

Troy Resources NL  
Performance Rights Plan

# Troy Resources NL

## Performance Rights Plan

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# Rules

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## 1 Purpose

The Plan has been established by the Company to provide long term incentives to Eligible Persons by giving such Eligible Persons the opportunity to acquire an ownership interest, or exposure to an ownership interest, in the Company.

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## 2 Offer and Grant of Performance Rights

### 2.1 Offer

- (a) The Company may, in its absolute discretion, from time to time offer and grant Performance Rights to any Eligible Person upon the terms set out in this Plan.
- (b) The number and terms of Performance Rights (if any) to be offered to any Eligible Person, shall be determined by the Board in its discretion, subject to these Rules and having regard to:
  - (i) each Eligible Person's length of service with the Group;
  - (ii) each Eligible Person's contribution to the Group;
  - (iii) the potential contribution of the Eligible Person to the Group; and
  - (iv) any other matters which the Board considers relevant.
- (c) The Company shall complete an Offer including the information set out in Schedule 1 to this Plan for each Offer to specify the Performance Conditions, Vesting Period, Expiry Date and other similar terms attached to such Performance Rights.
- (d) Performance Rights may not be transferred unless the transfer is effected by force of law on death of the Participant to the Participant's legal personal representative.
- (e) Each Offer pursuant to the Plan will:
  - (i) be in writing;
  - (ii) be made in accordance with the Corporations Act, the Listing Rules, the TSX Rules, these Rules and any other applicable laws; and
  - (iii) otherwise be on the terms which the Board may, in its discretion, determine.
- (f) Each Offer must be accompanied by:
  - (i) a copy of these Rules; and
  - (ii) such documents and undertakings as may be required by ASIC, the Corporations Act, the Listing Rules or the TSX Rules.

## **2.2 Grant of Performance Rights**

- (a) An Eligible Person who receives an Offer and wishes to accept it must deliver written notice of acceptance to the Company, in accordance with the instructions set out in the Offer.
- (b) Upon delivery to the Company of written notice of acceptance of an Offer the Company shall grant Performance Rights to that Eligible Person in accordance with the accepted Offer and the Eligible Person shall become a Participant.
- (c) Performance Rights must be granted on the terms of these Rules and each Participant will be deemed to have agreed to be bound by these Rules on acceptance (either in writing or by his or her conduct) of any Offer.

## **2.3 No issue price**

No amount is payable on the grant of a Performance Right.

## **2.4 Performance Rights to Insiders**

Notwithstanding anything in these Rules to the contrary, for so long as the TSX Rules apply to the Plan and so require, the aggregate of either:

- (a) the number of securities issuable to Insiders, at any time under all of the Company's security based compensation arrangements; or
- (b) the number of securities issued to Insiders, within any one year period under all of the Company's security based compensation arrangements,

may not exceed 10% of the Company's issued and outstanding securities, in each case, calculated in accordance with the TSX Rules.

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## **3 Restriction on offer**

### **3.1 Restriction**

Subject to Rules 3.2 and 3.3, Performance Rights may not be offered under this Plan if, immediately following the offer, the aggregate of:

- (a) the number of Shares to be received on exercise of those Performance Rights;
- (b) the number of Shares issuable if each other outstanding offer with respect to (i) Shares; (ii) units of Shares; (iii) options; and (iv) Performance Rights, to acquire unissued Shares under any employee share scheme were accepted or exercised; and
- (c) the number of Shares issued during the previous five years pursuant to the Plan or any other employee share scheme extended only to full or part-time employees or directors of a member of the Group,

would exceed 5% of the total number of Shares on issue at the time of the offer.

### **3.2 Matters to be disregarded**

Any offer made, option acquired, Performance Right granted or Share issued by way of or as a result of:

- (a) the making of an offer or invitation to a person situated at the time of receipt of the offer or invitation outside Australia; or
- (b) an “excluded offer” or “excluded invitation” (each as defined in the Corporations Law as in force prior to the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act 1999 (Cwlth)); or
- (c) an offer which did not need disclosure because of section 708 of the Corporations Act; or
- (d) an offer made under a disclosure document,

is to be disregarded for the purposes of Rule 3.1.

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## **4 Performance Right terms**

### **4.1 Entitlement**

- (a) Subject to these Rules, each Performance Right entitles the holder to subscribe for and be allotted, or to acquire one Share for no additional consideration.
- (b) Subject to these Rules and, if then applicable, the TSX Rules, the Company must allot Shares on exercise of a Vested Performance Right in accordance with the Listing Rules. Subject to, if then applicable, the TSX Rules, the Company may defer allotment for up to 15 Business Days in order to allot Shares to all Participants exercising Performance Rights at the same time. No Performance Right may be exercised if to do so would contravene:
  - (i) the Corporations Act, the Listing Rules or, if then applicable, the TSX Rules; or
  - (ii) the local laws or customs of an Eligible Person’s country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

### **4.2 Performance Conditions**

- (a) A Performance Right granted under the Plan may contain Performance Conditions which will be specified in the Offer pertaining to that Performance Right. Satisfaction of the Performance Conditions will be tested within and by the time or times specified in the Offer.
- (b) The Board considers the issue of the Performance Rights an attractive incentive package that requires high level performance by Eligible Persons to achieve full vesting. Eligible Persons have an overriding obligation to achieve sustainable and viable business outcomes in the best interests of the Company and its shareholders. This obligation must not be compromised in the pursuit of the technical satisfaction of specific performance criteria. The Board retains overriding discretion as to whether Performance Conditions are achieved or achieved in the right manner.

- (c) If, in respect of a Performance Right:
  - (i) the Board determines, in its sole discretion, that each of the Performance Conditions have been satisfied prior to the relevant Expiry Dates and in the appropriate manner;
  - (ii) the Participant remains an Eligible Person as at the expiry of the Vesting Period; and
  - (iii) the appropriate Vesting Period shall have expired,

then the Company shall notify the Participant in writing that the Performance Right has vested (such Performance Right being a “**Vested Performance Right**”).

- (d) If any Performance Condition is not satisfied by the relevant Expiry Date, then the Company shall notify the Participant that the Performance Right has lapsed as of the Expiry Date.

#### **4.3 Provision of Information**

The Company will advise each Participant of the following minimum information regarding Performance Rights:

- (a) the number of Performance Rights being offered;
- (b) the Expiry Date;
- (c) the Performance Conditions and Vesting Period;
- (d) any other relevant conditions to be attached to the Performance Rights or the Performance Right Shares; and
- (e) any other information required under any applicable law or regulations.

#### **4.4 Exercise of Performance Rights**

- (a) A Performance Right may be exercised in accordance with, and at any time during, the period specified in the Offer, provided that:
  - (i) the Performance Conditions in respect of the Performance Right have been satisfied;
  - (ii) the Vesting Period (if any) in respect of the Performance Right has expired;
  - (iii) the issue or transfer of the underlying Performance Right Share does not contravene the Corporations Act, the Listing Rules, the TSX Rules, any Securities Dealing Policy or any other applicable law; and
  - (iv) any other condition or term attached to that Performance Right has been satisfied in accordance with, and by the time specified, in these Rules or the Offer.

- (b) A Vested Performance Right is exercisable by the Participant lodging a notice of exercise of Performance Rights and application for Shares with the Company Secretary and, if applicable, the certificate representing the Performance Rights being exercised.
- (c) Vested Performance Rights must be exercised in multiples of five hundred unless the Participant exercises all Vested Performance Rights exercisable at that time. The exercise of some Performance Rights only does not affect the Participant's right to exercise other Performance Rights at a later time. If the Participant exercises less than all Performance Rights represented by a certificate then the Company will cancel the certificate and issue a new certificate for the balance.
- (d) Performance Rights may only be exercised by a Participant at the times, to the extent and in the manner set out in the Offer pertaining to those Performance Rights, provided that:
  - (i) subject to the other terms of these Rules, Performance Rights may only be exercised not less than one year nor more than four years after the date of the Offer pertaining to those Performance Rights;
  - (ii) the Board may stipulate that Performance Rights may only be exercised if the Company achieves stipulated performance benchmarks; and
  - (iii) the Board may stipulate that some or all Performance Rights are Vested Performance Rights and are exercisable immediately if:
    - (A) a takeover bid (as defined in the Corporations Act) is made in respect of Shares and both:
      - (aa) the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more; and
      - (ab) the takeover offers are made or declared unconditional (other than for the happening of the events or circumstances set out in section 652C(1) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act); or
    - (B) a transaction by way of compromise or arrangement under Part 5.1 of the Corporations Act is approved by the requisite majorities of members of the Company at a meeting convened in accordance with the order of a court under section 411(1) of the Corporations Act; or
    - (C) an event or transaction by which an entity becomes or is to become the registered holder of more than 50% of Shares is approved or accepted by a majority of members of the Company.
- (e) Following notification to the Participant under Rule 4.2(c), and upon the request of the Participant under Rule 4.4(b), the Company shall, within a reasonable period of time thereafter, allot or transfer to the Participant the Performance Right Shares or other securities to which the Participant is entitled.

- (f) If the Participant dies during the term of a Performance Right, the Participant's legal personal representative shall stand in the place of the Participant for the purposes of Rule 4.4(e), subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of any Shares held by the Participant.
- (g) From and including the date of allotment to a Participant of any Performance Right Shares, the Participant must not sell or transfer those Shares if to do so would be in breach of the insider trading provisions of the Corporations Act (Part 7.10 Division 3), any other applicable law or any Securities Dealing Policy.
- (h) From and including the date of allotment to a Participant of any Performance Right Shares the Participant shall:
  - (i) be the absolute indefeasible beneficial owner of those Shares; and
  - (ii) subject to Rule 4.4(g), the Corporations Act, the Listing Rules, the TSX Rules, any Securities Dealing Policy or any other applicable law, be entitled to sell, transfer, dispose of, mortgage, pledge or otherwise deal with those Shares or any interest therein in every manner whatsoever.
- (i) Subject to Rule 4.4(f), where the Participant dies or becomes bankrupt, the legal personal representative of the deceased Participant or the trustee in bankruptcy of the bankrupt Participant, as the case may be, shall be the only person recognised as being entitled to the Performance Right Shares issuable to the Participant.

#### **4.5 Lapse of a Performance Right**

- (a) A Performance Right not exercised will lapse on the first to occur of:
  - (i) the expiry of four years after the date of grant of the Performance Right;
  - (ii) the expiry of 30 days, or any longer period which the Board determines, after the Participant ceases to be employed by, or engaged as a director of, any member of the Group for any reason (other than for reasons described in item (iii) below), including death, Total and Permanent Disablement, Retirement or Redundancy; and
  - (iii) a determination of the Board that the Participant has acted fraudulently, dishonestly or in breach of the Participant's obligations to the Company or any member of the Group .
- (b) The Board may, in its sole discretion and in accordance with the Listing Rules, determine that a Performance Right has not lapsed under Rule 4.5(a)(ii) if the Participant has ceased to be employed or engaged as a director by any member of the Group as a result of:
  - (i) Total and Permanent Disablement, ill health, death, Redundancy, economic necessity or any other factor not attributable to the conduct or performance of that person; or
  - (ii) Retirement under circumstances that are not related to the conduct or performance of that person,

in which case the Performance Right will, subject to these Rules, remain exercisable by the Participant (or, where applicable, the Participant's executor, administrator or legal personal representative) until the date determined by the Board or until it otherwise lapses in accordance with these Rules.

- (c) If a Performance Right lapses during a period when the Participant is prohibited from trading in the Shares pursuant to securities regulatory requirements or to the Securities Dealing Policy (the "**Blackout Period**"), then the term of such Performance Rights thereof shall be extended and shall expire ten Business Days after the end of the Blackout Period.
- (d) For greater certainty, if the Participant ceases to be an Eligible Person for any reason specified in Rule 4.7 and Performance Rights held by such Participant lapse during a Blackout Period, then the term of such Performance Rights shall be extended and shall expire ten Business Days after the end of the Blackout Period.

#### **4.6 Fraudulent or dishonest action**

Unless the Board resolves otherwise, where, in the opinion of the Board, a Participant at any time:

- (a) acts or has acted fraudulently or dishonestly; or
- (b) is in breach or has breached any of his or her obligations to the Company,

the Board may, in its absolute discretion deem any Performance Rights or Vested Performance Rights of the Participant to have immediately lapsed.

#### **4.7 Ceasing to be an Eligible Person**

Subject to Rules 4.8 and 4.9, where a Participant ceases to be an Eligible Person before the Performance Rights then held by him or her become Vested Performance Rights by reason of his or her death, Total and Permanent Disability, bona fide Redundancy or Retirement and provided that, at that time, the Participant continues to satisfy all other relevant conditions set forth in Schedule 1 hereto, then:

- (a) Performance Rights which have not become Vested Performance Rights solely because the Vesting Period has not expired, will be deemed to immediately become Vested Performance Rights; and
- (b) Performance Rights in respect of which one or more Performance Conditions have not been satisfied, but which have not lapsed, may in whole or in part be deemed to become Vested Performance Rights or deemed to have lapsed at the discretion of the Board.

#### **4.8 Ceasing to satisfy relevant conditions**

Unless the Board determines otherwise, if a Participant ceases to be an Eligible Person for any reason other than contemplated by Rule 4.7, all Performance Rights then held by the Participant will be deemed to immediately lapse.

#### **4.9 When employment ceases**

Notwithstanding Rule 4.5, and subject to all applicable laws, unless otherwise resolved by the Board, a Participant granted an approved leave of absence and who exercises his or her right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of a Performance Right under the Plan will be treated for the purposes of Rules 4.5 and 4.7 as not having ceased to be an Eligible Person.

#### **4.10 Issue of Shares**

Subject to Rules 4.4 and 4.5, upon due exercise of a Performance Right the Company must issue to, or transfer to, the Participant or his or her personal representative (as the case may be) the Performance Right Shares to which he or she is entitled under these Rules.

#### **4.11 Quotation of Performance Rights**

Performance Rights will not be quoted on ASX, the TSX or any other securities exchange.

#### **4.12 Shares to rank pari passu**

Shares issued on the exercise of Performance Rights will rank pari passu in all respects with all existing Shares from the date of issue except for any rights attaching to the Shares by reference to a record date prior to the date of their allotment.

#### **4.13 Quotation of Shares**

After Shares have been allotted and issued pursuant to Rule 4.4(e), the Company will apply to the ASX and TSX for quotation of all Performance Right Shares issued under the Plan within the period required by ASX and TSX, if the Shares are then quoted on the ASX or TSX, respectively.

#### **4.14 Future issues of Shares**

A Participant may only participate in new issues of securities to shareholders if the Performance Right has been exercised, if it is permitted by the terms of the new issue, and the Shares allotted in respect of the Performance Right were allotted before the record date for determining entitlements to the issue. The Company must give notice to Participants of any new issue at least 10 Business Days before the record date for determining entitlements to the issue in accordance with the Listing Rules.

#### **4.15 Bonus issue**

If the Company makes a bonus issue of Shares or other securities pro rata to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and Shares have not been allotted in respect of Performance Rights held by a Participant before the record date for determining entitlements to the bonus issue, then the number of Shares in respect of which the Performance Right is exercisable will be increased by the number of securities which the Participant would have received if the Participant's unexercised Performance Rights had been exercised before the record date for the bonus issue.

#### **4.16 Rights issue**

- (a) Subject to the Corporations Act, the Listing Rules and if applicable, the TSX Rules, if, during the term of any Performance Right, the Company makes a pro rata issue of securities to the Company's shareholders by way of a rights issue and Shares have not been allotted in respect of Performance Rights held by a Participant before the record date for determining entitlements to the rights issue, then the Participant shall be entitled to participate in the rights issue on the same terms as the Company's shareholders as if the Participant held that number of Shares equal to the number of Performance Right Shares which the Participant would have received if the Participant's unexercised Performance Rights were exercised prior to the record date for the pro rata issue.
- (b) A Participant will not be entitled to any adjustment to the number of Performance Right Shares he or she is entitled to or adjustment to any Performance Condition which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

#### **4.17 Reorganisations**

In the event of any reorganisation of the capital of the Company, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules, and if then applicable, the TSX Rules, applying to such reorganisation at the time of the reorganisation.

#### **4.18 Accumulation of Adjustments**

Rules 4.15, 4.16 and 4.17 are cumulative and shall apply (without duplication) to successive issues, subdivisions, combinations, consolidations, distributions and any other events that require adjustment of the number of Shares or the number or kind of securities that can be acquired upon the exercise of Performance Rights.

#### **4.19 Advice**

The Company must give notice to each Participant of any adjustment to the number of Shares which the Participant is entitled to subscribe for or be issued on exercise of a Performance Right

#### **4.20 Right to accounts**

Participants will be sent all reports and accounts required to be presented to or laid before members of the Company in general meeting and all notices of general meetings of members but will not have any right in respect of their Performance Rights to attend or vote at those meetings.

#### **4.21 Dividends and rights to vote**

A Performance Right carries no right to a dividend and no right to a vote.

#### **4.22 Security Interest**

Subject to Rule 2.1(d), Participants will not grant a Security Interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the underlying Performance Right Shares are either issued or transferred to that Participant, and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company.

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## **5 Overriding restrictions on grant and exercise**

Notwithstanding any provision of these Rules or the terms of any Performance Right, no Performance Rights may be offered or exercised if to do so:

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

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## **6 Administration of the Plan**

### **6.1 Consistency with Rules**

The Plan will be administered by the Board in accordance with these Rules. The Board may make regulations for the operation of the Plan which are consistent with these Rules.

### **6.2 Board's power and discretion**

Any power or discretion which is conferred on the Board by these Rules must be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

### **6.3 Delegation**

Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board to a committee consisting of such Directors as the Board thinks fit.

### **6.4 Board's decision final and conclusive**

The decision of the Board as to the interpretation, effect or application of these Rules will be final, conclusive and binding in the absence of manifest error.

### **6.5 Termination or suspension**

Subject to the requirements of the Corporations Act, the Listing Rules, and if then applicable the TSX Rules, the Board has the discretion to terminate or suspend the operation of the Plan at any time. Subject to Section 6.9 of these Rules, the suspension or termination of the Plan must not prejudice any existing rights of Participants.

### **6.6 Listing Rule 7.1, Exception 9**

If the Plan has been approved by the Company's shareholders pursuant to Listing Rule 7.1, Exception 9(b), grants of Performance Rights under this Plan may only be made for a period of 3 years commencing on the date on which the Plan is so approved.

### **6.7 Company may approve other schemes**

The Company is not restricted to using the Plan as the only method of providing incentive rewards to Eligible Persons. The Company may approve other incentive schemes.

## **6.8 Participation in other schemes**

Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other scheme of the Company unless the terms of that incentive or scheme provide otherwise.

## **6.9 Company may amend Plan or Performance Right terms**

Subject to Rules 6.10 and 6.11, and the requirements of the Corporations Act, the Listing Rules, and if then applicable, the TSX Rules, the Company may at any time by written instrument of the Board amend (prospectively or retrospectively) all or any of the Rules or the terms attaching to any Performance Rights, including, unless the TSX Rules then apply and so require, this Rule 6.9, without obtaining the approval of the Company's shareholders, including amending the Rules (or the terms attaching to any Performance Rights) to:

- (a) comply with any laws, or the requirements of any applicable regulatory authority or stock exchange;
- (b) clarify an ambiguity or remedy a deficiency, error or omission in the Rules or the terms of any Performance Right;
- (c) facilitate the administration of the Plan;
- (d) amend the Performance Conditions of any Performance Rights;
- (e) introduce any form of financial assistance and any amendment to a financial assistance provision which is adopted;
- (f) amend the eligibility requirements of the Plan;
- (g) amend the terms of Performance Rights or the Plan relating to the effect of the events described in section 4.2(d)(ii) on the right to exercise Performance Rights;
- (h) reduce the number of securities issuable under the Plan;
- (i) amend the process by which a Participant can exercise Performance Rights including the form of exercise notice and the place where such notices must be delivered;
- (j) add covenants of the Company for the protection of Eligible Persons, provided that the Board shall be of the opinion (acting in good faith) that such additions will not be prejudicial to the rights or interests of Eligible Persons; or
- (k) amend the term of any Performance Right, provided that as a result, such term does not extend beyond four years, subject to Rules 4.5(c) and 4.5(d).

## **6.10 No reduction of existing rights**

Any suspension, termination or amendment to the Rules of the Plan (or the terms of any Performance Right) must not materially reduce the rights of any Participant in respect of their Performance Rights held at the date of the suspension, termination or amendment, unless it is primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans, the constitution of a member of the

Group, the Corporations Act, the Listing Rules, or (if then applicable), the TSX Rules; or

- (b) to correct any manifest error or mistake.

Except as expressly stated above, no amendment, suspension or termination of the Plan shall be made at any time to the extent such action would materially adversely affect the existing rights of a Participant with respect to any then outstanding Performance Rights, as determined by the Board in good faith, without the Participant's consent in writing.

#### **6.11 Shareholder approval for certain amendments**

Notwithstanding Rule 6.9, and subject to and without limiting the provisions of the Listing Rules and the Corporations Act, for so long as the TSX Rules apply to the Plan and so require, the approval of shareholders of the Company will be required for any amendment to the Rules or the terms of any Performance Right:

- (a) extending the Expiry Date of any Performance Right held by an Insider;
- (b) increasing the number of Shares which may be issued on exercise of Performance Rights granted under the Plan (other than pursuant to Rules 4.15, 4.16 and 4.17);
- (c) allowing a Participant to transfer Performance Rights other than where the transfer is effected by force of law on death or bankruptcy of the Participant to the Participant's legal personal representative or trustee in bankruptcy, as applicable;
- (d) which would have the potential to broaden or increase Insider participation in the Plan; or
- (e) extending the term of any outstanding Performance Right to a date beyond the latest exercise date currently stipulated in the Rules

provided always that for so long as the Listing Rules apply to the Company the acts referred to in paragraphs (a), (b), (c) and (f) above will not be carried out unless they are permitted by the Listing Rules.

#### **6.12 Notice of amendment**

As soon as reasonably practicable after suspending or terminating the Plan or making any amendment under Rules 6.9 or 6.11, the Board will give notice in writing of that occurrence to any Participant affected thereby.

#### **6.13 Suspension and termination**

Subject to the requirements of the Corporations Act, the Listing Rules, and if then applicable, the TSX Rules, the Board has the discretion to terminate or suspend the operation of the Plan at any time. Subject to Rule 6.10 of these Rules, the suspension of the Plan must not prejudice any existing rights of Participants.

#### **6.14 Instructions by Participants**

For the purposes of the Plan, the Board, the Company and any member of the Group is entitled to regard any notice, direction or other communication given or purported to be given by or on behalf of an Participant (or an executor, administrator or legal personal representative of a Participant) as valid, whether given orally or in writing.

#### **6.15 Notices**

Any notice given by the Company, a member of the Group or the Board in relation to the Plan is deemed to have been duly given if:

- (a) sent by electronic mail; or
- (b) delivered by hand; or
- (c) sent by ordinary prepaid mail,

and is deemed to have been served:

- (d) if sent by electronic mail or delivered by hand, at the time of delivery or sending; or
- (e) if posted, three Business Days (or, if posted to a Participant's address outside Australia, seven Business Days) after the date of posting.

Delivery, transmission and postage must be to the work address of that Participant or to any other address (including a home address) notified in writing by the Participant to the Company from time to time.

#### **6.16 Governing law**

This Plan is governed by the laws in force in Western Australia and is construed and takes effect in accordance with those laws.

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## **7 Participants**

- (a) Nothing in these Rules:
  - (i) confers on any Eligible Person the right to be offered or to receive any Performance Rights;
  - (ii) confers on any Participant the right to continue as an employee or director of any member of the Group;
  - (iii) affects any rights which any member of the Group may have to terminate the employment or engagement of any employee or director; or
  - (iv) may be used to increase damages in any action brought against a member of the Group in respect of any such termination.
- (b) No person, whether a Participant or otherwise, has any claim, right or interest in respect of the Plan or any Performance Rights, whether against the Company or any other person, except under and in accordance with these Rules.

- (c) All Participants shall be entitled to the benefit of and shall be bound by the terms and conditions of the Plan and any amendments thereto.
- (d) Whenever the Board exercises its discretion pursuant to the Plan, the exercise of that discretion shall be in the sole and absolute discretion of the Board and each decision shall be conclusive, final and binding upon Participants.
- (e) The Plan shall not form part of any contract between the Group and any Participant and shall not confer directly or indirectly on any Participant any legal or equitable rights whatsoever against the Group (other than the rights conferred upon Participant under the Plan).
- (f) A Participant has no legal or equitable interest in a Share by virtue of acquiring a Performance Right, except as provided in this Plan and an Offer. A Participant's rights under the Plan are purely personal and contractual.

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## 8 Definitions and interpretation

### 8.1 Definitions

In these Rules, the following words and expressions have the meanings indicated unless the contrary intention appears:

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

**Associated Body Corporate** of a company means:

- (a) a body corporate that is a related body corporate (as defined in the Corporations Act) of the company; or
- (b) a body corporate that has voting power (as defined in the Corporations Act) in the company of not less than 20%; or
- (c) a body corporate in which the company has voting power (as defined in the Corporations Act) of not less than 20%.

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

**Blackout Period** has the meaning ascribed to that term in Rule 4.5(c).

**Board** means the board of Directors as constituted from time to time, or any duly constituted and empowered committee consisting of such Directors as the Board thinks fit.

**Business Day** means a day other than a Saturday, Sunday or public holiday in Perth, Western Australia, and if the TSX Rules then apply, a day on which the TSX is open for trading.

**Company** means Troy Resources NL ABN 33 006 243 750.

**Company Secretary** means a company secretary of the Company from time to time.

**Corporations Act** means the Corporations Act 2001 (Cwlth).

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

**Eligible Person** means a person who is at the time of an Offer under the Plan a full or part-time employee or director of a member of the Group.

**Expiry Date** means, in respect of a Performance Condition, the date specified in an Offer hereto by which such Performance Condition must be satisfied.

**Group** means the Company and its Associated Bodies Corporate.

**Insider** means an Eligible Person who is an “insider” of the Company as defined in the TSX Company Manual.

**Listing Rules** means, if at the applicable time the Shares are listed on the ASX, the Official Listing Rules of the ASX.

**Offer** means an offer to participate in the Plan made in accordance with section 2.1.

**Participant** means a person who holds a Performance Right issued under the Plan including, where applicable, a Participant’s executor, administrator or legal personal representative.

**Performance Conditions** means, in relation to each Performance Right, the performance related conditions which must be satisfied or circumstances which must exist before a Performance Right can be exercised, as set out in the Offer pertaining to that Performance Right.

**Performance Right** means a right granted under these Rules to be issued or transferred, one Share, subject to the Offer pertaining thereto and these Rules.

**Performance Right Share** means, in respect of any Performance Right, the Share a Participant is entitled to subscribe for, or take a transfer of, by reason of the grant to him or her of that Performance Right, including any securities resulting from an adjustment made thereto pursuant to these Rules.

**Plan** means the Troy Resources NL Performance Rights Plan as administered in accordance with these Rules, and as the same may be amended from time to time.

**Redundancy** means termination of employment of a Participant by a member of the Group due to economic, technological, structural or other organisational change where through no act or default of the Participant:

- (a) the member of the Group no longer requires the duties and responsibilities carried out by the Participant to be carried out by anyone; or
- (b) the member of the Group no longer requires the position held by the Participant to be held by anyone.

**Related Body Corporate** has the meaning given to that term in the Corporations Act.

**Relevant Interest** has the meaning given to that term in the Corporations Act.

**Retirement** in relation to a Participant means retirement by the Participant from employment by any member of the Group at age 55 or over.

**Rules** means these rules setting out the terms and conditions of the Plan, as amended from time to time.

**Securities Dealing Policy** means any policy established by the Company applicable to trading in securities of the Company.

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

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

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

**TSX** means the Toronto Stock Exchange.

**TSX Rules** means, if at the applicable time the Shares are listed on the TSX, the rules and policies of the TSX in respect of security based compensation arrangements, as the same may be amended from time to time.

**Vested Performance Right** has the meaning ascribed to that term in Rule 4.2(c).

**Vesting Period** means, in respect of a Performance Right, the period following the satisfaction of the Performance Conditions listed in the Offer which must expire before a Vested Performance Right will be exercised.

## 8.2 Interpretation

In these Rules, unless the contrary intention appears:

- (a) words importing the singular include the plural and vice versa;
- (b) references to the Plan, the Rules or any particular Rule means the Plan, the Rules or the relevant Rule (respectively), as amended from time to time;
- (c) references to a document, or any part of a document means the document or relevant part, as amended from time to time;
- (d) references to a statute or other law include regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
- (e) these Rules, the offer and grant of any Performance Right, and the issue or transfer of any Performance Right Shares shall at all times be subject to the Listing Rules, the Corporations Act and any other applicable laws.
- (f) references to an offer, issue or distribution to the Company's shareholders generally is a reference to an offer, issue or distribution to the generality of the Company's shareholders, whether or not such offer, issue or distribution is extended the holders of other securities issued by the Company and whether or not such offer, issue or distribution excluded persons in particular places outside Australia or other minority groups who may for a particular reason be precluded from participating.

- (g) where any calculation or adjustment to be made pursuant to these Rules, produces a fraction of a cent or a fraction of a share, the fraction shall be rounded to the nearest whole number, favourable to the Participant.
- (h) references to the exercise of a power or discretion by a person (including a Participant) include exercised by that person's executor, administrator or legal personal representative;
- (i) references to the exercise of a power or discretion include a decision not to exercise the power or discretion;
- (j) references to a "year" mean any period of 12 months;
- (k) "including" when introducing a list of items does not exclude a reference to other items whether of the same class or genus or not; and
- (l) "Australian dollars", "dollars", "A\$" or "\$" is a reference to the lawful currency of Australia.

### **8.3 Headings**

Headings are for convenience only and do not affect the interpretation of this Plan.

# Troy Resources NL Performance Rights Plan

## Schedule 1 – Performance Rights Details of Performance Rights

### Performance Conditions, Expiry Date and Vesting Period

Item	Detail
Participant	[INSERT]
Number of Performance Rights	[INSERT]

Performance Condition	Expiry Date	Vesting Period