
Troy Resources Limited Long-Term Incentive Plan

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Troy Resources Limited Long-Term Incentive Plan Rules

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary; and
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for these Rules.

2 Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Employees;
 - (b) link the reward of Eligible Employees to performance and the creation of Shareholder value;
 - (c) align the interests of Eligible Employees more closely with the interests of Shareholders by providing an opportunity for Eligible Employees to receive an equity interest in the form of Awards;
 - (d) provide Eligible Employees with the opportunity to share in any future growth in value of the Company; and
 - (e) provide greater incentive for Eligible Employees to focus on the Company's longer term goals.
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3 Commencement

The Plan will commence on a date determined by resolution of the Board. Where Shareholder Approval is required under an applicable Listing Rule, any Awards granted under the Plan may not vest or be exercised until such Shareholder Approval is obtained.

4 Maximum Award allocation

4.1 Maximum limit

- (a) Notwithstanding any other provision of this Plan or any Invitation Letter, a maximum of 7.5% of the total issued and outstanding Shares of the Company at the time of the grant of Awards (the **Plan Limit**) will be issuable as a result of the

exercise of Awards granted or to be granted under this Plan, provided that the issue is made in accordance with the requirements of any Applicable Laws.

- (b) The number of Plan Shares to be received on the exercise of the Awards the subject of an Invitation, when aggregated with:
 - (i) the number of Shares which would be issued, were each outstanding offer made or Award granted pursuant to the Plan or any other employee incentive scheme extended only to Eligible Employees to be accepted or exercised; and
 - (ii) the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee incentive scheme extended only to Eligible Employees,

but disregarding any offer made, or Awards granted 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;
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act;
- (v) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D; or
- (vi) an offer made under a Disclosure Document or Product Disclosure Statement,

must not exceed 5% of the total number of issued Shares at the time of the grant of the Awards (**5% Limit**).

- (c) The Plan Limit and 5% Limit shall be subject to adjustment or increase pursuant to the provisions of clause 18.1 or as may otherwise be permitted by applicable law and the applicable rules of each stock exchange on which the Shares are then listed or quoted for trading.
- (d) Where an Award lapses without being exercised, the Plan Shares which would otherwise have been received on the exercise of the Award are ignored when calculating the limits in this clause.

4.2 Grant of Awards to Insiders

Notwithstanding any other provision of this Plan or any Invitation Letter, no Award shall be granted under this Plan if, together with any other security based compensation arrangement established or maintained by the Company, such grant could result, at any time, in:

- (a) the aggregate number of Shares issued to Insiders, within any one-year period, exceeding 10% of the issued and outstanding Shares; or
- (b) the aggregate number of Shares issuable to Insiders, at any time, exceeding 10% of the issued and outstanding Shares.

5 Eligibility and grant

5.1 Eligibility

The Board may from time to time in its sole and absolute discretion determine that an Eligible Employee may participate in the Plan. For the avoidance of doubt, a non-executive director is not eligible to participate in the Plan.

5.2 Invitation

- (a) Following determination that an Eligible Employee may participate in the Plan, the Board may at any time and from time to time make an Invitation to the Eligible Employee.
- (b) Subject to clause 6, the manner, form, content, timing and frequency of an Invitation Letter will be as determined by the Board in its sole and absolute discretion.

5.3 Confirmation

- (a) Subject to clause 5.3(b), an Eligible Employee who wishes to participate in the Plan in response to an Invitation Letter must confirm in writing their acceptance of the conditions of the grant of Award and the rules governing such Award as a condition of their participation.
- (b) If written confirmation is not received prior to the date upon which the Award or any portion of the Award would vest, the Board may nevertheless in its sole and absolute discretion agree to permit such Eligible Employee to participate.
- (c) For the avoidance of doubt, the Board in its sole and absolute discretion can refuse to allow an Eligible Employee to participate in the Plan even though a written confirmation is received from the Eligible Employee in accordance with paragraph 5.3(a).

5.4 Nominated Party

- (a) The Board may, in its sole and absolute discretion, determine that an Eligible Employee to whom an Invitation is made may give notice that they would prefer such Invitation be made to a Nominated Party.
- (b) The Board may in its sole and absolute discretion determine whether it will make the Invitation to the Nominated Party and on what conditions it will agree to do so.

5.5 Multiple Invitations

Unless otherwise determined by the Board in its sole and absolute discretion, the Board may grant any number of Awards to Eligible Employees, as set out in any Invitation Letter, notwithstanding that a grant or grants may have previously been made to any Eligible Employee.

5.6 Participation

Following receipt of a written confirmation and subject to clause 5.3(c), and provided that the Eligible Employee is then still an Eligible Employee of a Group Company, the Eligible Employee will be entitled to participate in the Plan according to its terms.

5.7 Grant

- (a) On the Grant Date, the Company will grant to the relevant Eligible Employee the number of Awards as set out in the Invitation and issue the Participant a notice confirming the grant of the Awards together with a Certificate.
 - (b) An Eligible Employee will not pay anything for the grant of Awards.
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6 Terms of Awards

6.1 Board determination

- (a) The terms and conditions of Awards offered or granted under these Rules to each Eligible Employee will be:
 - (i) determined by the Board in its sole and absolute discretion and include as a minimum:
 - (A) the date of the Invitation;
 - (B) the name of the Eligible Employee to whom the Invitation is made;
 - (C) the number and type of Award(s) which are capable of becoming exercisable if the Vesting Conditions (if any), the Performance Hurdles (if any), and/or Exercise Conditions (if any) are met;
 - (D) the Grant Date;
 - (E) in the case of an Option, the Exercise Price;
 - (F) in the case of a Share Appreciation Right, the Grant Price;
 - (G) in the case of an Option or a Share Appreciation Right, the Exercise Period;
 - (H) the Term and Expiry Date (if any);
 - (I) the Vesting Conditions (if any), the Performance Hurdles and Performance Period (if any), the Test Dates (if any) and/or Exercise Conditions (if any);
 - (J) any disposal or other restrictions attaching to the Awards and/or Plan Shares;
 - (K) any rights attaching to the Awards and/or Plan Shares; and
 - (L) agreement with the Eligible Employee for the Company to supply details to third parties where required by law;
 - (ii) set out in an Invitation Letter delivered to the Eligible Employee.
- (b) Invitations may be made by the Board on a differential basis to different classes of Eligible Employees or to Eligible Employees within the same class, as the case may be.

6.2 Award entitlements

Subject to the Board determining otherwise prior to an Invitation, and subject to these Rules:

- (a) each Option entitles (subject to the satisfaction of any Vesting Conditions, Performance Hurdles and/or Exercise Conditions) the Participant holding the Option to subscribe for, or to be transferred, one Plan Share;
- (b) each Performance Right entitles (subject to the satisfaction of any Vesting Conditions, Performance Hurdles and/or Exercise Conditions) the Participant holding the Performance Right to receive one Plan Share;
- (c) each Share Appreciation Right entitles (subject to the satisfaction of any Vesting Conditions, Performance Hurdles and/or Exercise Conditions) the Participant holding the Share Appreciation Right to receive, at the sole and absolute discretion of the Board, and in accordance with clause 8:
 - (i) a cash payment in lieu of all or part of the relevant number of Plan Shares; and/or
 - (ii) the relevant number of Plan Shares;
- (d) any Plan Share acquired pursuant to an exercise of an Award will rank equally with all existing Shares from the date of acquisition.

6.3 Method of delivery of Plan Shares

Upon exercise of Awards, Plan Shares may be delivered to the Participant in the following ways, as determined by the Board from time to time in its sole and absolute discretion:

- (a) by way of allotment and issue of Shares;
- (b) by acquiring Shares from a third party; or
- (c) by any combination of the methods set out in subclauses (a) or (b).

6.4 Participant rights

A Participant who holds Awards is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or
- (b) receive any dividends declared by the Company,

unless and until any Award is exercised and the Participant holds Plan Shares as a result thereof.

6.5 No Adjustment of Awards to reflect payment of dividends and distributions

No adjustment will be made to the number of Performance Rights, Share Appreciation Rights or Options granted to a Participant under the Plan if dividends or other distributions are paid on Shares before Options and Share Appreciation Rights are exercised or the Performance Rights vest.

6.6 Conditions for vesting and exercise

- (a) The Board will determine prior to an Invitation being made, and specify in the Invitation Letter, any Vesting Conditions, Performance Hurdles and Performance Period, and/or Exercise Conditions attaching to the Awards. For greater certainty, the Board may apply different Vesting Conditions, Performance Hurdles or Performance Periods to one or more portions of any Award.
- (b) Awards will only vest if any applicable Vesting Conditions and/or Performance Hurdles have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules.
- (c) Vested Awards will only be exercisable when any applicable Exercise Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules.

6.7 No transfer of Awards

- (a) Awards granted under this Plan may not be assigned, transferred, novated, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, other than in accordance with clause 5.4, unless:
 - (i) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion; or
 - (ii) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.
- (b) Unless otherwise decided by the Board, where a Participant purports to transfer an Award other than in accordance with clause 6.7(a), the Award immediately lapses.

6.8 New issues

An Award 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.

6.9 Awards to be registered

Awards will be registered in the appropriate register of the Company to facilitate the efficient management and administration of the Plan and to comply with regulatory reporting requirements.

7 Exercise and settlement of Performance Rights

7.1 Vesting Notification

- (a) Performance Rights shall vest if and when any Vesting Conditions, Performance Hurdles and/or Exercise Conditions applicable to a Participant's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and where the Company has issued a Vesting Notification to the Participant informing them that some or all of their Performance Rights have vested and will be exercised automatically.

7.2 Method of exercise of Performance Rights

- (a) Following the issue of a Vesting Notification to a Participant, a vested Performance Right will be automatically exercised.
- (b) Upon the exercise of a Performance Right, where required by the Company in accordance with clause 27.2, the Participant will make payment in full of the Withholding Tax Amount the Company is required to remit as a result of the exercise of the Performance Right, where the payment received by the Company shall be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant.

7.3 Actions on exercise

On completion of the exercise of Performance Rights:

- (a) the Performance Rights will automatically lapse;
- (b) the Company will within 30 Business Days allot and issue or procure the transfer of, the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Performance Rights; and
- (c) the Company will issue a substitute Certificate for any remaining Performance Rights.

8 Exercise and settlement of Share Appreciation Rights

8.1 Exercise Period for Share Appreciation Rights

The Exercise Period for Share Appreciation Rights will commence when any Vesting Conditions, Performance Hurdles and/or Exercise Conditions applicable to a Participant's Share Appreciation Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and where the Company has issued a Vesting Notification to the Participant in accordance with clause 8.2 and will end on the Expiry Date, subject to these Rules.

8.2 Vesting Notification

Share Appreciation Rights shall vest if and when any Vesting Conditions, Performance Hurdles and/or Exercise Conditions applicable to a Participant's Share Appreciation Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and where the Company has issued a Vesting Notification to the Participant informing them that some or all their Share Appreciation Rights have vested.

8.3 Method of exercise of Share Appreciation Rights

At the sole and absolute discretion of the Board, following the issue of a Vesting Notification to a Participant, a vested Share Appreciation Right must be exercised by the Participant within the Exercise Period, and by delivery to the registered office of the Company or such other address as determined by the Board of:

- (a) a signed Notice of Exercise;
- (b) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed; and

- (c) where required by the Company in accordance with clause 27.2, the Participant will make payment in full of the Withholding Tax Amount the Company is required to remit as a result of the exercise of the Share Appreciation Right, where the payment received by the Company shall be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant.

8.4 Settlement of Plan Shares through the exercise of Share Appreciation Rights

- (a) Upon exercise of Share Appreciation Rights in accordance with clause 8.3, the Board will determine in its sole and absolute discretion whether the Company will:
 - (i) make a cash payment to the Participant of all or part of the Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Share Appreciation Rights (**Cash Settled**) in accordance with the calculation in clause 8.6 and/or
 - (ii) allot and issue, or procure the transfer of, the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Share Appreciation Rights (**Equity Settled**), in accordance with the calculation in clause 8.7.
- (b) The outcome of the Board's determination under clause 8.4(a) will be communicated to the Participant in writing before the completion of the exercise of Share Appreciation Rights.

8.5 Actions on exercise

On completion of the exercise of Share Appreciation Rights:

- (a) the Share Appreciation Rights will automatically lapse;
- (b) the Company will within 30 Business Days of completing the calculations in accordance with clause 8.6 or 8.7:
 - (i) make the cash payment to or on behalf of the Participant in respect of the Share Appreciation Rights which the Board determines will be Cash Settled in accordance with paragraph 8.4(a)(i); and/or
 - (ii) allot and issue, or procure the transfer of, the Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Share Appreciation Rights and which the Board determines be Equity Settled in accordance with paragraph 8.4(a)(ii); and
- (c) the Company will issue a substitute Certificate for any remaining Share Appreciation Rights.

8.6 Cash Settled

Where vested and exercised Share Appreciation Rights are to be Cash Settled, then the cash payment to be made to a Participant will be calculated as follows:

$$(SAREP - GP) \times N$$

Where:

SAREP = the Share Appreciation Right Exercise Price;

GP = the Grant Price; and

N = the total number of vested and exercised Share Appreciation Rights which the Board has determined will be Cash Settled in accordance with clause 8.4(a)(i).

The resulting value will be paid in cash to or on behalf of the Participant less any Tax, or superannuation required to be withheld to meet the minimum amount required to be contributed by any Group Company under Federal superannuation laws to avoid the imposition of a superannuation guarantee charge. Any superannuation contributions deducted from all or part of any cash payment will be paid into an eligible choice fund of a Participant's choice or the Company's default fund where a Participant has not nominated an eligible choice fund.

Example:

SAREP = \$2.00

GP = \$1.65

N = 10,000

$$(\$2.00 - \$1.65) \times 10,000$$

Cash payment would be **\$3,500** (less any Tax, or superannuation required to be withheld to meet the minimum amount required to be contributed by any Group Company under Federal superannuation laws to avoid the imposition of a superannuation guarantee charge).

8.7 Equity Settled

Where vested and exercised Share Appreciation Rights are to be Equity Settled, then the number of Plan Shares to be provided to or on behalf of a Participant will be calculated as follows (fractions of a Share being disregarded):

$$\frac{SAREP - GP}{SAREP} \times N$$

Where:

SAREP = the Share Appreciation Right Exercise Price;

GP = the Grant Price; and

N = the total number of vested and exercised Share Appreciation Rights which the Board has determined will be Equity Settled in accordance with clause 8.4(a)(ii).

Example:

SAREP = \$2.00

GP = \$1.65

N = 10,000

$$\frac{\$2.00 - \$1.65}{\$2.00} \times 10,000$$

Number of Plan Shares would be **1,750** Plan Shares.

8.8 No Plan Shares or cash deliverable if no gain in Market Value

For the avoidance of doubt, in the event that the Share Appreciation Right Exercise Price is equal to or less than the Grant Price at the date of exercise of Share Appreciation Rights, no allotment and issue or transfer of Plan Shares or payment of cash will be made or due under the Plan in respect of the Share Appreciation Rights so exercised and such Share Appreciation Rights will lapse in accordance with clause 13.

9 Exercise of Options

9.1 Exercise Period for Options

The Exercise Period for Options will commence when the Options have vested and any exercise conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and will end on the Expiry Date, subject to these Rules.

9.2 Vesting Notification

Options are deemed to have vested if and when any Vesting Conditions, Performance Hurdles and/or Exercise Conditions applicable to a Participant's Options have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and where the Company has issued a Vesting Notification to the Participant informing them that some or all their Options have vested and are exercisable.

9.3 Method of exercise of Options

At the sole and absolute discretion of the Board, following the issuing of a Vesting Notification to a Participant, a vested Option must be exercised by the Participant within the Exercise Period, and by delivery to the registered office of the Company or such other address as determined by the Board of:

- (a) a signed Notice of Exercise;
- (b) a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any); and
- (c) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed; and

- (d) where required by the Company in accordance with clause 27.2, payment in full of the amount of Withholding Tax Amount the Company is required to remit as a result of the exercise of the Option, where the payment received by the Company shall be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant.

9.4 Minimum exercise of Options

Options must be exercised in multiples of 500 unless fewer than 500 Options are held by a Participant or the Board otherwise agrees.

9.5 No issue unless cleared funds

Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless determined otherwise by the Board, allot and issue, or transfer, Plan Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

9.6 Actions on exercise of Options

On completion of the exercise of Options:

- (a) the Options will automatically lapse;
- (b) the Company will, within 30 Business Days, allot and issue, or procure the transfer of, the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Options; and
- (c) the Company will issue a substitute Certificate for any remaining Options.

10 Leavers

10.1 Good Leaver

Where a Participant who holds Awards becomes a Good Leaver, unless the Board in its sole and absolute discretion determines otherwise:

- (a) unvested Awards will lapse in accordance with clause 13;
- (b) vested Share Appreciation Rights that have not been exercised will continue in force and remain exercisable, subject to the satisfaction of any applicable Exercise Conditions, until the Expiry Date; and
- (c) vested Options that have not been exercised will continue in force and remain exercisable, subject to the satisfaction of any applicable Exercise Conditions, until the Expiry Date.

10.2 Bad Leaver

Where a Participant who holds Awards becomes a Bad Leaver:

- (a) unvested Awards will lapse in accordance with clause 13;
- (b) vested Share Appreciation Rights that have not been exercised will lapse on the date of the cessation of employment or office of such Participant in accordance with clause 13.2; and

- (c) vested Options that have not been exercised will lapse on the date of the cessation of employment or office of such Participant in accordance with clause 13.2.
-

11 Breach, fraud or dishonesty

Where, in the opinion of the Board, a Participant:

- (a) acts fraudulently or dishonestly; or
- (b) is in material breach of his or her duties or obligations to any Group Company,

then the Board may in its sole and absolute discretion determine that all unvested Awards and vested Options and/or vested Share Appreciation Rights of the Participant will lapse.

12 Awards may be cancelled if Participant consents

Notwithstanding any other provisions of these Rules, and subject to the Listing Rules, if a Participant and the Board agree in writing that some or all of the unvested Awards or vested Options and/or vested Share Appreciation Rights granted to that Participant may be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Awards on the relevant date or on the occurrence of the particular event (as the case may be) for no consideration.

13 Lapse of Awards

13.1 Lapsing events

Subject to clause 17(c), unless the Board determines otherwise in its sole and absolute discretion, unvested Awards will lapse on the earlier of:

- (a) the cessation of employment or office of a Participant;
- (b) the day the Board makes a determination that the Awards lapse in accordance with clause 11;
- (c) if any applicable Vesting Conditions and/or Performance Hurdles are not achieved by the relevant time;
- (d) if the Board determines in its sole and absolute discretion that any applicable Vesting Conditions, Performance Hurdles and/or Exercise Conditions have not been met and cannot be met prior to the Expiry Date; or
- (e) the Expiry Date.

Notwithstanding the foregoing, if the Term of an Option or Share Appreciation Right held by any Participant would otherwise expire during, or within 10 Business Days of the expiration of a Blackout Period applicable to such Participant, then the term of such Option or Share Appreciation Right shall be extended to the close of business on the 10th Business Day following the expiration of the Blackout Period.

13.2 What happens on lapsing

Where a Participant's Awards have lapsed under clause 13.1, the Company will:

- (a) notify the Participant that the Awards held by them have lapsed;
- (b) arrange for the Participant or the Participant's agent or attorney to sign any transfer documents required to transfer or otherwise deal with the Awards; and
- (c) not be liable for any damages or other amounts to the Participant in respect of the Awards.

14 Listing

14.1 Awards

Unless determined otherwise by the Board in its sole and absolute discretion, Awards granted under the Plan will not be quoted on any stock exchange.

14.2 Plan Shares

While the Company remains listed on a stock exchange, the Company will if necessary apply for the official quotation of Plan Shares on each stock exchange on which Shares are quoted.

15 Rights attaching to Plan Shares

15.1 Shares to rank equally

Any Plan Shares allotted and issued by the Company to a Participant or transferred by the Company to a Participant will rank equally with all existing Shares on and from the date of issue or transfer.

15.2 Dividends

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on the Plan Shares which, at the books closing date for determining entitlement to those dividends, are standing to the account of the Participant.

15.3 Dividend reinvestment

The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held by the Participant and such participation must be in respect of all such Plan Shares. Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by the Participant.

15.4 Voting rights

A Participant may exercise any voting rights attaching to Plan Shares registered in the Participant's name.

16 Disposal restrictions on Plan Shares

16.1 Board determines

The Board may, in its sole and absolute discretion, determine prior to an Invitation being made, whether there will be any restrictions on the disposal of, the granting (or purporting to grant) of any Security Interest in or over, or otherwise on dealing with (or purporting to dispose or deal with), Plan Shares held by any Participants.

16.2 No transfer

Subject to clause 16.1, Plan Shares, or any beneficial or legal interest in Plan Shares, may not be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over them, by a Participant unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

16.3 Company actions

The Company may do such things and enter into such arrangements with the Company's share registry or otherwise as it considers necessary to enforce the transfer restrictions set out in clause 16.2, including but not limited to imposing a holding lock on the Plan Shares during the relevant restriction period. Participants will be bound by any action by the Company under this clause 16.3.

16.4 Overriding restrictions on dealing with Plan Shares

Plan Shares must not be dealt with under this Plan if to do so would contravene Applicable Laws.

16.5 Plan Shares entitlements

For the avoidance of doubt, the imposition of a restriction on the Plan Shares held by a Participant pursuant to clause 16.1 will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company or Shareholders, and to receive any dividends declared by the Company during the relevant restriction period.

16.6 Company's Share Trading Policy

At all times Participants must comply with any Share Trading Policy.

17 Change of Control Event

- (a) On the occurrence of a Change of Control Event, the Board may in its sole and absolute discretion determine that:
 - (i) unvested Options will vest and become exercisable in accordance with clause 17(c);
 - (ii) unvested Share Appreciation Rights will vest and become exercisable in accordance with clause 17(c); and

- (iii) all or a percentage of unvested Performance Rights as determined by the Board will vest and become exercisable,

with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment or office of the Participant is terminated or ceases in connection with the Change of Control Event.

- (b) In exercising the discretion with respect to unvested Performance Rights in accordance with clause 17(a)(iii), the Board may determine that vesting take place on a pro rata basis taking into consideration an assessment of the Participant's current and anticipated achievement of Performance Hurdles and any other relevant criteria.
- (c) Whether or not the Board determines to accelerate the vesting of any Awards, the Company shall give written notice of any proposed Change of Control Event to each Participant. Upon the giving of any such notice:
 - (i) a Participant shall be entitled to exercise, at any time within the 14-day period following the giving of such notice, all or a portion of those Share Appreciation Rights granted to such Participant which are then vested and exercisable in accordance with their terms, as well as any unvested Share Appreciation Rights which shall become vested and exercisable in connection with the completion of such Change of Control Event. Unless the Board determines otherwise (in its sole and absolute discretion), upon the expiration of such 14-day period, all rights of the Participants to exercise any outstanding Share Appreciation Rights, whether vested or unvested, shall terminate and all such Share Appreciation Rights shall immediately lapse, expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control Event;
 - (ii) such Performance Rights as the Board has determined should vest pursuant to clause 17(a)(iii) shall be automatically exercised in full upon issuing of such notice in accordance with their terms (except with respect to the original Vesting Conditions, any Exercise Conditions and the number of Performance Rights vesting and as otherwise modified in such written notice);
 - (iii) all Performance Rights other than those the Board has determined should vest pursuant to clause 17(a)(iii) shall lapse on the date of the relevant Change of Control Event; and
 - (iv) a Participant shall be entitled to exercise, at any time within the 14-day period following the giving of such notice, all or a portion of those Options granted to such Participant which are then vested and exercisable in accordance with their terms, as well as any unvested Options which shall become vested and exercisable in connection with the completion of such Change of Control Event. Unless the Board determines otherwise (in its sole and absolute discretion), upon the expiration of such 14-day period, all rights of the Participants to exercise any outstanding Options, whether vested or unvested, shall terminate and all such Options shall immediately lapse, expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control Event.

18 Capital events

18.1 Variation of capital

If there are variations to the share capital of the Company including a variation or rights issue, sub-division, consolidation, reduction, return or cancellation of share capital, a demerger (in whatever form) or other distribution in specie, the Board may:

- (a) adjust the number of Options to which a Participant is entitled, and/or the Exercise Price (if any) of the Options in accordance with the Listing Rules;
- (b) adjust the number of Performance Rights to which a Participant is entitled in accordance with the Listing Rules; and
- (c) adjust the number of Share Appreciation Rights to which a Participant is entitled, and/or the Grant Price in a similar manner to that required for options under the Listing Rules.

18.2 Fairness in application

In the application of this clause 18, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company, subject to the Listing Rules.

18.3 Notice of variation

As soon as reasonably practicable after making any adjustment under clause 18.1, the Board will give notice in writing of the adjustment to any Participant affected by it.

19 Buy-Back

Subject to compliance with applicable securities laws, the Company may Buy-Back Awards for an amount agreed with the Participant at any time. Each Participant will do all acts, matters and things which are necessary or desirable to give effect to any Buy-Back of his or her Awards or Plan Shares.

20 Contravention of Applicable Laws

- (a) No act will be done or determination made in accordance with these Rules where to do so would be a breach of any Applicable Laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of unexercised Awards or Plan Shares.
- (b) Notwithstanding any of the provisions contained in this Plan or in any Invitation Letter, the Company's obligation to issue or procure Plan Shares upon the exercise of an Award shall be subject to the following:
 - (i) completion of such registration or other qualification of such Shares and the receipt of any approvals of governmental authority or stock exchange as the Company shall determine to be necessary or advisable in connection with the authorisation, issuance or sale thereof;

- (ii) the admission of such Shares to listing on any stock exchange(s) or over-the-counter market on which the Shares may then be listed or quoted; and
 - (iii) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any applicable jurisdiction.
- (c) In connection with clause 20(b), the Company shall, to the extent necessary, take all steps determined by the Board, in its discretion, to be reasonable to obtain such approvals, registrations and qualifications as may be necessary for the issuance or procurement of such Shares in compliance with applicable securities laws and for the listing or quotation of such Shares on any stock exchange(s) on which the Shares are then listed or quoted.

21 Administration of the Plan

21.1 Administration by Board

The Plan will be administered by the Board.

21.2 Regulations

The Board may make such regulations for the operation of the Plan as it considers necessary, provided such regulations are consistent with these Rules.

21.3 Delegation

- (a) The Board may delegate any of its powers or discretions conferred on it by these Rules to a committee of the Board or to any one or more persons selected by it, including but not limited to the company secretary.
- (b) Any delegation will be for such period and upon such terms and conditions as determined by the Board from time to time.

21.4 Board may engage specialist service providers

The Board may at any time appoint or engage specialist service providers for the operation and administration of the Plan.

21.5 Decisions final

Every exercise of a discretion by the Board (or its delegates) and any decision by the Board (or its delegates) regarding the interpretation, effect or application of these Rules will be final, conclusive and binding.

21.6 Attorney and agent

- (a) Each Participant hereby authorises and appoints the company secretary holding office at the relevant time (or their delegate) as their agent or attorney with power to do all things necessary in the name of and on behalf of the Participant to give effect to these Rules, including and without limitation, signing Award or Plan Share transfers, and signing all documents and doing all acts necessary to effect a Buy-Back, and accounting for the proceeds of the sale of forfeited shares, but expressly excluding the power to exercise Awards granted to the Participant under the Plan.

- (b) Each Participant agrees to indemnify and hold harmless any person acting as their agent or attorney in accordance with these Rules in respect of all costs, damages or losses of whatever nature arising from so acting.

21.7 Notice

- (a) Address for service
 - (i) Any notice required to be given to the Participants under the Plan or the terms of the Awards granted will be sent to the address of the Participant as entered in the register unless delivered in person.
 - (ii) Any notice required to be given to the Company under the Plan or the terms of the Awards granted will be sent to the registered office of the Company or such other address as is notified to Participants from time to time.
- (b) Delivery of notices
 - (i) Any notice to be given to Participants may be delivered by hand to the Participant or by any other means specified in the Constitution for delivery of notices to members.
 - (ii) Any notice to be given to the Company may be delivered by hand or by prepaid post. Notices may also be given to the Company by means of facsimile, e-mail or other mode of electronic delivery to such address as is notified by the Company to the Participant.
 - (iii) Notices delivered to Participants in accordance with the Constitution will be taken to be delivered in accordance with the Constitution. Notices delivered to the Company by pre-paid post will be taken to be delivered if properly addressed and stamped, 48 hours after mailing in Australia and 7 days after mailing outside Australia. Notices delivered by facsimile, e-mail or other mode of electronic delivery will be taken to be delivered on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery.

22 Amendment

22.1 Amendment of Plan

- (a) Subject to clauses 22.1(b) and (c), the Listing Rules and the Constitution, the Board may at any time amend these Rules or the terms upon which any Awards have been granted under the Plan. Without limiting the scope of the foregoing, the Board may make the following amendments to the Plan without shareholder approval:
 - (i) amendments of the type described in clause 22.1(b)(i);
 - (ii) amendments of a "housekeeping" nature, which include amendments relating to the administration of the Plan or to eliminate any ambiguity or correct or supplement any provision herein which may be incorrect or incompatible with any other provision hereof;
 - (iii) changing the vesting and exercise provisions of the Plan or any Award in a manner which does not entail an extension beyond the originally scheduled expiry date for any applicable Award, including to provide for accelerated

vesting and early exercise of any Awards deemed necessary or advisable in the Board's discretion;

- (iv) changing the termination provisions of the Plan or any Award which, in the case of an Award, does not entail an extension beyond an Award's originally scheduled expiry date for that Award;
 - (v) adding a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying Shares from the Plan reserve;
 - (vi) changing the provisions on transferability of Awards for normal estate settlement purposes;
 - (vii) changing the process by which a Participant who wishes to exercise his or her Award can do so, including the required form of payment for the Shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered; and
 - (viii) adding a conditional exercise feature which would give Participants the ability to conditionally exercise in certain circumstances determined by the Board in its discretion, at any time up to a date determined by the Board in its discretion, all or a portion of those Awards granted to such Participants which are then vested and exercisable in accordance with their terms, as well as any unvested Awards which the Board has determined shall be immediately vested and exercisable in such circumstances.
- (b) No amendment to these Rules or to the terms of any Awards granted under the Plan may be made if the amendment materially reduces the rights of any Participant in respect of Awards granted to them prior to the date of the amendment, other than:
- (i) an amendment introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (B) to correct any manifest error or mistake;
 - (C) to allow the implementation of a trust arrangement in relation to the holding of Plan Shares granted under the Plan;
 - (D) for the purpose of complying with Applicable Laws; and/or
 - (E) to take into consideration possible adverse taxation implications (including, without limitation, on account of fringe benefits tax) for the Company in respect of the Plan or the Awards granted, including as a result of changes to applicable taxation legislation or the interpretation of that legislation by any taxation authority or a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
 - (ii) an amendment agreed to in writing by the Participant(s).
- (c) Notwithstanding anything contained herein to the contrary, no amendment to the Plan requiring the approval of the shareholders of the Company under any applicable securities laws or requirements shall become effective until such

approval is obtained. Without limitation of the foregoing, the approval of a majority of the shareholders of the Company present in person or by proxy and entitled to vote at a meeting of shareholders shall be required for the following matters, to the extent required by applicable securities laws and regulatory requirements:

- (i) any amendment to the provisions of this clause 22.1;
- (ii) any amendment to increase the Plan Limit (other than pursuant to clause 18.1);
- (iii) any reduction in the Exercise Price of an outstanding Option (including a cancellation and re-grant of an Option, constituting a reduction of the Exercise Price of an Option) or extension of the period during which an Option may be exercised; and
- (iv) any amendment to remove or exceed the limitations prescribed by clause 4.2 of the Plan,

in each case, unless the change results from the application of clause 18.

- (d) Subject to the Listing Rules and, if applicable, any shareholder approval, the Board may determine that any amendment to these Rules or the terms of Awards granted under the Plan be given retrospective effect.
- (e) Amendment of these Rules or the terms upon which Awards are granted under the Plan by the Board will be of immediate effect unless otherwise determined by the Board.
- (f) As soon as reasonably practicable after making any amendment to these Rules or the terms of Awards granted under the Plan, the Board will give notice of the amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

22.2 Amendment by addendum

Subject to any other provision of these Rules, the Board may from time to time amend the terms of this Plan as they will apply in particular jurisdictions or circumstances by means of an addendum to these Rules.

23 Termination or suspension

23.1 Termination or suspension

Subject to clause 23.2, the Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit.

23.2 Resolution to terminate or suspend

In passing a resolution to terminate or suspend the operation of the Plan, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants.

24 Rights of Participants

Nothing in these Rules, participation in the Plan or the terms of any Award:

- (a) confers upon an Eligible Employee a right to a grant or offer of a grant of Awards;
- (b) confers on an Eligible Employee or a Participant the right to continue as an employee or officer of any Group Company (as the case may be) or participate in the Plan;
- (c) affects the rights of any Group Company to terminate the employment or office of an Eligible Employee or a Participant (as the case may be);
- (d) affects the rights and obligations of any Eligible Employee or Participant under the terms of their employment or office with any Group Company;
- (e) confers any legal or equitable right on an Eligible Employee or a Participant whatsoever to take action against any Group Company in respect of their employment or office;
- (f) confers on an Eligible Employee or a Participant any rights to compensation or damages in consequence of the termination of their employment or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
- (g) 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 Employee or Participant.

25 ASIC relief

Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this clause 25 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

26 Non-exclusivity

26.1 Non-exclusivity

This Plan will not be deemed to be the exclusive method of providing incentive compensation to Eligible Employees, nor will it preclude any Group Company from authorising or approving other forms of incentive compensation for employees of any Group Company.

26.2 Relationship to other equity plans

Participation in this Plan will not affect or be affected by any participation in any other employee equity plan operated by any Group Company, except as specifically provided in the terms of that other plan.

27 General

27.1 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 issue or purchase of Shares (except for taxes, which are payable by Participants, and the exercise price (if any) for Options) 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 its employees or officers, or former employees or officers.

27.2 Taxes

Upon the exercise of an Award, the Participant shall make arrangements satisfactory to the Company regarding payment of any federal, state, provincial, local or other taxes of any kind required by law to be paid in connection with the exercise of the Award. In order to satisfy the Company's obligation, if any, to remit an amount to a taxation authority on account of such taxes in respect of the exercise, transfer or other disposition of an Award (the **Withholding Tax Amount**), the Company shall have the right, at its discretion, to:

- (a) retain and withhold amounts from any amount or amounts owing to the Participant, whether under this Plan or otherwise;
- (b) require the Participant to pay to the Company the Withholding Tax Amount as a condition of exercise of the Award by a Holder, where the payment received by the Company shall be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant; and/or
- (c) withhold from the Shares otherwise deliverable to the Participant on exercise of the Award such number of Shares as have a market value not less than the Withholding Tax Amount and cause such withheld Shares to be sold on the Participant's behalf to fund the Withholding Tax Amount, where:
 - (i) the Company will not be responsible for obtaining any particular price for the Shares;
 - (ii) the proceeds of any Shares sold shall be held by the Company on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant; and
 - (iii) any proceeds from such sale in excess of the Withholding Tax Amount shall be promptly paid over to the Holder.

Notwithstanding the foregoing, nothing shall preclude the Company and the Participant from agreeing to use a combination of the methods described in this clause 27.2 or some other method to fund the Withholding Tax Amount.

27.3 Data protection

By providing a written confirmation in accordance with clause 5.3, 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 Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

27.4 Error in Allocation

If any Award 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 Award and any such Awards will immediately lapse.

27.5 Dispute

Any disputes or differences of any nature arising under the Plan will be referred to the Board for determination.

27.6 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by these Rules in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

27.7 Listing Rules

While the Company remains admitted to the ASX, the provisions of the Listing Rules of the ASX will apply to the Plan, and to the extent that the Plan and the Listing Rules are inconsistent, the provisions of the Listing Rules will prevail.

27.8 Non-residents of Australia

- (a) The Board may adopt additional Rules applicable to any jurisdiction outside Australia under which Awards offered under the Plan may be subject to additional or modified terms, having regard to any securities exchange control or taxation laws or regulations or similar factors which may apply to the Participant or any Group Company in relation to those Awards. Any additional Rule must conform to the basic principles of the Plan.
- (b) When an Award is granted under the Plan to a Participant who is not a resident of Australia, the Rules apply subject to such alterations or additional terms as the Board determines having regard to any securities exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the Award.

27.9 Enforcement

These Rules, any determination of the Board made pursuant to the Rules, and the terms of any Awards granted under the Plan, will be deemed to form a contract between the Company and the Participant.

27.10 Governing law

This Plan and any Awards granted under it will be governed by, and must be construed according to, the laws of the State of Western Australia and the Commonwealth of Australia.

Dictionary

In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

5% Limit has the meaning as set out in clause 4.1(b).

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

- (a) the Corporations Act;
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth);
- (e) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), and (d) above; and
- (f) any other legal requirement that applies to the Plan.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange.

Award means:

- (a) an Option;
- (b) a Performance Right; and/or
- (c) a Share Appreciation Right,

as the case may be.

Bad Leaver means a Participant who ceases employment or office with any Group Company in any of the following circumstances:

- (a) the Participant's employment is terminated, or the Participant is dismissed from office, due to:
 - (i) serious and wilful misconduct;
 - (ii) material breach of the terms of any contract of employment or office entered into by the Company (or another Group Company) and the Participant;
 - (iii) gross negligence; or

- (iv) other conduct justifying termination of employment or office without notice either under the Participant's contract of employment or office, or at common law;
- (b) the Participant ceases his or her employment or office for any reason and commences employment, engagement or office, or otherwise acts, in breach of any post-termination restrictions contained in his or her contract of employment or office entered into by the relevant Group Company and the Participant; or
- (c) the Participant is ineligible to hold his or her office for the purposes of Part 2D.6 of the Corporations Act.

Blackout Period means a period when the Participant is prohibited from trading in the Company's securities pursuant to the Company's written policies then applicable.

Board means the board of directors of the Company, a committee appointed by the board of directors of the Company as constituted from time to time, or any person who is provided with delegated authority by the board of directors of the Company from time to time.

Business Day means a day on which banks are open for general banking business in Western Australia, excluding Saturdays, Sundays and public holidays in Western Australia.

Buy-Back means the purchase by the Company of Awards prior to their exercise, or the buy-back by the Company of Plan Shares, pursuant to clause 19.

Cash Settled has the meaning as set out in clause 8.4(a)(i).

Certificate means the certificate issued by the Company to a Participant in respect of an Award.

Change of Control Event occurs where:

- (a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
- (b) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (d) any Group Company or Group Companies enter into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
- (d) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

Company means Troy Resources Limited (ACN 008 787 988).

Constitution means the constitution of the Company, as amended from time to time.

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

Director means a director of any Group Company.

Eligible Employee means a person who is a full-time or part-time employee of the Company or of a Related Body Corporate, or is a director who holds a salaried employment of office in the Company or a Related Body Corporate.

Equity Settled has the meaning as set out in clause 8.4(a)(i).

Exercise Conditions means any criteria, requirements or conditions, as determined by the Board or under these Rules, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Hurdles) prior to a Participant being entitled to exercise vested Awards in accordance with clauses 7, 8 and/or 9.

Exercise Period means the period during which:

- (a) a vested Option may be exercised, as set out in clause 9.1; or
 - (b) a vested Share Appreciation Right may be exercised, as set out in clause 8.1,
- as the case may be.

Exercise Price means the exercise price payable by a Participant to acquire a Share upon the exercise of an Option, as specified by the Board in the Invitation Letter, and determined by the Board in its sole and absolute discretion; provided that the Exercise Price shall not in any circumstances be lower than the Market Value of the Shares on the Grant Date of the Option.

Expiry Date means the earlier of:

- (a) the date 5 years from the Grant Date of any Awards; or
- (b) any other date determined by the Board and as specified in the Invitation,

after which the Awards lapse and may no longer be exercised.

Good Leaver means a Participant who ceases employment or office with any Group Company and who is not a Bad Leaver, and includes where a Participant's employment or office ceases due to death, permanent incapacity, redundancy, resignation, retirement or any other reason the Board determines in its sole and absolute discretion.

Grant Date means the date on which Awards are granted to a Participant and specified in the Invitation Letter.

Grant Price means, in relation to a Share Appreciation Right, the value determined by the Board to be equal to the Market Value of a Share as at the Grant Date of that Share Appreciation Right or such higher value determined by the Board in its sole and absolute discretion as specified in the Invitation Letter.

Group means the Company and its Related Bodies Corporate and **Group Company** means any one of them.

Insider has the meaning set out in the TSX Company Manual.

Invitation means an invitation to an Eligible Employee to apply for the grant of Awards under these Rules.

Invitation Letter means a letter from the Company to an Eligible Employee, which contains the Invitation.

Listing Rules means the listing rules, market rules or operating rules of a financial market in respect, of which the Company's shares are quoted or are the subject of an application for quotation, including but not limited to the official listing rules of the ASX and the TSX Company Manual.

Market Value means the value of an Award or of Shares as determined by:

- (a) in relation to an Award, a valuation methodology approved by the Board; or
- (b) in relation to Shares, the volume weighted average trading price (**VWAP**) of Shares sold on the ASX over the last 5 trading days immediately before the relevant date.

Net Proceeds means the cash proceeds from the sale of Plan Shares less any reasonable costs and expenses in respect of such sale.

Nominated Party means, in respect of an Eligible Employee:

- (a) that person's spouse;
- (b) that person's biological or legally adopted child of at least 18 years of age;
- (c) a trustee or trustees of a trust set up wholly for the benefit of one or more Eligible Employees or a person mentioned in sub-clauses (a) or (b); or
- (d) a company in which all of the issued Shares are beneficially held by, and all of the voting rights are beneficially held by:
 - (i) the Eligible Employee; and/or
 - (ii) a person or persons mentioned in sub-clauses (a), (b) or (c) above.

Notice of Exercise means a notice in the form determined by the Board from time to time.

Option means an option granted to a Participant under this Plan to subscribe for and/or acquire (as determined by the Board in its sole and absolute discretion) one Share on the terms of the Plan and subject to the satisfaction of any Vesting Conditions, Performance Hurdles and/or Exercise Conditions and payment of the relevant Exercise Price (if any).

Participant means an Eligible Employee who has been offered Awards and who has returned a corresponding written confirmation to the Company that has been accepted by the Company pursuant to these Rules.

Performance Hurdles means any conditions relating to the performance of the Group (and the manner in which those conditions will be tested) for the purposes of determining the number of Awards granted to a Participant which may be exercised, as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion.

Performance Period means the period set out in the Invitation Letter and determined by the Board in its sole and absolute discretion for the purpose of determining the extent (if any) to which the Performance Hurdles have been met.

Performance Right means an entitlement of a Participant granted under this Plan to subscribe for and/or acquire one Share on the terms set out in the Plan subject to the satisfaction of any Vesting Conditions, Performance Hurdles and/or Exercise Conditions. For the avoidance of doubt, no consideration is payable for the exercise of a right to subscribe for and/or acquire a Share pursuant to the Performance Right.

Plan means the Troy Resources Limited Long-Term Incentive Plan established and operated in accordance with these Rules.

Plan Limit has the meaning as set out in clause 4.1(a).

Plan Share means any Share held by a Participant:

- (a) in respect of which the Participant exercised an Option;
- (b) upon automatic exercise of a Performance Right; or
- (c) in respect of which the Participant exercised a Share Appreciation Right.

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

Rules means these rules in respect of the operation of the Plan, as amended from time to time.

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

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

Share Appreciation Right means a right of a Participant to receive a future payment equal to the positive difference between the Grant Price and the Share Appreciation Right Exercise Price in accordance with these Rules. At the sole and absolute discretion of the Board, the amount to be provided to or on behalf of a Participant may be settled by one of the following means:

- (a) Cash Settled;
- (b) Equity Settled; or
- (c) a combination of the methods in paragraph (a) and (b),

to be calculated in accordance with these Rules.

Share Appreciation Right Exercise Price means, in relation to a Share Appreciation Right, the value determined by the Board to be equal to the Market Value of a Share as at the date of exercise of a Share Appreciation Right.

Share Trading Policy means any Company share trading policy, as amended from time to time.

Shareholder means any holder of Shares.

Shareholder Approval means any prior consent of affirming resolution that needs to be obtained from Shareholders of the Company before an action is taken or determination made under these Rules.

Tax means all forms of taxes (including, without limitation, PAYG withholding, income tax and fringe benefits tax), imposts, charges, withholdings or other governmental impositions collected, imposed, assessed or charged by a taxation authority and any related interest penalties, fines, expenses and other additional statutory charges.

Test Date means, in relation to an Award, the date at which Performance Hurdles are to be measured to determine whether that Award becomes vested, as set out in the Invitation Letter and determined by the Board in its sole and absolute discretion.

Term means the period commencing on the Grant Date and ending on the Expiry Date (inclusive).

TSX means The Toronto Stock Exchange.

TSX Company Manual means the Company Manual of the TSX, as amended from time to time, including such Staff Notices of the TSX from time to time which may supplement the same.

Vesting Conditions means any time based criteria, requirements or conditions (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Awards vesting in a Participant, which the Board may throughout the course of the period between the grant of an Award and its vesting waive or accelerate as the Board considers reasonably appropriate.

Vesting Notification means a notice to a Participant informing the Participant that his or her Options have vested and are exercisable, and/or that his or her Performance Rights and/or Share Appreciation Rights (as the case may be) have vested and are either exercisable, or will be automatically exercised.

Withholding Tax Amount has the meaning as set out in clause 27.2.

Interpretation

In these Rules the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of these Rules;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:

- (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a document includes all amendments or supplements to that document;
 - (iii) a clause is a reference to a clause of these Rules;
 - (iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (v) an agreement other than these Rules includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (vi) a monetary amount is in Australian dollars;
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day; and
- (h) in determining the time of day, where relevant to these Rules, the relevant time of day is:
- (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under these Rules, the time of day in the place where the party required to perform an obligation is located.

Applicable Laws

These Rules, the offering and granting of any Awards or Plan Shares and the rights attaching to or interests in the Awards or Plan Shares will at all times be subject to all Applicable Laws.

Rounding

Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of an Award or Plan Share, the fraction will be eliminated by rounding to the nearest whole number.

Constitution

The entitlements of Eligible Employees and Participants under these Rules are subject to the Constitution. In the event of any inconsistency between these Rules and the Constitution, the terms of the Constitution will prevail.