed Application Form,

then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by the terms and conditions of this Plan and will be granted Performance Rights as set out in the Offer and subject to the Plan. Following receipt by the Company of an Application Form, acceptance by the Board of the Application Form and the grant of Performance Rights, an Eligible Person or the Permitted Nominee, as the case may be, becomes a Participant.

### 5. **GRANT OF PERFORMANCE RIGHTS**

#### 5.1 **Grant**

- (a) Subject to clause 4.2(d), as soon as practicable after the receipt of a duly completed Application Form, the Company will grant to the Eligible Person or the Permitted Nominee, as the case may be, the number of Performance Rights as set out in the Offer.
- (b) Unless otherwise specified in the Offer, a Participant will not pay anything for the grant of Performance Rights.
- (c) An Eligible Person has no entitlement to be granted any Performance Rights unless and until all the requirements of clause 4.3 have been met.
- (d) None of the Performance Rights will be listed for quotation on any stock exchange.

## 5.2 **Restricted Transferability of Performance Rights**

- (a) A Participant shall not transfer, assign, encumber or otherwise dispose of any Performance Rights without the prior written approval of the Board, and any purported transfer of Performance Rights in contravention of this clause 5.2 shall be null and void and of no force or effect.
- (b) Any grant or transfer or assignment of a Performance Right to a Fund as contemplated in clause (f) of the definition of "Nominee" will be subject to receipt of any required regulatory approval or prospectus and registration exemption order.

## 5.3 **Security Interest**

Subject to clause 5.2, Participants will not grant any Security Interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Shares are allocated to that Participant (upon vesting and exercise of Performance Rights in accordance with this Plan), and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company.

## 5.4 **New issues**

A Performance Right does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.

# 6. **VESTING AND EXERCISE OF PERFORMANCE RIGHTS**

## 6.1 **Performance Conditions**

The Performance Conditions and the Measurement Date applicable to any Performance Rights shall be determined by the Board in its absolute discretion in respect of each Offer and as set out in the relevant Offer.

## 6.2 **Determination of satisfied Performance Conditions as of Measurement Dates**

As soon as reasonably practicable after each Measurement Date applicable to any Performance Right, the Board shall determine in respect of each affected Participant as at that Measurement Date:

- (a) whether, and to what extent, the Performance Conditions applicable up to the Measurement Date have been satisfied;
- (b) the number of Performance Rights (if any) in respect of which all Performance Conditions that are subject to a Measurement Date

have been satisfied and vest and therefore, become exercisable, subject to any Exercise Restrictions;

- (c) the number of Performance Rights (if any) that have lapsed as a result of the non-satisfaction of Performance Conditions as at the Measurement Date; and
- (d) the number of Performance Rights (if any) that continue because the Measurement Date has not yet occurred,

and shall provide written notification to each Participant as to that determination.

### **6.3 Vesting and exercise of Performance Rights**

- (a) Vesting and exercise of Performance Rights and the allocation of Shares upon exercise is subject to any Exercise Restrictions as well as clauses 6.5 and 15.10.
- (b) Unless and until Performance Rights are vested and exercised and the relevant Shares are allocated to the Participant as a result of the exercise, a Participant has no interest in those Shares.
- (c) Subject to any Exercise Restriction as well as clauses 6.5 and 15.10, a Performance Right can only be exercised once the Performance Right has vested and then only on or before the Expiry Time provided always that it has not otherwise lapsed under clause 7.
- (d) Unless a Cash Payment Performance Condition is included in the Offer pursuant to clause 4.1(a), no amount shall be payable by a Participant on the vesting or exercise of Performance Rights.
- (e) In the case of a Performance Right that has no unsatisfied Performance Condition attached other than a Time-based Performance Condition and/or a Cash Payment Performance Condition, upon satisfaction of such Time-based Performance Condition and/or Cash Payment Performance Condition, as applicable, the Performance Right shall automatically vest.
- (f) For Performance Rights other than Performance Rights described in clause 6.3(e), unless otherwise determined by the Board:
  - (i) in the case of a Performance Condition to which a Measurement Date applies, upon the Board making a determination in accordance with clause 6.2 that the Performance Condition has been satisfied on or before the Measurement Date; and

- (ii) in the case of a Performance Condition that does not have a Measurement Date applicable to it, upon the Board making a determination that the Performance Condition has been satisfied,

the Performance Right shall then automatically vest

- (g) Subject to clause 6.5, upon the valid exercise of Performance Rights in accordance with clause 6.4, the Company must, as soon as reasonably practicable, either:
  - (i) issue or procure the transfer (at its election) to, or for the benefit of, the Participant, the relevant number of Shares in respect of such exercised Performance Rights (as adjusted under clause 12.2, if relevant);
  - (ii) provided such discretion was stated in the Offer pursuant to clause 4.1, provide the Participant with the Cash Equivalent Value; or
  - (iii) issue a combination of Shares and Cash Equivalent Value at the discretion of the Board.
- (h) The vesting or exercise of some Performance Rights does not affect the Participant's right to the vesting or exercise of other Performance Rights at a later time in accordance with the Offer and this clause 6.3.
- (i) All Shares issued to a Participant under the Plan will, from the date of issue, rank equally with all other issued Shares. The Company will apply for official quotation or listing of these Shares on each stock exchange on which Shares are quoted or listed.

#### **6.4 Exercise of Performance Rights**

- (a) Subject to any Exercise Restrictions as well as clauses 6.5 and 15.10, a Performance Right is validly exercised if the Participant follows the process set out in the Offer or, where the terms of the Performance Rights provide for those Performance Rights to be automatically exercised at a specific time or event, if the conditions for that automatic exercise have been met.
- (b) If a Participant purports to exercise a Performance Right in contravention of any applicable Exercise Restriction, the Performance Right will be deemed to have been exercised on the first date the Exercise Restriction ceases to apply.

## 6.5 Policy for Trading in Company Shares – Blackout Periods

The Company's "Policy for Trading in Company Securities" must be observed at all times with respect to the operation of the Plan. In particular, and without limiting the preceding sentence, no Performance Right may vest and be exercised, and no Share may be allocated under the Plan, during a Blackout Period and a Performance Right that would otherwise vest and become exercisable pursuant to clauses 6.3 and 6.4 during a Blackout Period shall be deemed to vest and become exercisable in accordance with clauses 6.3 and 6.4 immediately after the Blackout Period has ceased.

## 7. TIME OF LAPSE OF PERFORMANCE RIGHTS

A Performance Right lapses on the earlier to occur of:

- (a) in the case of a Performance Right the vesting of which depends only upon satisfaction of a Time-based Performance Condition, if the Time-based Performance Condition is not satisfied in accordance with its terms;
- (b) the date the Board makes a determination under clause 6.2(c) that Performance Conditions have not been satisfied on or before the applicable Measurement Date;
- (c) if an Eligible Person ceases to be an Eligible Person because of a Specified Reason and there is no Cash Payment Performance Conditions attached to any Performance Rights held by the Eligible Person, or if applicable, by their Permitted Nominee – the date of lapse under clause 8.2(c);
- (d) if an Eligible Person ceases to be an Eligible Person because of a Specified Reason and a Cash Payment Performance Condition is attached to any Performance Rights held by the Eligible Person, or if applicable, by their Permitted Nominee – the date of lapse under clause 8.2(d);
- (e) if an Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason – the date of lapse under clause 8.1;
- (f) the date the Board makes a determination under clause 9;
- (g) the date of lapse under clause 10.3; and
- (h) the Expiry Time.



## **8. CESSATION OF EMPLOYMENT, OFFICE OR CONTRACTOR RELATIONSHIP**

### **8.1 Lapse of Performance Rights – Termination for Cause or Non-Specified Reason**

- (a) If an Eligible Person ceases to be an Eligible Person due to termination of employment (including as a director) or any applicable contracting arrangement (as the case may be) for Cause or for any reason other than a Specified Reason, all Performance Rights (whether unvested or vested but unexercised) held by such Eligible Person, or if applicable, by their Permitted Nominee, will immediately and automatically lapse.
- (b) Unless otherwise determined by the Board, for purposes of clause 8.1(a), an Eligible Person will cease to be an Eligible Person:
  - (i) in respect of an Eligible Person who is an Employee, due to termination of employment, when the Eligible Person submits their notice to cease their employment or contract with the Company and that notice is accepted by their manager; or
  - (ii) in respect of an Eligible Person who is a Contractor, due to termination of the contractor arrangement, when the Eligible Person submits their notice to cease their contractual relationship with the Company and that notice is accepted by the Company.

### **8.2 Lapse of Performance Rights – Termination for Specified Reason**

- (a) Unless the Board determines otherwise (in its absolute discretion), if an Eligible Person ceases to be an Eligible Person for a Specified Reason:
  - (i) all Performance Conditions, except for any Cash Payment Performance Condition, attached to all Performance Rights held by such Eligible Person, or if applicable, by their Permitted Nominee, are waived or deemed to be satisfied and the Performance Rights shall automatically and immediately vest as of the date the Eligible Person ceases to be an Eligible Person for a Specified Reason; and
  - (ii) any Exercise Restrictions in respect of the Performance Rights will cease to apply.
- (b) Performance Rights that vest pursuant to clause 8.2(a) must, unless the Board determines otherwise, be exercised by the earlier of 3 months after the vesting date in clause 8.2(a)] and the Expiry Time, or such other period determined by the Board.

- (c) Performance Rights which are not exercised within the period specified in clause 8.2(b) will automatically lapse unless the Board determines otherwise in its sole discretion.
- (d) If the Eligible Person, or if applicable, their Permitted Nominee, has any Performance Right to which any Cash Payment Performance Condition is attached, such Cash Payment Performance Condition must be satisfied by the earliest of:
  - (i) 3 months after the vesting date pursuant to clause 8.2(a) or such longer period as the Board determines;
  - (ii) the exercise date pursuant to clause 8.2(b); and
  - (iii) the Expiry Time,failing which, such Performance Rights will automatically lapse unless the Board determines otherwise (in its absolute discretion).

### **8.3 Secretary's Certificate**

A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, including as to the fact of such occurrence, the reason for such occurrence and the date of such occurrence.

### **8.4 Death of an Eligible Person**

Unless the Board determines otherwise (in its absolute discretion), if an Eligible Person dies at any time prior to the Expiry Time of Performance Rights held by that Eligible Person, or if applicable, by their Permitted Nominee, the deceased Eligible Person's Legal Personal Representative or Permitted Nominee, as applicable, shall be entitled to receive the Performance Rights and exercise any rights in respect of the Performance Rights under clause 8.2, subject to clause 5.2.

## **9. BREACH, FRAUD OR DISHONESTY**

If in the opinion of the Board an Eligible Person or their Permitted Nominee acts fraudulently or dishonestly or is in material breach of his or her obligations to any Group Company then notwithstanding any other provision of this Plan, the Board may in its absolute discretion determine that all the Performance Rights held by the Eligible Person, or if applicable, by their Permitted Nominee, will lapse and the Board's decision will be final and binding.

## 10. CHANGE OF CONTROL

### 10.1 Deemed Satisfaction of Certain Performance Conditions

Upon the occurrence of:

- (a) a takeover bid (as defined in the Corporations Act) to acquire any Shares becoming or being declared to be unconditional (irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid) in circumstances where the entity making the takeover bid has acquired voting power (as defined in the Corporations Act) to more than 50% of the Company's issued share capital;
  - (b) a Change of Control Event; or
  - (c) the approval of a merger by way of scheme of arrangement under the Corporations Act by the Court under section 411(4)(b) of the Corporations Act; or
  - (d) Winding Up Event,
- (each, a "**Notification Event**"),

the Board may determine in its absolute discretion the treatment of the Participant's unvested Performance Rights and the timing of such treatment, which may include determining that some or all of the unvested Performance Rights vest, lapse or become subject to substitute or varied conditions, having regard to any matter the Board considers relevant, including, without limitation:

- (e) the circumstances of the event (including the value being proposed to shareholders),
- (f) the extent to which the applicable Performance Conditions have been satisfied (or estimated to have been satisfied) at the time of the event; and/or
- (g) the proportion of time remaining until the Measurement Date.

Any Performance Rights that do not vest under this clause will lapse immediately.

### 10.2 Vested but unexercised Performance Rights

If, when a Notification Event occurs, there are any vested but unexercised Performance Rights that have not lapsed at the time, the Board may determine in its absolute discretion the treatment of the Participant's

vested but unexercised Performance Rights and the timing of such treatment, which may include determining an earlier exercise date for the Performance Rights and earlier satisfaction of any Cash Payment Performance Condition attaching to such Performance Rights.

### **10.3 Exercise of Performance Rights**

- (a) Performance Rights that:
  - (i) vest pursuant to clause 10.1 must, unless the Board determines otherwise, be exercised within the earlier of 3 months following vesting or the Expiry Time; or
  - (ii) are vested but unexercised at the time of a Notification Event occurring, must be exercised within the period determined by the Board pursuant to clause 10.2.
- (b) Performance Rights which are not exercised within the period specified in clause 10.3(a) will lapse unless the Board determines otherwise in its absolute discretion.

## **11. ADMINISTRATION OF THE PLAN**

### **11.1 General Administration**

- (a) The Plan will be administered by the Board. The Board will have power to delegate the exercise of some or all of its powers and discretions arising under the Plan to any one or more persons (including, but not restricted to, a committee or sub-committee of the Board) for such period and on such conditions as the Board may determine.
- (b) The Board may at any time appoint or engage specialist service providers for the operation and administration of the Plan.
- (c) The Board will ensure a complete register of Participants is maintained to facilitate efficient management and administration and to comply with regulatory reporting requirements.
- (d) Where the Board is required to make a determination or is entitled to exercise discretion in respect of the Plan, that determination or discretion shall be exercised reasonably and in good faith.
- (e) The Board has the sole and unfettered authority to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it may from time to time deem advisable and may make all other determinations and

perform all such other actions as the Board deems necessary or advisable to implement and administer the Plan.

- (f) The interpretation and construction of any provision of the Plan by the Board shall be final and binding.

## **11.2 Rules**

The Board may make and amend rules for the operation of the Plan (including sub-plans and Plan addenda) that are not inconsistent with these terms and conditions and any matter incidental to the Plan to accommodate the specific requirements of local laws and procedures of the jurisdiction in which the Plan is offered. Without limiting the generality of the foregoing, the Board is specifically authorized to adopt sub-plans and Plan addenda, as the Board deems desirable, to accommodate foreign laws, regulations and practice, without shareholder approval.

## **12. CAPITAL EVENTS**

### **12.1 Variation of Capital**

If there is any variation of the share capital of the Company other than a grant of, or allocation of Shares upon the vesting and exercise of, Performance Rights under the Plan, but including a capitalisation or rights issue, sub-division, splitting, consolidation or reduction of share capital, a demerger (in whatever form) or other distribution in specie, the Board may, without being required to obtain shareholder approval, make such adjustments as it considers appropriate under clause 12.2 in accordance with the provisions of the Listing Rules and any applicable securities laws.

### **12.2 Adjustments**

An adjustment made under this clause will be made to the number of Shares which may be allocated upon vesting and exercise of any Performance Rights

### **12.3 Notice of Variation**

As soon as reasonably practicable after making any adjustment under clause 12.2, the Board will give notice in writing of the adjustment to any Participant affected by it.

## **13. RIGHTS OF PARTICIPANTS**

Nothing in this Plan or participation in the Plan:

- (a) confers on any Eligible Person or Participant the right to continue as an employee (including as a director) or officer of any Group

Company, or otherwise the right to continue in a contractual relationship with any Group Company;

- (b) confers on any Eligible Person the right to become or remain an Eligible Person or Participant or to participate under the Plan;
- (c) will be taken into account in determining an Eligible Person's salary or remuneration for the purposes of superannuation or other pension arrangements;
- (d) affects the rights and obligations of any Eligible Person or Participant under the terms of their office or employment or under the terms of their contractual relationship (as the case may be) with any Group Company;
- (e) affects any rights which a Group Company may have to terminate the employment or office of an Eligible Person or Participant or will be taken into account in determining an Eligible Person or Participant's termination or severance pay;
- (f) affects any rights which a Group Company may have to terminate any contract that exists between the Group Company and an Eligible Person or Participant;
- (g) may be used to increase damages in any action brought against any Group Company in respect of any such termination as contemplated in clauses 13(e) and 13(f); or
- (h) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person or Participant.

#### **14. AMENDMENT, TERMINATION AND SUSPENSION**

- (a) The Board may exercise its discretion:
  - (i) in accordance with the provisions of the Plan; or
  - (ii) to correct any internal inconsistencies, grammar, spelling or punctuation, without shareholder approval.
- (b) A Performance Right shall be governed by the Plan in effect at the date of the Offer with respect to that Performance Right, and in the event of any ambiguities, the provisions of the Plan in effect at such time shall apply.
- (c) Any amendment to the Plan is subject to the requirements of any regulatory body having authority over the Company, the Plan or the

shareholders of the Company, and in particular, any restrictions or procedural requirements relating to the amendment of the terms and conditions of an employee incentive scheme imposed by the Listing Rules or pursuant to any applicable securities laws.

- (d) The Board may at any time, and at its complete discretion, suspend or terminate the Plan without notice to Participants. The suspension or termination of the Plan will not affect any existing grants of Performance Rights already made under the Plan and the terms of the Plan will continue to apply to such grants.

## **15. GENERAL**

### **15.1 Law, Listing Rules and the Constitution**

The Plan and all offers and issues of Performance Rights under the Plan are subject to the Law, the Listing Rules, applicable securities laws and the Constitution, each as in force from time to time. No making of any Offer, no grant of any Performance Rights and no issuance of Shares under the Plan shall occur if it would be contrary to or not in compliance with the Law, the Listing Rules, applicable securities laws and the Constitution, each as in force from time to time.

### **15.2 Issue limitations**

- (a) Unless the Cash Equivalent Value upon the vesting and exercise of Performance Rights is paid pursuant to an Offer, the number of Shares to be received on vesting and exercise of the Performance Rights the subject of an Offer when aggregated with:

- (i) the number of Shares which would be allocated if each outstanding Offer or Performance Right, being an Offer made or Performance Rights granted pursuant to the Plan, was vested, converted or exercised; and

- (ii) the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 years pursuant to the Plan or any other incentive scheme for which the Company relied on ASIC Class Order 14/1000;

but disregarding any offer made, or Performance Rights acquired or Shares issued by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside Australia; or

(iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (which includes offers to directors); or

(v) an offer made under a disclosure document,

must not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares as at the time of the Offer.

(b) Where a Performance Right lapses without vesting, the Shares concerned are ignored when calculating the limits in this clause.

(c) For greater clarity, any Offer or Offers extended on the same date which, at the time made, would result in the grant of Performance Rights which, upon vesting and exercise, would result in the issuance of a number of Shares that is greater than that permitted by clause 15.2(a), shall be deemed to be an Offer in respect of Performance Rights which, upon vesting and exercise, would result in the issuance of the maximum number of Shares issuable in compliance with clause 15.2(a), and each such Offer shall be deemed to be an Offer in respect of Performance Rights which, upon vesting and exercise, would result in the issuance of a pro rata portion of the maximum number of Shares issuable in compliance with clause 15.2(a).

### **15.3 Costs and Expenses**

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the allocation of Shares (except for taxes which are payable by Participants in respect of the Performance Rights and any Cash Equivalent Value paid or Shares allocated upon the vesting and exercise of Performance Rights) for the purposes of the Plan. Each Group Company will, if required by the Board, reimburse the Company for any such costs and charges to the extent that they relate to Eligible Persons who are employed or formerly employed (including directors and officers or former directors or officers) with such Group Company or relate to Eligible Persons with whom such Group Company is or was in a contractual relationship.

### **15.4 Withholding**

(a) If any person (other than a Participant) is obliged as a result of or in connection with the grant, vesting or exercise of any Performance Rights or, at the discretion of the Board, the allocation of Shares or, if applicable, payment of the Cash Equivalent Value upon the



vesting and exercise 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 that person is entitled to be reimbursed by the Participant for the amounts so paid or payable.

- (b) Where clause 15.4(a) applies, the Company is not obliged to pay the relevant amount or issue or transfer the relevant Shares to the Participant, unless the relevant person is satisfied that arrangements have been made for reimbursement. Those arrangements may include, without limitation, the sale, on behalf of the Participant, of Shares issued or transferred or otherwise to be issued or transferred to the Participant pursuant to this Plan and, where this happens, the Participant will also reimburse the costs of any such sale (e.g. stamp duty, brokerage, etc.).
- (c) As a condition of and prior to participation in the Plan, any Participant shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

#### 15.5 **Data protection**

By returning an Application Form, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Eligible Person works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

#### 15.6 **Error in Allocation**

If any Performance Right is provided under this Plan in error or by mistake to a person ("**Mistaken Recipient**") who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest in that Performance Right and that Performance Right will immediately lapse.

## 15.7 Disputes

Any disputes or differences of any nature arising under the Plan will be referred to the Board and its decision will be final and binding in all respects.

## 15.8 Notices

Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending it by post or fax or email, in the case of a company to its registered office (or any other address notified by that company from time to time (“**Notified Address**”)) or the fax number (if any) of that registered office (or Notified Address), and in the case of an individual to their last known address, fax number, email address or, if they are an employee (including a director) of a Group Company, either to their last known address, fax number or to the address of the place of business at which they carry out all or most of their duties, or to the fax number or email address relating to that address.

## 15.9 Governing Law

- (a) This Plan and the rights of Eligible Persons and Participants under the Plan are governed by the laws in force in the State of Western Australia, Australia.
- (b) Each Participant and the Company irrevocably and unconditionally submit to the non-exclusive jurisdiction of the Courts of Western Australia, the Commonwealth of Australia and Court entitled to hear appeals from those Courts.

## 15.10 Necessary Approvals, Etc.

The obligation of the Company to allocate Shares or, if applicable, payment of the Cash Equivalent Value upon the vesting and exercise of Performance Rights is subject to:

- (a) the satisfaction of all requirements of applicable securities law and, to the extent required, the approval of the ASX and any other regulatory body having authority over the Company, the Plan or the shareholders of the Company;
- (b) the approval of listing or quotation of such Shares on any stock exchange on which such Shares may then be listed or traded; and
- (c) the receipt from the Participant to whom such Shares are allocated of such representations, agreements and undertakings as to future dealings in such Shares as the Company determines is necessary

or advisable in order to safeguard against violation of the securities laws of any applicable jurisdiction.

The Company will take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Shares in compliance with applicable securities laws, the Listing Rules and for the listing or quotation of such Shares on such stock exchanges on which such Shares may then be listed or traded.

#### **15.11 Failure to Obtain Approvals, Etc.**

If any Shares cannot be allocated to any Participant for any reason, including, without limitation, the failure to obtain approvals referred to in clause 15.10, then the obligation of the Company to allocate such Shares shall terminate.

#### **15.12 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the issuance of any Offer, grant of any Performance Rights, issuance of any Shares or, if applicable, payment of the Cash Equivalent Value upon the vesting and exercise of any Performance Rights or transactions in the Shares. Neither the Company, nor any of its directors, officers or employees are liable for anything done or omitted to be done by such person or any other person with respect to price, time, quantity or other conditions and circumstances of the acquisition of Performance Rights, vesting or exercise of Performance Rights or issuance or acquisition of Shares or payment of any Cash Equivalent Value hereunder, with respect to any fluctuations in the market price of Shares, or in any other manner related to the Plan.

#### **15.13 No Advice**

- (a) Any advice given by the Company in relation to Performance Rights or any underlying Shares offered pursuant to the vesting and exercise of the Performance Rights under this Plan does not take into account an Eligible Person's or a Participant's objectives, financial situation and needs.
- (b) Eligible Persons and Participants should obtain advice from their own professional advisers, including financial advice from a person who is licensed by ASIC to give such advice.

#### **15.14 No Assignment**

Except as set out in clause 8.4, no Performance Rights shall be assignable or transferable by the Participant and any purported assignment or transfer

of a Performance Right shall be void and shall render the Performance Right void.

**15.15 Time of Essence**

Time is of the essence of this Plan.