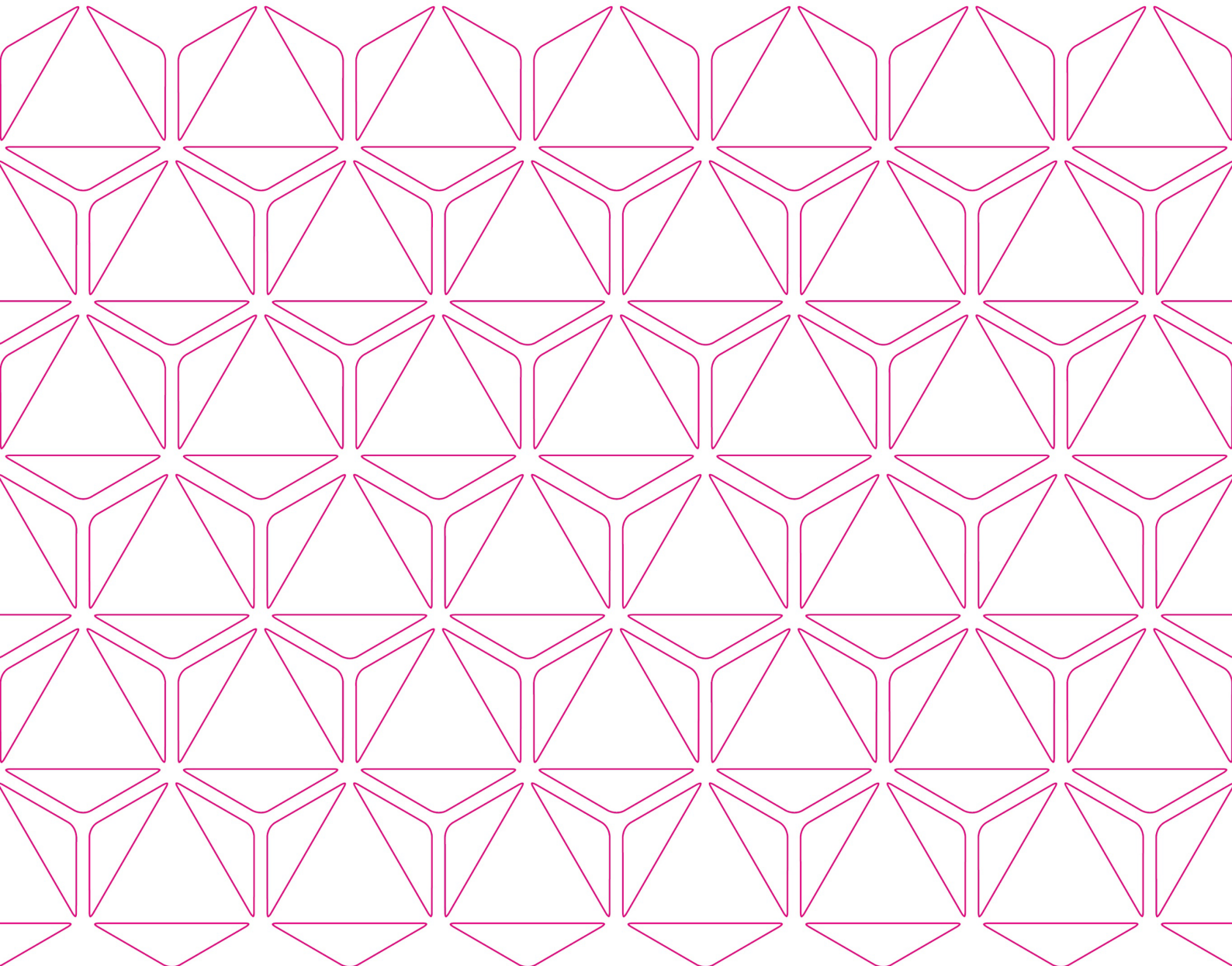


# Praemium Directors and Employee Benefits Plan



To be approved by the Members of Praemium Limited  
at the Company's Annual General Meeting  
held on Wednesday, 22 November 2023



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## 1 General Nature of the Plan

### Description

- 1.1 This is a plan under which Eligible Participants may become holders of Securities in the Company. This Plan is called the Praemium Director and Employee Benefits Plan.

### Object and Operation of this Plan

- 1.2 The object of this Plan is to help the Company recruit, reward, retain and motivate its employees and Directors.

### Income Tax Deferral

- 1.3 This Plan is a scheme to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in that Act).

### Compliance with Applicable Law

- 1.4 This Plan is a plan to which Division 1A of Part 7.12 of the Corporations Act applies (subject to the conditions to that Act) except to the extent an Invitation provides otherwise.
- 1.5 Any Invitation made under or pursuant to this Plan is an Invitation made under Division 1A of Part 7.12 of the Corporations Act except to the extent an Invitation provides otherwise.
- 1.6 This document and each Invitation is to be interpreted subject to any Applicable Law. In the event of any inconsistency between the Corporations Act or the Listing Rules and this document or any Invitation:

- (a) the Corporations Act and the Listing Rules will prevail to the extent of the inconsistency; and
- (b) this document and each relevant Invitation will be deemed to be altered to the extent necessary to comply with the Corporations Act and the Listing Rules.

### **Commencement of Plan**

- 1.7 This Plan starts on the Starting Date.

## **2 Eligibility and Restrictions**

### **Eligibility**

- 2.1 The Board may from time to time determine that an Eligible Participant may participate in the Plan.

### **Voluntary participation**

- 2.2 Participation in this Plan by an Eligible Participant is voluntary and no Eligible Participant is required to participate in this Plan.

### **Overriding restrictions**

- 2.3 No Security may be offered, allocated, Vested or exercised if to do so would contravene any Applicable Law. Any purported grant or exercise in breach of the foregoing is invalid.

### **Issue Cap for Invitations For Monetary Consideration**

- 2.4 An Invitation For Monetary Consideration must comply with the applicable requirements of section 1100Q of the Corporations Act.
- 2.5 Without limiting Rule 2.4, the Company must reasonably believe, at the time of making an Invitation For Monetary Consideration, that the total number of Plan Shares that may be acquired by exercising a Convertible Security subject of the Invitation when aggregated together with the number of Plan Shares that have been or may be acquired as a result of any previous offers made under the Plan or any other employee share scheme to participants in Australia in the previous 3 year period ending on the day the Invitation is made, does not exceed the percentage referred to in Rule 2.6 of the number of those Shares actually issued by the Company (whether in connection with the Plan or otherwise) as at the start of the day the Invitation is made.
- 2.6 The percentage is:
- (a) if the Constitution specifies an issue cap percentage – that percentage; or
  - (b) if Rule 2.6(a) does not apply, the greater of:
    - (i) 5%; and
    - (ii) the percentage (if any) specified by the Regulations for the purposes of section 1100V(2)(b) of the Corporations Act.

## **3 Invitations to Participate**

### **Invitations to Participate**

- 3.1 Subject to these Rules, the Board may make Invitations to any Eligible Participant at any time.
- 3.2A Invitations will be made on the terms set out in these Rules and/or any additional or alternative terms as the Board determines subject to any applicable requirements of the Listing Rules and the Corporations Act, as specified in the terms of an Invitation.

### Form of Invitation

- 3.2 An Invitation shall be in such form and content and subject to such conditions and rules as the Board determines, which may include:
- (a) the name and address of the Eligible Participant to whom the Invitation is made and, where the Board so decides, that the application may be made in the name of a Nominated Party of the Eligible Participant;
  - (b) the type and total number of Securities being made available to the Eligible Participant;
  - (c) the closing date for applications and the last date for acceptances by the Company;
  - (d) the Exercise Price (if any);
  - (e) any Vesting Conditions or other conditions that apply (including any Vesting Period);
  - (f) the amount payable (if any) for the grant of each Security or how such amount is calculated;
  - (g) the terms of exercise for a Convertible Security (where exercisable), including the period(s) during which exercise is permitted;
  - (h) the circumstances in which Convertible Securities may lapse, Plan Shares allocated under the Plan may be forfeited or a Participant's entitlement to Securities may be reduced;
  - (i) an application form;
  - (j) a summary, or a copy of, this Plan;
  - (k) any disposal restrictions on the Participant's rights to deal with the Plan Shares acquired under the Plan in addition to those restrictions set out in Rule 7.3;
  - (l) the treatment of Convertible Securities if the Participant becomes a Leaver;
  - (m) the procedure to be followed by an Eligible Participant to apply to participate in this Plan and to apply for Securities; and
  - (n) any other information or documents, including those required to be included in the Invitation by any Applicable Law.

### Additional requirements for Invitations For Monetary Consideration

- 3.3 The terms of any Invitation For Monetary Consideration must:
- (a) include the terms of the offer;
  - (b) provide general information about the risks of acquiring and holding the Securities being offered in the Invitation For Monetary Consideration;
  - (c) state that any advice given in relation to the Invitation For Monetary Consideration does not take into account the Eligible Participant's objectives, financial situation and needs;
  - (d) suggest that the Eligible Participant obtain personal advice in respect of the Invitation For Monetary Consideration;
  - (e) state the period during which the Eligible Participant may accept the Invitation For Monetary Consideration;
  - (f) set out the acquisition price of the Securities, as applicable, or if the acquisition price will be determined in the future, how the acquisition price will be determined;
  - (g) explain how the Eligible Participant may ascertain the market price of the Plan Shares or, if the Invitation For Monetary Consideration involves Convertible Securities, how the Eligible Participant may ascertain the market price of the Plan Shares underlying the Convertible Securities;
  - (h) must state that following acceptance of the Invitation For Monetary Consideration, the Eligible Participant cannot acquire any Securities earlier than 14 days after the date on which they receive the Invitation For Monetary Consideration;

- (i) include, or direct the Eligible Participant to, any of the following documents (if they exist) that relate to the same class of Securities as those offered under the Invitation For Monetary Consideration:
  - (i) a disclosure document prepared under Part 6D.2 of the Corporations Act in relation to an offer of securities, where that offer was made in the 12 months before the date on which the Eligible Participant may first apply to receive Convertible Securities under the Invitation For Monetary Consideration; or
  - (ii) a product disclosure statement prepared under Part 7.9 of the Corporations Act in relation to an offer of financial products for issue or sale, where that product disclosure statement relates to an offer that was made in the 12 months before the date on which the Eligible Participant may first apply for Securities under the Invitation For Monetary Consideration; and
- (j) include any matters that must be included in such disclosure documentation under Applicable Laws.

3.4 The terms of any Invitation For Monetary Consideration are taken to include any term that is required to be included by section 1100Z(1) of the Corporations Act together with those matters that may be included in accordance with section 1100Z(3) of the Corporations Act. This means that in respect of any offer that is covered by section 1100Q of the Corporations Act:

- (a) the Invitation For Monetary Consideration must not include any misleading or deceptive statements and must not omit any information that would result in the Invitation being misleading or deceptive;
- (b) the Company must provide each Participant with an updated Invitation For Monetary Consideration as soon as practicable after becoming aware that the original Invitation has become out of date or otherwise not correct in a material respect; and
- (c) a Participant who has received such an Invitation For Monetary Consideration, and has suffered loss or damage because of a contravention of (a) or (b) above, may be able to recover the amount of that loss or damage from certain persons (including the Company, any of its directors or any Person named in the relevant Invitation For Monetary Consideration with their consent) as provided for in section 1100Z(2) of the Corporations Act but such a person will not be liable for any such loss or damage in certain circumstances set out in section 1100Z(3) of the Corporations Act including where the person made all inquiries (if any) that were reasonable in the circumstances and after doing so believed on reasonable grounds that the statement was not misleading or deceptive.

### **Applications**

- 3.5 An application to participate in the Plan must be made by the Eligible Participant in accordance with the instructions that accompany the Invitation, or in any other way the Board determines. An application by an Eligible Participant may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation.
- 3.6 The Board is entitled to reject any application by an Eligible Participant to participate in this Plan without assigning any reason. Unless otherwise determined by the Board, an application will not be accepted if at the time the Company received the application:
- (a) the applicant is not an Eligible Participant;
  - (b) notice of termination of the applicant's Engagement Arrangement has been given (whether by the applicant or by one or more members of the Group); or
  - (c) the Board has determined that the applicant is no longer eligible to participate in the Plan.

### **Effect of acceptance of Invitation**

- 3.7 If the Board resolves to accept an application by an Eligible Participant to participate in this Plan and to be allocated Securities the Board must notify the Eligible Participant accordingly.

- 3.8 Once notice is given, a contract is formed between the Eligible Participant and the Company under which:
- (a) an Eligible Participant:
    - (i) becomes bound by the terms and conditions of the Invitation and this Plan (including these Rules);
    - (ii) agrees to be bound by the Constitution of the Company;
    - (iii) agrees to the allocation of the Securities made available to the Eligible Participant in accordance with the terms and conditions of the Eligible Participant's application which is accepted by the Board; and
    - (iv) becomes a Participant in this Plan.
  - (b) the Company must, subject to this Plan, issue a holding statement in the form determined by the Board (and containing such information as required by any Applicable Laws) to evidence the grant of the Convertible Securities to the Participant.

### **Nomination**

- 3.9 Unless otherwise expressly permitted in the Invitation, an Eligible Participant may only submit an Application in the Eligible Participant's name and not on behalf of any other person.
- 3.10 If an Eligible Participant is permitted in the Invitation, the Eligible Participant may, by notice in writing to the Board, nominate a Nominated Party in whose favour the Eligible Participant wishes to renounce the Invitation in order for the Nominated Party to be granted the Securities the subject of the Invitation.
- 3.11 The Board may in its discretion resolve not to allow a renunciation of an Invitation in favour of a Nominated Party without giving any reason for that decision. For the avoidance of doubt, the Board will not facilitate the renunciation of the Invitation as set out in Rule 3.10 in favour of the Nominated Party where to do so would be inconsistent with:
- (a) the Corporations Act; or
  - (b) any covenant or other provision 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 ASIC's power to exempt or modify the Corporations Act.
- 3.12 If the Board resolves to allow a renunciation of an Invitation in favour of a Nominated Party:
- (a) the Board may impose any such conditions that it thinks fit in respect of that renunciation; and
  - (b) the Eligible Participant must procure that the permitted Nominated Party accepts the Invitation made to the Eligible Participant and that both the Eligible Participant and the Nominated Party agree to be bound by the Rules and execute any documents required by the Company in order to receive the grant and to give effect to these Rules.
- 3.13 If Securities are granted to a Nominated Party nominated by an Eligible Participant, then to the extent necessary to give effect to the intent of these Rules, the Eligible Participant will continue to be treated as the Participant.

## **4 Risk Lies with Eligible Participant**

- 4.1 Subject to Rule 3.4(c), if an Eligible Participant is allocated Securities and participates in this Plan, the risk of loss to that Eligible Participant as the holder of Securities arising for any reason whatsoever, including from the Securities falling in value, lies with the Eligible Participant. Neither the Group, nor the Board, nor any officer or employee of the Company represents that either the Securities will maintain their value or increase in value. None of them is responsible to an Eligible Participant if the Eligible Participant suffers any loss.

- 4.2 Neither the Group nor any adviser to the Group nor the Board represents or warrants that this Plan will have any particular taxation consequences or that any Participant will gain any taxation advantage by participating in this Plan and they are not liable for, or as a consequence of, any taxes imposed upon or duties assessed against a Participant.

## 5 Options

### Options subject to this Plan

- 5.1 Options will be governed by this Plan until the Options:
- (a) lapse in accordance with Rule 5.15; or
  - (b) have Vested, and are exercised, and Plan Shares have been allocated as a result of that exercise.

### Consideration

- 5.2 Unless the Board determines otherwise, no payment is required for the grant of an Option.

### Vesting

- 5.3 Subject to any express Rule to the contrary, an Option granted under the Plan will only Vest and become exercisable where each Vesting Condition, and all other relevant conditions advised to the Participant by the Board pursuant to Rule 3.2, have been satisfied or otherwise waived by the Board.
- 5.4 Vesting occurs upon notification from the Company to the Participant that an Option has Vested pursuant to this Rule 5.

### Options personal to Participant

- 5.5 Options are personal to the Participant and may not be Transferred or exercised by any other person except to the extent necessary to enable a Participant's Legal Personal Representative to exercise the Options in accordance with this Rule 5.
- 5.6 The Participant has no entitlement to receive a Share under Rule 5.11 or a cash payment under Rule 5.13 until the Options have been exercised.

### Procedure for exercise

- 5.7 The exercise of any Option granted under the Plan will be effected in the form and manner determined by the Board and notified to the Participant by the Participant lodging at the address as nominated in the Invitation:
- (a) a Notice of Exercise signed by the Participant (which may include execution via an electronic exercise facility as determined by the Board from time to time);
  - (b) any other documentation as may be specified in the Invitation; and
  - (c) payment of the Exercise Price (if any) with all funds having cleared, in respect of the Options exercised in accordance with Rule 6.2.

### Form of payments

- 5.8 All payments made under Rule 6.1 must, unless otherwise determined by the Board, be made:
- (a) in the manner specified in the Invitation; and
  - (b) denoted in Australian dollars.

### Exercise in minimum parcels

- 5.9 A Participant may exercise some or all of the Options he or she holds, but must exercise Options in such minimum parcels as may be prescribed by the Board from time to time and notified from time to time to the Participant in writing.

### **Partial exercise – release of new holding statement**

- 5.10 Where a Participant submits a Notice of Exercise in respect of only some of the Options covered by a certificate, the Company must provide an updated holding statement containing all information required by all Applicable Laws.

### **Allocation of Shares or cash payment**

- 5.11 Subject to this Plan, the Company must deliver (by issue or transfer, or procure the setting aside for) that number of Plan Shares in respect of which Options have been validly exercised pursuant to this Rule 5. No further action is required on the part of the Participant.
- 5.12 In the case of Options held by or on behalf of a Participant who is a Director, Vested Options must be satisfied by Shares that have been purchased on market, unless:
- (a) no shareholder approval is required under the Listing Rules in respect of the Director's participation in the Plan; or
  - (b) shareholders have approved the Director's participation in the Plan to the extent required under the Listing Rules.
- 5.13 The Board may determine in its full discretion that, in respect of some or all of a Participant's vested Options, instead of:
- (a) issuing Plan Shares to a Participant in accordance with Rule 5.11; or
  - (b) purchasing Shares on market and transferring them to Director in accordance with Rule 5.12,
- the Company will pay a cash amount to the Eligible Participant equivalent to the Market Value of the Shares (as determined by the Board) that would otherwise have been allocated to the Participant, reduced by:
- (c) the Exercise Price that the Participant would have been required to pay (if any);
  - (d) the amount of the contribution that the Company (or any other company in the Group) is required to make to a complying superannuation fund in order to avoid having an individual superannuation guarantee shortfall in respect of the Eligible Participant in relation to the payment of that amount to the Eligible Participant; and
  - (e) the amount of any taxes that is required to withhold in relation to the payment of that amount to the Eligible Participant.
- 5.14 Where the Board exercises its discretion under Rule 5.13 to make a cash payment to a Participant in lieu of an allocation of Plan Shares, the Company must refund any amount paid by the Participant to exercise those Options as soon as reasonably practicable

### **Lapse**

- 5.15 An Option will lapse upon the earliest to occur of:
- (a) 15 years after the date on which the Options were allocated to the Participant, or any other date nominated as the expiry date in the Invitation (unless the Board determines that the Options will be exercised on the expiry date by way of a cashless exercise arrangement);
  - (b) the Option lapsing in accordance with a provision of these Rules (including in accordance with a term of an Invitation);
  - (c) failure to meet a Vesting Condition or any other condition applicable to the Option within the Vesting Period; or
  - (d) the receipt by the Company of a notice in writing from a Participant to the effect that the Participant has elected to surrender the Option.

## 6 Performance Rights

### Performance Rights subject to this Plan

- 6.1 Performance Rights will be governed by this Plan until the Performance Rights:
- (a) lapse in accordance with Rule 6.13; or
  - (b) have Vested, and (if applicable) are exercised, and Plan Shares have been allocated as a result of that exercise.

### Consideration

- 6.2 Unless the Board determines otherwise, no payment is required for the grant of a Performance Right.

### Vesting

- 6.3 Subject to any express Rule to the contrary, a Performance Right will only Vest (and if applicable, become exercisable) where each Vesting Condition, and all other relevant conditions advised to the Participant by the Board pursuant to Rule 3.2, have been satisfied or otherwise waived by the Board.
- 6.4 Vesting occurs upon notification from the Company to the Participant that a Performance Right has Vested pursuant to this Rule 6.

### Performance Rights personal to Participant

- 6.5 Performance Rights are personal to the Participant and may not be Transferred or exercised by any other person except to the extent necessary to enable a Participant's Legal Personal Representative to, if applicable, exercise the Performance Rights in accordance with this Rule 6.
- 6.6 The Participant has no entitlement to receive a Share under Rule 6.10 or a cash payment under Rule 6.11 until the Performance Right has Vested, and if applicable, been exercised.

### Procedure for exercise

- 6.7 Where the Board notifies a Participant that a Performance Right is exercisable, the exercise of the Performance Right will be effected in the form and manner determined by the Board and notified to the Participant by the Participant lodging at the address as nominated in the Invitation:
- (a) a Notice of Exercise signed by the Participant (which may include execution via an electronic exercise facility as determined by the Board from time to time); and
  - (b) any other documentation as may be specified in the Invitation.

In the case of a Performance Right that is exercisable, where the Performance Right has not been exercised by the expiry date, it will be automatically exercised on the expiry date.

### Exercise in minimum parcels

- 6.8 A Participant may exercise some or all of the Performance Rights he or she holds, but must exercise Performance Rights in such minimum parcels as may be prescribed by the Board from time to time and notified from time to time to Participants in writing.

### Partial exercise – release of new holding statement

- 6.9 Where a Participant submits a Notice of Exercise in respect of only some of the Performance Rights covered by a certificate, the Company must provide an updated certificate or holding statement containing all information required by all Applicable Laws.

### Allocation of Shares or cash payment

- 6.10 Subject to this Plan, as soon as practicable following Vesting (and if applicable, exercise) of a Performance Right, the Board must issue to, procure the transfer to, or procure the setting aside

for, the Participant the number of Plan Shares in respect of which Rights have Vested or have been exercised (as applicable). No further action is required on the part of the Participant.

- 6.11 In the case of Performance Rights held by or on behalf of a Participant who is a Director, Vested Performance Rights must be satisfied by Shares that have been purchased on market, unless:
- (a) no shareholder approval is required under the Listing Rules in respect of the Director's participation in the Plan; or
  - (b) shareholders have approved the Director's participation in the Plan to the extent required under the Listing Rules.
- 6.12 The Board may determine that in its full discretion that, in respect of some or all of a Participant's vested Performance Rights, instead of:
- (a) issuing Shares to a Participant in accordance with Rule 6.10; or
  - (b) purchasing Shares on market and transferring them to Director in accordance with Rule 6.11,
- the Company will pay a cash amount to the Eligible Participant equivalent to the Market Value of the Shares (as determined by the Board) that would otherwise have been allocated to the Participant, reduced by:
- (c) the Exercise Price that the Participant would have been required to pay (if any);
  - (d) the amount of the contribution that the Company (or any other company in the Group) is required to make to a complying superannuation fund in order to avoid having an individual superannuation guarantee shortfall in respect of the Eligible Participant in relation to the payment of that amount to the Eligible Participant; and
  - (e) the amount of any taxes that is required to withhold in relation to the payment of that amount to the Eligible Participant.

### **Lapse**

- 6.13 A Performance Right will lapse upon the earliest to occur of:
- (a) 15 years after the date on which the Performance Rights were allocated to the Participant, or any other date nominated as the expiry date in the Invitation, other than a Vested but unexercised Performance Right which will be automatically exercised on the expiry date;
  - (b) the Performance Right lapsing in accordance with a provision of these Rules (including in accordance with a term of an Invitation);
  - (c) failure to meet a Vesting Condition or any other condition applicable to the Performance Right within the Vesting Period; or
  - (d) the receipt by the Company of a notice in writing from a Participant to the effect that the Participant has elected to surrender the Performance Right.

## **7 Allocation of Shares**

### **Allocation of Shares directly to Participant**

- 7.1 Subject to Rule 7.7, Plan Shares to be acquired by a Participant, including in accordance with Rules 5.11, 5.12, 6.10 or 6.11, may be allocated to a Participant by, at the absolute discretion of the Board, the issue, transfer, purchase, or setting aside for, of Shares on behalf of the Participant within 10 Business Days.
- 7.2 Subject to Rule 20.2, Shares required to be allocated to a Participant under Rule 7.1 are to be registered in the name of that Participant.

### Restrictions on Shares

- 7.3 If the Invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction, including but not limited to imposing an ASX Holding Lock (where applicable) on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period.
- 7.4 For so long as a Plan Share is subject to any disposal restrictions under this Plan, the Participant will not:
- (a) transfer, encumber or otherwise dispose of, or have a Security Interest granted over that Plan Share; or
  - (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- 7.5 Upon the expiry of any disposal restrictions over a Plan Share, the Company will take all action necessary to ensure that the Participant can deal with that Plan Share.
- 7.6 For the avoidance of doubt, the imposition of a disposal restriction on a Plan Share held by a Participant 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, and to receive any dividends declared by the Company during the relevant disposal restriction period on that Plan Share. If an employee share trust arrangement is implemented in respect of this Plan, the Board may implement such procedures it deems appropriate to give effect to the intent of this Rule 7.6.

### Delay of allocation

- 7.7 If the allocation of a Share would arise in a period where:
- (a) dealings by a Participant would:
    - (i) would contravene the Constitution of the Company, or be prohibited or by the Company's policies (including the Company's Securities Trading Policy); or
    - (ii) breach the insider trading or takeover provisions of the Corporations Act or any other Applicable Law of a jurisdiction in which the Company is incorporated or a Participant resides, or
  - (b) the Board determines that the allocation of a Share would otherwise be inappropriate in the circumstances,
- the Board may determine that allocation will be delayed until such time as dealings are permitted or appropriate.

### Allocation of Shares to Directors or other specified persons

- 7.8 Unless the acquisition of Shares by the relevant Participant under the Plan has been approved by the holders of ordinary securities of the Company (or where the acquisition is otherwise permitted under the Listing Rules), only Shares that have been acquired on-market will be allocated to the following Participants:
- (a) a Director; or
  - (b) a Nominated Party of a Director.

### Securities trading restrictions

- 7.9 For the avoidance of doubt, notwithstanding any other Rule, a Share allocated to a Participant under the Plan may not be disposed of or otherwise dealt with by that Participant at any time when the Participant would be precluded from dealing in Shares pursuant to the Company's internal regulations for dealings in its securities (including pursuant to the Company's Securities Trading Policy, or otherwise as determined by the Board).

## 8 Quotation

- 8.1 The Company will not seek official quotation of any Convertible Securities.
- 8.2 Subject to the Company being satisfied in all respects that there are no trading restrictions on the holder of any Plan Shares delivered under this Plan, or any Plan Shares allocated on exercise of Convertible Securities under this Plan, which have been imposed under any Applicable Law, the Company must use all reasonable endeavours to obtain the grant of quotation of those Shares on ASX no later than 5 business days (or such shorter period as may be required by ASIC or ASX) after the later of either:
- (a) the date of issue and allotment of the Shares; or
  - (b) the date that the Company is satisfied as to the absence of any trading restriction.

## 9 Cessation of Employment and Forfeiture

### Failure to satisfy Vesting Conditions

- 9.1 Unless otherwise stated in the Invitation or determined by the Board, a Convertible Security which has not yet Vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable Vesting Conditions have not been met or cannot be met by the relevant date.

### Unvested Convertible Securities upon becoming a Leaver

- 9.2 Where a Participant who holds Convertible Securities becomes a Leaver, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to Vest, subject to the Listing Rules.

### Vested Convertible Securities upon Resignation or becoming a Bad Leaver

- 9.3 Unless otherwise stated in the Invitation or determined by the Board in its absolute discretion, a Convertible Security held by a Participant who becomes a Leaver which has not already been validly exercised (if applicable) after Vesting in accordance with these Rules will automatically be forfeited immediately on the earlier of:
- (a) at the date of voluntary termination of the Engagement Arrangement by the Participant;
  - (b) at the date of termination of the Engagement Arrangement by a Group member due to the Participant becoming a Bad Leaver.

### Vested Convertible Securities upon becoming a Good Leaver

- 9.4 Unless otherwise stated in the Invitation, if a Participant who becomes a Good Leaver, all Convertible Securities held by the Participant which have not already been validly exercised after Vesting will lapse and be forfeited on the date that is 30 days after the date that the Participant becomes a Leaver, unless the Board in its absolute discretion determines that some or all of the Vested Convertible Securities will be retained by the Participant and may be exercised until the end of the exercise period described in the relevant Invitation or such other period as determined by the Board.
- 9.5 If the Board determines (in its absolute discretion) to permit a Participant to retain Vested Convertible Securities under clause 9.4, the Board must provide written notice to the Participant of the number of Vested Convertible Securities that will be retained by the Participant.

### Vested Convertible Securities upon Death

- 9.6 Should a Participant become a Leaver as a result of their death, the Participant's legal personal representative will have a period of six months to exercise any Vested Convertible Securities

from the date the Company receives notice of the specified event and acknowledges the death of the Participant in writing.

### **Insolvency**

- 9.7 Unless otherwise stated in the Invitation or determined by the Board, a Convertible Security held by a Participant in accordance with these Rules will be forfeited immediately on the date that the Participant becomes Insolvent.

### **Other forfeiture events**

- 9.8 Unless the Board otherwise determines, or as otherwise set out in these Rules, any Convertible Securities which have not yet Vested will be automatically forfeited on the expiry date.

### **Discretion to determine that the Convertible Securities are not forfeited**

- 9.9 Notwithstanding clauses 9.1 to 9.8 (inclusive) and subject to the Corporations Act and the Listing Rules, the Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited when the Participant becomes a Leaver, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

### **Voluntary forfeiture**

- 9.10 A Participant may by written notice to the Company voluntarily forfeit their Convertible Securities for no consideration.

### **Application of Part 2D.2 Division 2 of the Corporations Act**

- 9.11 Rules 9.11 to 9.14 (inclusive) apply to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies.
- 9.12 Notwithstanding any other provision of these Rules, in the absence of shareholder approval, the Company is not required to provide, or procure the provision, of any benefit under these Rules which is not permitted by Part 2D.2 Division 2 of the Corporations Act.
- 9.13 Any benefits required to be provided to a Participant in accordance with these Rules will, by operation of this clause, be reduced to ensure compliance with Part 2D.2 of the Corporations Act and the provision of such reduced benefit shall constitute full satisfaction of the obligations of each member of the Group. In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with Part 2D.2 of the Corporations Act.
- 9.14 Where clause 9.12 applies, the Company may seek or not seek shareholder approval in its discretion.

### **Effect of forfeiture of Convertible Securities**

- 9.15 Where a Convertible Security has been forfeited in accordance with these Rules:
- (a) the Convertible Security will automatically lapse;
  - (b) the Participant or the Participant's agent or attorney must sign any transfer documents required by the Company to effect the forfeiture of that Convertible Security; and
  - (c) the Company will not be liable for any damages or other amounts to the Participant in respect of that Convertible Security.

## **10 Adjustments, pro rata issues, reconstructions of capital**

### **Calculations and adjustments**

- 10.1 Subject to this Rule 10, prior to the allocation of Shares to a Participant upon exercise of Convertible Securities, the Board may grant additional Convertible Securities or make any adjustments it considers appropriate to the terms of a Convertible Security granted to that

Participant in order to minimise or eliminate any material advantage or disadvantage to a Participant resulting from a corporate action by, or capital reconstruction in relation to, the Company, including but not limited to any return of capital. Adjustments that may be made include adjustments to:

- (a) the number of Convertible Securities to which each Participant is entitled;
- (b) the number of Plan Shares to which each Participant is entitled upon exercise of Convertible Securities;
- (c) any amount payable on Vesting (and, if applicable, exercise) of Convertible Securities (including the Exercise Price); or
- (d) where appropriate, a combination of paragraphs (a), (b) and/or (c) above.

- 10.2 Any calculations or adjustments which are required to be made under this Rule 10 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Participants.

### **Participation in new issues**

- 10.3 Unless otherwise determined by the Board, a Participant may participate in new issues of securities to holders of Shares only if:
- (a) the Convertible Security has been exercised; and
  - (b) a Plan Share has been delivered in respect of the Convertible Security before the record date for determining entitlements to the new issue.
- 10.4 The Company must give notice to Participants of any new issue not less than 10 Business Days before the record date for determining entitlements to the issue.

### **Adjustment for bonus issues of Shares**

- 10.5 Without limiting Rule 10.1, if the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment) Convertible Securities will be adjusted in the manner allowed or required by the Listing Rules.

### **Rights issues**

- 10.6 Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or to sell renounceable rights.
- 10.7 Without limiting Rule 10.1, Options will be adjusted in accordance with ASX Listing Rule 6.22.2 (or any replacement Rule) as a result of a rights issue.

### **Reconstructions**

- 10.8 Without limiting Rule 10.1, if any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected, Convertible Securities will be adjusted in the manner required by the Listing Rules.

### **Advice to Participants**

- 10.9 The Board must give notice to each Participant of any adjustments under Rule 10.1 and any adjustment to:
- (a) the number of Plan Shares for which the Participant is entitled to subscribe upon exercise of a Convertible Security; and
  - (b) the Exercise Price per Share under a Convertible Security (if any).

## 11 Change of Control

### Change of Control Event

- 11.1 Where there is a Change of Control Event, the Board may determine that all or a specified number of a Participant's Securities Vest or cease to be subject to restrictions (as applicable). For the avoidance of doubt, a Change of Control Event does not include:
- (a) an internal reorganisation of the structure, business and/or assets of the Group; and
  - (b) subject to Rule 11.2, if the Board does not make a determination pursuant to this Rule 11.1, then all of a Participant's Securities will remain on foot subject to the original terms of grant.
- 11.2 Without limiting Rule 11.1(a), where there is an actual change in the Control of the Company then, unless the Board determines otherwise, all unvested Securities will immediately Vest or cease to be subject to restrictions (as applicable) on a pro rata basis having regard to the portion of the Vesting Period that has elapsed.
- 11.3 Any unvested Securities that do not Vest under Rules 11.1 or 11.2 will lapse unless the Board determines a different treatment.
- 11.4 Notwithstanding the default treatment set out in these Rules, the Board may specify in the Invitation to the Participant (in accordance with Rule 3.2) a particular treatment that will apply to unvested Securities in the context of a Change of Control Event.

### Notification of Vesting

- 11.5 Where some or all of a Participant's Securities Vest pursuant to Rule 11.1 to 11.4, the Board will, as soon as reasonably practicable, give written notice to each Participant of the number of Securities that have Vested.

### Treatment of Vested Securities

- 11.6 The Board has the discretion to determine the treatment of all Vested Securities (including those that Vest in accordance with Rule 11.1 to 11.4) where a Change of Control Event occurs.
- 11.7 Without limiting Rule 11.6, where there is an actual change in the Control of the Company then, unless the Board determines otherwise:
- (a) all Vested Options, and where Performance Rights are exercisable, all Vested Performance Rights, will be exercisable for a period of 6 months from the actual change in the Control of the Company and will lapse if not exercised within the specified period;
  - (b) and any restrictions on dealing imposed by the Board on Vested Securities will cease to have effect.
- 11.8 Where Rule 11.6 applies, the Participant appoints the Company as their agent to do anything needed to give effect to this arrangement, including agreeing to become a member of the new controlling company (if applicable).

### Application of Listing Rules

- 11.9 Notwithstanding any other Rule, the Board may, in its absolute discretion, determine whether it will seek a waiver in relation to any applicable Listing Rules to give effect to a determination of the Board in accordance with Rule 11.6) or the acceleration of Vesting in accordance with Rules 11.1 to 11.4, otherwise the acceleration of any Convertible Securities will, at all times, be subject to the Listing Rules.

## 12 Dividends and other rights

### Plan Shares

- 12.1 Subject to the terms of any Trust Deed (if applicable) or Invitation, the following Rules apply in respect of Plan Shares allocated to, or on behalf of, a Participant under this Plan:
- (a) All Plan Shares will rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares.
  - (b) the Participant is entitled to receive all dividends and other distributions or benefits payable to the Participant or to the Trustee in respect of the Plan Shares;
  - (c) the Participant is entitled to exercise, or to direct the Trustee in writing how to exercise, the voting rights attaching to the Plan Shares, either generally or in a particular case;
  - (d) any bonus shares that are issued in respect of the Plan Shares will be issued to the Participant, or to the Trustee on the Participant's behalf, and will be held by the Participant or Trustee as Plan Shares subject to the same terms, conditions and restrictions on Dealing (if any) as the Plan Shares in respect of which they were issued; and
  - (e) if rights arise on a rights issue in respect of the Plan Shares, the Participant may deal with or exercise those rights, or instruct the Trustee (if applicable) in relation to those rights in accordance with the Trust Deed. If the Plan Shares are held by the Trustee on the Participant's behalf and the Participant does not instruct the Trustee how to deal with the rights, the rights will be dealt with in accordance with the Trust Deed.
- 12.2 Rule 12.1 applies whether in relation to Plan Shares allocated on the Vesting or exercise (as applicable) of Convertible Securities, or whether allocated directly to a Participant (or a Trustee for and on behalf of the Participant).

### Convertible Securities

- 12.3 Unless or until Plan Shares are allocated to a Participant following Vesting or exercise (as applicable) of their Convertible Securities, the Participant has no interest in those Plan Shares in respect of which the Convertible Security was granted.
- 12.4 Notwithstanding Rule 12.3, the Board may determine at the time an Invitation is made that a dividend equivalent payment will be paid to a Participant who becomes entitled to an allocation of Shares (or equivalent cash amount) following the Vesting (and, if applicable, exercise) of Convertible Securities under that Invitation (minus any applicable tax) or to a cash payment following the Vesting of Units under that Invitation (minus any applicable tax).
- 12.5 A Participant will have no right to receive a dividend equivalent payment made in respect of any Convertible Securities that lapse in accordance with the Plan.
- 12.6 Subject to the terms of any Invitation, a dividend equivalent payment in respect of Convertible Securities:
- (a) will be an amount determined by the Company that will be approximately equal to the amount of dividends that would have been payable to the Participant had they been the owner of the Shares referred to in Rule 12.4 during the Vesting Period;
  - (b) will not be grossed up or otherwise adjusted to account for any tax consequences which would have applied if the Participant had actually been paid a dividend; and
  - (c) may be satisfied through the allocation of Plan Shares or payment of cash in accordance with these Rules.

## 13 Claw back

13.1 Where, in the opinion of the Board:

- (a) a Participant at any time:
  - (i) acts, or has acted, fraudulently or dishonestly or made a material misstatement on behalf of any Group Company;
  - (ii) is in material breach of any of his or her duties or obligations to any Group Company;
  - (iii) has engaged in negligence or gross misconduct;
  - (iv) has done an act which could reasonably be regarded to have brought any Group Company into disrepute; or
  - (v) is convicted of an offence or has a judgment entered against them in connection with the affairs of any Group Company;
- (b) there is a Financial Misstatement Circumstance which results in a Participant obtaining a right or in a restriction in relation to Securities being lifted, where, in the opinion of the Board, such right would not have been obtained or such restriction would not have been lifted (as applicable) but for that Financial Misstatement Circumstance;
- (c) a Participant's Securities Vest or may Vest as a result of the fraud, dishonesty, negligence or breach of obligations of any other person and, in the opinion of the Board, the Securities would not have otherwise Vested;
- (d) the Company is required by, or entitled under, law or Company policy (including the Company's Securities Trading Policy) to reclaim Remuneration from a Participant; or
- (e) other adverse events or outcomes arise that the Board considers should impact on a Participant's awards under this Plan (including the Participant ceasing employment or engagement with the Group in order to commence employment or engagement with a direct competitor of the Group),

the Board may:

- (f) where unvested Securities have not lapsed automatically, deem any unvested Securities held by the Participant to have lapsed;
- (g) where Vested Securities have not been exercised, deem any Vested Securities held by the Participant to have lapsed;
- (h) where Plan Shares have been allocated to the Participant following the exercise of Convertible Securities, appoint an officer of the Company as the Participant's agent and attorney to sell the Plan Shares and/or transfer those Plan Shares into the name of the Company's nominee, in each case for total aggregate consideration of \$1.00 (or such other amount determined by the Board); and/or
- (i) where any Plan Shares already allocated to the Participant following the exercise of Convertible Securities have been sold by the Participant, require the Participant to pay to the Company all or part of the proceeds realised on that sale.

## 14 Buy Back

14.1 The Board may, in its absolute discretion but subject to the lapsing or cancellation of any Convertible Securities and any restrictions on disposal, at any time determine (in accordance with the requirements of the Constitution, the Corporations Act) to revoke, cancel or make arrangements to offer to buy back all or any Convertible Securities whether the Convertible Securities have vested or have not yet vested and/or Plan Shares issued under this Plan, including Securities issued to a Participant where the relevant person is a Leaver.

- 14.2 Following a determination of the Board pursuant to Rule 14.1 the buy-back of the Convertible Securities and/or Plan Shares will take place in accordance with the requirements of the Listing Rules, Constitution and the Corporations Act.

## 15 Operation of Plan

- 15.1 This Plan is administered by the Board who has power to:
- (a) make additional Rules for the operation of the Plan;
  - (b) determine appropriate procedures for administration of this Plan consistent with this Plan including to implement an employee share trust for the purposes of delivering and holding Shares on behalf of Participants upon the grant of Shares or the vesting (and, if applicable, exercise) of Convertible Securities;
  - (c) resolve conclusively all questions of fact or interpretation in connection with this Plan; and
  - (d) delegate to any persons (including a committee of the Board or other officers or employees of the Group) for such period and on such terms as they see fit the exercise of any of their powers or discretions under this Plan;
  - (e) take and rely on independent professional or expert advice in or in relation to the exercise of any of its powers or discretions under this Plan.
- 15.2 Where this Plan provides for a determination, decision, approval or opinion of the Board or the Company, that may be made or given by the Board or the Company in its absolute discretion.
- 15.3 Any power or discretion which is conferred on the Company by this Plan may be exercised by the Board in the interests, or for the benefit, of the Group and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

## 16 Restrictions on and amendments to this Plan

### Board may amend Plan

- 16.1 Subject to clauses 16.2 and 16.3, the Board may at any time by written instrument amend all or any part of this Plan including this provision.

### No reduction of existing rights

- 16.2 Without the consent of the Participant, any amendment to this Plan must not materially reduce the rights of any Eligible Participant in respect of their Securities held at the date of the amendment (as the case may be), unless the amendment is introduced primarily:
- (a) for the purpose of complying with or conforming to present or future Applicable Laws governing or regulating the maintenance or operation of this Plan or similar plans;
  - (b) to correct any manifest error or mistake;
  - (c) to enable a Group Company to qualify for an income tax deduction for that Group Company or another Group Company;
  - (d) to enable a Group Company to reduce the amount of fringe benefits tax under the *Fringe Benefits Tax Assessment Act 1986* (Cth), the amount of tax under the Tax Act, or the amount of any other tax or impost that would otherwise be payable by a Group Company in relation to this Plan;
  - (e) for the purpose of enabling the Eligible Participants generally (but not necessarily each Eligible Participant) to receive a more favourable taxation treatment in respect of their participation in this Plan; or

- (f) to enable this Plan or any Eligible Participant of the Group to comply with the constitution of a Group Company, the Corporations Act or the Listing Rules.

#### **Retrospective amendment possible**

- 16.3 Subject to Rule 16.2, any amendment may be given retrospective effect as specified in the written instrument by which the amendment is made.

## **17 Rights of Participants**

- 17.1 This Plan:

- (a) does not confer on any Eligible Participant the right to be offered or to receive any Securities, apart from those rights to receive Plan Shares delivered pursuant to an exercise of Convertible Securities Vesting in accordance with these Rules;
- (b) does not confer on any Eligible Participant the right to continue as an employee or a director;
- (c) does not affect a Participant's Engagement Arrangements and does not form part of any contract of service between an ESS Participant and any member of the Group;
- (d) does not affect any rights which the Company or the Group may have to terminate any terms of engagement or to remove the Participant from office as a director;
- (e) does not confer on an ESS Participant any rights to compensation or damages in consequence of the termination of their Engagement Arrangement by any member of the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; and
- (f) may not be used to increase damages in any action brought against the Company in respect of the termination of any engagement or removal of the Participant as a director from office.

- 17.2 Notwithstanding anything else in this Plan, the entitlements of Participants under this Plan are subject to the Company's constitution, the Listing Rules and the Corporations Act. Notwithstanding anything in this Plan, no Shares may be acquired, assigned or dealt with in contravention of the Corporations Act, the Listing Rules or any other Applicable Law.

## **18 Termination and suspension of this Plan**

#### **Board has discretion**

- 18.1 The Board has the discretion to terminate or suspend the operation of this Plan.

#### **Notice of termination or suspension**

- 18.2 The Board must give written notice to any Eligible Participant affected by termination or suspension of this Plan, as soon as reasonably practicable after such termination or suspension.

## **19 Connection with other schemes**

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

- 19.1 The Board is not restricted to using this Plan as the only method of providing incentive rewards to employees. The Board may approve other incentive schemes.

## Participation in other schemes

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

## 20 Trust

- 20.1 The Board may at any time:
- (a) appoint a trustee (**Trustee**) on any terms and conditions which it considers appropriate to do all such things and perform all such functions as it considers appropriate to operate and administer the Plan, including to acquire Shares on-market or by way of subscription for the purpose of delivering Shares to Participants upon the exercise of any Vested Convertible Securities and/or to enforce any disposal restrictions; and
  - (b) establish a trust (**Trust**) for the purposes set out in Rule 20.1(a).
- 20.2 If the Board appoints a Trustee to hold Shares that are to be delivered to a Participant under this Plan:
- (a) the Shares will be registered in the name of the Trustee and held by the trustee on trust for that Participant and subject to the trust deed establishing the Trust (**Trust Deed**);
  - (b) the Invitation must include a copy of the Trust Deed or a summary of the terms of the Trust Deed and a statement that, on request, a copy of the terms of the plan will be provided to the Participant;
  - (c) if a copy of the Trust Deed is requested by a Participant, the Company must provide the Participant with a copy of the Trust Deed within 10 Business Days of the request;
  - (d) the Plan Trustee must comply with the Trust Deed;
  - (e) where any provision of this Plan refers to granting, issuing, transferring or allotting Shares to, or holding, acquiring, receiving, subscribing for or disposing of Shares by, the Participant it will mean granting, issuing, transferring or allotting Shares to, or holding, acquiring, receiving, subscribing for or disposing of Shares by, the Trustee on behalf of that Participant;
  - (f) unless the context requires otherwise, any other Rule of this Plan that refers to the Participant (other than with respect to Options and Performance Rights) will mean the Trustee on behalf of that Participant; and
  - (g) the Trustee on behalf of each Participant will be entitled to any rights which accrue to Shares held for the benefit of that Participant and will exercise those rights in accordance with the Trust Deed.
- 20.3 The Trust Deed establishing the Trust in accordance with Rule 20.2(a) must:
- (a) provide that, in its capacity as trustee of the Trust, the activities of the Trustee are limited to managing this Plan and any other employee share scheme operated by the Company from time to time;
  - (b) require the Trustee to keep written records on the administration of the Trust;
  - (c) prevent the Trustee from charging any fees or charges for administering the Trust other than:
    - (i) as a mechanism to make the trust whole following the trust's payment of reasonable disbursements charged to the trust; or
    - (ii) amounts charged to the Company; and
  - (d) if the Trustee is an associated entity of the Company, stipulate that the Trustee may only exercise the voting rights attached to a Share held by it in accordance with the instructions of the relevant Shareholder, or in a manner that is consistent with the Trustee's fiduciary duties.

- 20.4 This Rule 20.3 shall apply to the extent the matters in Rules 20.3(a) to 20.3(d) are required under section 1100S(2) of the Corporations Act in respect of a trust established and operated by the Company to issue or transfer Securities under the Plan.

## 21 General

### Agreement to benefit and bind successors

- 21.1 This document continues for the benefit of, and binds, a successor in title of a Participant.

### Waiver

- 21.2 The fact that the Company fails to do, or delays in doing, something the Company is entitled to do under these Rules, does not amount to a waiver of any obligation of, or breach of obligation by the Company. A waiver by the Company is only effective if it is in writing. A written waiver by the Company is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.

### Data protection

- 21.3 By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant for the purposes of the Plan. These purposes include, but are not limited to:
- (a) administering and maintaining records held in respect to a Participant;
  - (b) providing information to members of the Group, registrars, brokers or third party administrators of the Plan (if any) or advisers of the Board; and
  - (c) providing information to corporate advisers or potential future third party purchasers in connection with a sale of shares in a member of the Group, or the business and assets of a member of the Group.

## 22 Interpretation

- 22.1 In this document, unless the contrary intention appears:
- (a) headings are for ease of reference only and do not affect the meaning of this document;
  - (b) the singular includes the plural and vice versa and words importing a gender include other genders;
  - (c) other grammatical forms of defined words or expressions have corresponding meanings;
  - (d) a reference to a Rule, paragraph, schedule, annexure or attachment is a reference to a Rule or paragraph of or schedule, annexure or attachment to this document, and a reference to this document includes its schedules, annexure and attachments;
  - (e) a reference to a document or agreement, including this document, includes a reference to that document or agreement as novated, altered or replaced from time to time;
  - (f) a reference to 'A\$', '\$A', 'dollar' or '\$' is a reference to Australian currency;
  - (g) a reference to a specific time for the performance of an obligation is a reference to that time in Melbourne even if the obligation is to be performed elsewhere;
  - (h) the expression 'person' includes an individual, the estate of an individual, the legal personal representative of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;

- (i) the expression, “allocate” in relation to Securities, includes grant, issue, allocation or transfer;
- (j) a reference to any legislation or statutory instrument or regulation is construed in accordance with the *Acts Interpretation Act 1901* (Cth) or the equivalent State legislation, as applicable;
- (k) if a day for the payment under this document falls on a day which is not a Business Day, payment is due on the next Business Day;
- (l) if a provision of this document binds two or more parties, that provision binds those parties jointly and severally; and
- (m) words and expressions used in this document and which are also used in the Corporations Act have the meaning given to them in the Corporations Act.

## 23 Definitions

23.1 **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 Tax Act;
- (e) the Company’s Securities Trading Policy;
- (f) any relevant 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), or (d) above;
- (g) any other legal requirement (including, without limitation, the rules of the general law, including common law and equity, and any judgment, order, decree, declaration or ruling of a court of competent jurisdiction or government agency binding on a person or the assets of that person) that applies to the Plan; and
- (h) in respect of acquisition or Transfers of any Shares, any formal policy relating to dealings in Shares adopted by the Board from time to time, including any share trading policy.

23.2 **ASX** means the ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the securities exchange operated by that entity, as appropriate.

23.3 **Associate** has the same meaning as in section 12 of the Corporations Act.

23.4 **Associated Entity** has the meaning given to that term in section 50AAA of the Corporations Act.

23.5 **Board** means the Board of directors of the Company from time to time, a committee appointed by the board of directors of the Company as constituted from time to time, or, in respect of a particular matter, any person who is provided with delegated authority by the board of directors of the Company in respect of that particular matter from time to time.

23.6 **Bad Leaver** means a Participant who is a Leaver due to the Participant:

- (a) committing a serious breach of their Engagement Arrangement;
- (b) engaging in any serious misconduct;
- (c) grossly failing to discharge the Participant’s duties or responsibilities;
- (d) engaging in any other conduct (either inside or outside of the workplace) which is likely to affect adversely the reputation of a Group member:

- (e) committing any act or engaging or failing to engage in any conduct expressly referred to in the Engagement Arrangement which would entitle a Group member to terminate the Participant's employment with minimum notice required at law;
  - (f) committing any other act which at common law would entitle a Group member to terminate the Engagement Arrangement without notice or payment in lieu of notice; or
  - (g) becoming bankrupt or making an arrangement or composition with creditors.
- 23.7 **Business Day** means a day on which banks (as defined in the Banking Act 1959 (Cth)) are open for general banking business in Melbourne, excluding Saturdays and Sundays.
- 23.8 **Change of Control Event** means:
- (a) a change in Control of the Company;
  - (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of the Company's issued share capital;
  - (c) where a person becomes the legal or the beneficial owner of, or has a Relevant Interest in, more than fifty per cent (50%) of the Company's issued share capital;
  - (d) where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of the Company's issued share capital) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of the Company's issued share capital; or
  - (e) any other transaction, event or state of affairs, that in the Board's opinion is likely to result in, or should otherwise be treated as, a change in Control of the Company.
- 23.9 **Constitution** means the constitution of the Company.
- 23.10 **Control** has the same meaning as is given to that term in Section 50AA of the Corporations Act.
- 23.11 **Convertible Security** means a Security exercisable for Plan Share(s) in accordance with these Rules, including an Option or a Performance Right.
- 23.12 **Company** means Praemium Limited (ACN 098 405 826).
- 23.13 **Company's Securities Trading Policy** means any securities trading policy of the Company as amended, varied, or replaced from time to time.
- 23.14 **Corporations Act** means the Corporations Act (Cth) 2001.
- 23.15 **Directors** means the directors of the Company from time to time.
- 23.16 **Eligible Participant** means a person that:
- (a) is an 'ESS Participant' (as that term is defined in section 1100L of the Corporations Act) in relation to the Company or an Associated Entity of the Company, where that Associated Entity is a body corporate; and
  - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
- 23.17 **Engagement Arrangement** means in respect of:
- (a) an employee of a member of the Group, the terms under which the relevant member of the Group has employed that person;
  - (b) a director of a member of the Group that is not also an employee, the terms under which the relevant member of the Group has appointed that director to their office; or

- (c) a contractor or consultant or other service provider to a member of the Group, the terms under which the relevant member of the Group has engaged that contractor, consultant or service provider.
- 23.18 **ESS Interest** has the meaning given in section 1100M of the Corporations Act.
- 23.19 **Exercise Price** means, in respect of a Convertible Security, the price to be paid by the Participant (if any) when exercising that Security as specified in the relevant Invitation. For the avoidance of doubt, the Exercise Price for a Security will be nil unless otherwise determined by the Board or as set out in an Invitation.
- 23.20 **Financial Misstatement Circumstance** means a material misstatement or omission in the financial statements of the Group or any other circumstances or events which, in the opinion of the Board, affect or are reasonably likely to affect the Group's financial soundness or require restatement of the Group's financial accounts (including as a result of misrepresentations, errors, omissions or negligence).
- 23.21 **Good Leaver** means a Participant who becomes a Leaver by reason of:
- (a) redundancy;
  - (b) retirement;
  - (c) incapacitation; or
  - (d) any other circumstances where the Participant is not a Bad Leaver other than death.
- 23.22 **Group** means the Company and each of its Associated Bodies Corporate from time to time.
- 23.23 **Invitation** means an invitation to participate in this Plan and to apply for the grant of Securities made under Rule 3.2 and for the avoidance of doubt, the terms of the Invitation constitute additional Rules made in accordance with Rule 15.1(a).
- 23.24 **Invitation For Monetary Consideration** means an Invitation for the issue, sale or transfer of Shares, Options or Performance Rights where either or both the following apply:
- (a) Shares, Options or Performance Rights (as the case may be) are offered for issue or sale in return for monetary consideration, and the Shares, Options or Performance Rights (as the case may be) will be acquired by the Eligible Participant who pays for the Securities; or
  - (b) in the case of Options or Performance Rights monetary consideration is to be provided on the exercise of the Options or Performance Rights.
- 23.25 **Leaver** means a Participant who ceases to be an Eligible Participant.
- 23.26 **Legal Personal Representative** means the executor of the will or an administrator of the estate of a deceased person or the trustee of the estate of a person under a legal disability.
- 23.27 **Listing Rules** means the official listing rules of ASX except to the extent of any express waiver by ASX.
- 23.28 **Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the ten (10) trading days during which Shares are actually traded immediately preceding that given date, unless otherwise specified in an Invitation.
- 23.29 **Nominated Party** means, in respect of an Eligible Participant who is a 'primary participant' as defined in section 1100L(1)(a) of the Corporations Act, another person on behalf of that primary participant, who is:
- (a) a spouse, parent, child or sibling of the Eligible Participant;
  - (b) another body corporate controlled by the Eligible Participant or a person mentioned in paragraph (a);
  - (c) a body corporate that is the trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Participant is a director of the body corporate; or

- (d) a person prescribed in relation to the Eligible Participant by the Regulations for the purposes of section 1100L(b)(iv) of the Corporations Act.
- 23.30 **Notice of Exercise** means a duly completed and executed notice of exercise of a Convertible Security by a Participant, in the form prescribed and otherwise as required by the Board from time to time.
- 23.31 **Option** means an option granted under these Rules to receive a Share by transfer or allotment granted to an Eligible Participant under this Plan, subject to satisfaction of applicable conditions (including any Vesting Condition) and compliance with the applicable exercise procedure (including payment of any applicable Exercise Price).
- 23.32 **Participant** means an Eligible Participant who holds Securities allocated or granted under this Plan and means:
- (a) if the Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant, and
  - (b) where the Participant is a Nominated Party, the Eligible Participant who is a 'primary participant' as defined in section 1100L(1)(a) of the Corporations Act, of that Participant.
- 23.33 **Performance Right** means a conditional right granted under these Rules to acquire one or more Plan Shares by transfer or allotment as set out in the relevant Invitation to Eligible Participants under this Plan.
- 23.34 **Plan** means the Praemium Directors & Employee Benefits Plan established and operated in accordance with this document.
- 23.35 **Plan Shares** means all Shares issued or transferred to a Participant under these Rules, including upon the valid exercise of a Security.
- 23.36 **Rules** means the rules governing the operation of this Plan set out in this document, as amended from time to time.
- 23.37 **Security** means an ESS Interest granted under these Rules, including a Plan Share, Option and Performance Right.
- 23.38 **Shares** means ordinary shares in the capital of the Company.
- 23.39 **Shareholder** means a holder of shares in the Company.
- 23.40 **Starting Date** means the date on which this Plan is first adopted by the Board.
- 23.41 **Takeover Bid** has the meaning given to that term in the Corporations Act.
- 23.42 **Tax Act** means the *Income Tax Assessment Act (1936)* (Cth) or the *Income Tax Assessment Act (1997)* (Cth) including any amendments, as the case may be.
- 23.43 **Total and Permanent Disablement** means, in relation to a Participant, that the Participant has, in the reasonable opinion of the Board, become permanently incapacitated to such an extent as to render the Participant unlikely to engage in the Participant's usual occupation again.
- 23.44 **Transfer** includes sell, transfer, assign, encumber, dispose or otherwise deal with in any way and includes any hedging (including any dealing with a derivative instrument) intended to "lock in" a profit relating to a Security, and any other transactions in financial products that operate to limit the economic risk associated with holding a Security.
- 23.45 **Trust** is defined in Rule 20.1.
- 23.46 **Trust Deed** is defined in Rule 20.2.
- 23.47 **Trustee** is defined in Rule 20.1.
- 23.48 **Vest or Vesting** means the process by which a Participant becomes entitled to:
- (a) in the case of a Performance Right, exercise the Performance Right (if applicable) or be allocated a Share (or equivalent cash payment) in accordance with Rules 6.10 and 6.11;
  - (b) in the case of an Option, exercise the Option in accordance with Rules 5.11 and 5.12;

- 23.49 **Vesting Conditions** means the performance, exercise, service or other conditions determined by the Board from time to time (as set out in the Invitation) which are required to be satisfied before a Security Vests.
- 23.50 **Vesting Period** means the prescribed period for satisfaction of a Vesting Condition, advised to a Participant by the Board under Rule 3.2.