



# Elixinol Wellness Limited Equity Plan Rules

## General terms

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### 1 Purpose

The Plan provides for the Board to grant Awards, in its sole discretion, to Eligible Employees of the Group in the form of one or both of the following:

- (a) Options; and
- (b) Share Rights.

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### 2 Grant of awards

#### 2.1 Board to make grant

- (a) The Board may, from time to time, in its sole discretion:
  - (i) grant to an Eligible Employee: or
  - (ii) invite Eligible Employees to apply for a grant of,

Awards on the terms of the Plan and such additional terms and conditions (which may include Conditions) as the Board determines.

- (b) The Board may only grant Awards where an Eligible Employee continues to satisfy any relevant conditions imposed by the Board at the time of making the grant or issuing an invitation (which may include that the Eligible Employee continues to be an employee of the Group). at the date of grant of Awards).

#### 2.2 Acceptance of application

- (a) An Eligible Employee who is granted, or who applies for a grant of Awards is deemed to have agreed to be bound by the terms of these Rules, any additional terms specified in the terms of grant or invitation and, on allocation of a Share, to have agreed to become a member of the Company (and to be bound by the constitution of the Company).
- (b) If an invitation is issued under rule 2.1(a)(ii), on the Company accepting an application, the Board will grant Awards to the Eligible Employee (subject to the terms of these Rules).
- (c) Acceptance of an Invitation must be under the instructions that accompany the terms of grant or Invitation or in any other way the Board determines.
- (d) The Board may determine that an Eligible Employee may apply for or accept a grant of Awards or an Invitation by an Eligible Employee's:
  - (i) action (e.g. by lodging an application within the required timeframe) where the Invitation is an 'opt-in' invitation; or
  - (ii) inaction (e.g. by failing to lodge an election not to participate form) where the Invitation is an 'opt-out' invitation,

and notify Eligible Employees which of the above applies in the terms of grant or Invitation.

(e) Notwithstanding an Eligible Employee's submission of an application for a grant of Awards or acceptance of an Invitation, at any time prior to an Eligible Employee being notified of the grant of Awards or allocation of Shares, the Board may exercise its sole discretion to refuse the participation of the Eligible Employee in the grant of Awards or allocation of Shares (including where that Eligible Employee ceases to satisfy any conditions imposed by the Board or that Eligible Employee ceases to be an employee of the Group).

(f) The Conditions advised to an Eligible Employee by the Board at the time the Invitation is made shall prevail over any other terms of this Plan to the extent of any inconsistency.

### **2.3 Title to Awards**

(a) Unless the Board determines otherwise, Awards may not be registered in any name other than that of the Participant.

(b) An Award granted under and subject to the Rules is only transferable by force of law on death to the Participant's legal personal representative or on bankruptcy to the Participant's trustee in bankruptcy.

(c) Where the Participant purports to transfer an Award other than under rule 2.3(b), the Award immediately lapses.

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## **3 Allocation of shares**

### **3.1 Share ranking**

All Shares issued under the Plan will rank equally in all respects with other ordinary shares for the time being on issue, except with regards to any rights attaching to such other ordinary shares by reference to a record date prior to the date of their allocation.

### **3.2 Listing on ASX**

The Company will apply for quotation of Shares issued under the Plan within the period required by ASX.

### **3.3 Transfer restrictions**

(a) The Board may, at its sole discretion, impose any trading or other restrictions in respect of Shares allocated on the exercise or vesting (as the case may be) of an Award.

(b) The Board must provide the Participant with details of any such restrictions at the time of a grant or invitation under rule 2.1(a).

(c) The Board may implement any procedure it considers appropriate to restrict a Participant from trading in Shares while they remain subject to these Rules including imposing a holding lock on the Shares or arranging for Shares to be held on trust.

### **3.4 Alternate satisfaction of awards**

Notwithstanding any rule under the Plan, the Board may determine that, on vesting or exercise of an Award, the Participant will instead receive a cash payment in full satisfaction of the Share that would otherwise be allocated on vesting or exercise of that Award (after deduction of any amount required by law to be withheld).

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## **4 Fraud or dishonesty**

### **4.1 Action of participant**

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

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

then the Board may deem or require any of the following:

- (c) all or any Awards of the Participant which have not vested to have lapsed or been forfeited (as applicable); and/or
- (d) all or any Awards or Shares held by the Participant following vesting of an Award to have lapsed or be forfeited (as applicable),

where Shares that have been allocated to the Participant on exercise or vesting of an Award are subsequently sold, that the Participant repay the net proceeds of such a sale to the Company.

### **4.2 Action of others**

Where, in the opinion of the Board, an Award vests, or may vest, as a result of the fraud, dishonesty or breach of obligations of an employee of the Group other than the Participant and, in the opinion of the Board, the Award would not otherwise have vested, the Board may determine that the Participant's Award has not vested and may, subject to applicable laws, determine any treatment in relation to the Award (including resetting Conditions, deeming Shares to be forfeited and/or new Awards to be granted) to ensure that no unfair benefit is obtained by a Participant as a result of the actions of another person.

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## **5 Reorganisations and business divestments**

### **5.1 Capital reorganisation**

If:

- (a) Shares are issued pro rata to the Company's shareholders generally by way of a bonus issue;
- (b) Shares are offered to the Company's shareholders by way of a rights issue; or
- (c) any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected,

then:

- (d) the number of Awards to which each Participant is entitled or the Exercise Price (if any) or both, will be adjusted in the manner determined by the Board in order to minimise or eliminate any material advantage or disadvantage to the Participant. If new Awards are granted, such Awards will, unless the Board determines otherwise, be subject to the same terms and conditions as the original Awards, including any Condition.

### **5.2 Divestment of material business or subsidiary**

(a) Where the Company divests a business designated by the Board for this purpose as 'material', the Board may make special rules that apply to Participants in relation to the Awards or Shares held under the Plan (and any other entitlements or shares that may arise in relation to those Shares). Without limiting the Board's sole discretion, such rules may include:

(i) varying the Condition applying to the Participant's Awards to take into account the divestment of the business (if applicable); and

(ii) deeming the Participant to remain a Group employee for a specific period.

(b) In order to bind a Participant, any special rules made under this rule 5.2 must be notified to a Participant under rule 7.4.

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## **6 Takeovers and Control Events**

### **6.1 Takeover Events**

(a) If a Takeover Event occurs prior to the vesting of an Award, then the Board may, in its sole discretion, determine that all or some of a Participant's unvested Awards vest or in the case of Exercisable Awards may be exercised having regard to all relevant circumstances, including whether performance is in line with the Conditions over the period from the date of grant of the Award to the date of the relevant Takeover Event and the circumstances of the Takeover Event.

(b) The Board must as soon as practicable give written notice to each Participant of the number of Awards that have been vested or may be exercised under rule 6.1(a).

(c) If the Board determines under rule 6.1(a) that only some of a Participant's unvested Awards will vest, all remaining unvested Awards will lapse, unless the Board determines otherwise.

### **6.2 Control Events**

(a) If a Control Event occurs prior to the vesting of an Award, then the Board may, in its sole discretion, determine that all or some of a Participant's unvested Awards vest or in the case of Exercisable Awards may be exercised having regard to all relevant circumstances, including whether performance is in line with the Conditions over the period from the date of grant of the Award to the date of the relevant Control Event and the circumstances of the Control Event.

(b) The Board will as soon as practicable give written notice to each Participant of the number of Awards that have been vested or may be exercised under rule 6.2(a).

(c) If the Board does not make a determination, or determines that only some of a Participant's unvested Awards will vest, all remaining unvested Awards will lapse, unless the Board determines otherwise.

### **6.3 Acquisition of shares in Acquiring Company**

If a company (Acquiring Company) obtains control of the Company and the Company, the Acquiring Company and the Participant agree, a Participant may, on vesting of Awards or exercise of Exercisable Awards be provided with shares, options or share rights in the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, Options or Share Rights but with appropriate adjustments to the number and kind of shares the subject to the Awards.

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## **7 Administration of Plan**

### **7.1 Amendment of the Rules**

(a) The Board may, at any time, amend, add to, vary, omit from or substitute any of these Rules, notwithstanding the terms of the Plan, by notice in writing to each Participant who holds Awards or Shares under the Plan, provided that such amendment may not materially reduce or otherwise

prejudicially affect the rights attaching to Awards or Shares granted or allocated (as applicable) under, and still subject to, the Plan, other than an amendment introduced primarily:

- (i) for the purpose of complying with or conforming to present or future State or Commonwealth legislation;
- (ii) to correct any manifest error or mistake; or
- (iii) to take into consideration possible adverse tax implications arising from, amongst others, adverse rulings from various Governments, changes to tax legislation and/or changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

(b) The Company must provide written notification to a Participant who holds Awards or Shares under the Plan as soon as reasonably practicable after any amendment has been made to these Rules.

## **7.2 Board powers**

The Board has absolute and unfettered discretion in exercising any power or discretion concerning the Plan and may:

- (a) delegate to any person for the period and on the terms it decides the exercise of any of its powers or discretions under the Plan;
- (b) decide on appropriate procedures for administering the Plan consistent with these Rules, including the application forms and any other forms and notices to be issued under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan;
- (d) subject to rule 7.1, amend, add to or waive any provision of the Plan (including this rule 7.2), any term or condition (including a Condition or other restriction) relating to the Awards or Shares;
- (e) determine to suspend or cease operation of the Plan at any time and take any actions required to effect the winding up of the Plan;
- (f) act or refrain from acting at its discretion under these Rules or concerning the Plan or the Awards or Shares held under the Plan; and
- (g) waive any breach of a provision of the Plan.

For the avoidance of doubt, and notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms and conditions (including any Conditions) in relation to any Award or Share granted or allocated (as applicable) to any Participant.

## **7.3 Establishment of a Trust**

- (a) The Board may at any time determine how Shares are to be held under the Plan prior to satisfaction of any Conditions.
- (b) Without limiting the Board's discretion, the Board may establish the Trust at any time without requiring the approval of shareholders or Participants, for the purposes of the Plan to hold Shares.
- (c) Without limiting the Board's discretion, the Board may, at any time:
  - (i) appoint a person or persons as the trustee (**Trustee**) of the Trust; or
  - (ii) replace the Trustee,

without requiring the approval of shareholders or Participants.

(d) Subject to the terms of any trust deed that governs the Trust and the Plan, the Trustee may transfer any Shares it holds under the Trust to a Participant in satisfaction of their entitlement to be Allocated Shares.

(e) The Company may, if so resolved by the Board, settle funds on the Trustee for the purposes of enabling the Trustee to:

- (i) acquire Shares on-market or off-market; or
- (ii) subscribe for new Shares to be issued by the Company,

to satisfy the Company's obligations to allocate Shares for the benefit of a Participant.

#### **7.4 Costs**

The Board may make any withholding or payment it is required by law to make in connection with the Awards or Shares.

#### **7.5 Notices**

(a) A notice or other communication under or concerning the Plan is validly given:

- (i) by the Company to an Eligible Employee, if delivered personally to the addressee or sent by prepaid post to his or her last known residential address, or sent to him or her by facsimile or email at his or her place of work or posted on an electronic noticeboard maintained by the Company and accessible by the Eligible Employee; and
- (ii) by an Eligible Employee to the Company if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (unless the Board specifies another address for a particular purpose).

(b) A notice or other communication sent:

- (i) to the Company must be actually received by the Company by the date or within the period specified in these Rules or under paragraph 1.1 of Schedule 1 or Schedule 2 of the Plan in order to be effective; and
- (ii) by the Company to an Eligible Employee will be treated as being received immediately following the time it was sent, or where it is sent by post it will be treated as received 48 hours after it was posted.

#### **7.6 Terms of employment not affected**

(a) The rights and obligations of an Eligible Employee under the terms of his or her office, employment or contract with the Group are not affected by his or her participation in the Plan.

(b) Participation in the Plan will only be offered to an Eligible Employee at the sole discretion of the Board. Future offers are not guaranteed to be made under the Plan.

(c) These Rules do not form part of, and will not be incorporated into, any contract of an Eligible Employee.

#### **7.7 Non-residents of Australia**

(a) The Board may at any time, amend, add to, vary, omit from or substitute any of these Rules to ensure compliance with the requirements of, or impact of, any law or regulation in any jurisdiction outside of Australia. This rule 7.6 applies notwithstanding anything in this Plan.

(b) This rule 7.6 applies in relation to any Participant who holds Awards or Shares under the Plan from time to time and who is resident or may become resident in a jurisdiction referred to in rule 7.6(a).

(c) Any different rules that may apply must be notified to each affected Participant in writing.

(d) For the purposes of clarification, any different rules that are adopted under rule 7.6(a) may have an adverse impact on the Participant. However, any different rules that may apply must comply, to the extent legal and practicable, with the basic principles of the Plan.

## **7.8 Miscellaneous**

(a) The Participant does not have any rights under this Plan to compensation or damages in consequence of the exercise by the Company of any right, power or discretion which results in the Participant ceasing to have title to the Awards or Shares,

(b) Except as otherwise expressly provided in these Rules, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the terms of the Plan and in the exercise of any power or discretion under these Rules.

## **7.9 When employment ceases**

(a) For the purposes of this Plan, a Participant will not be treated as ceasing employment until such time as the Participant is no longer an employee of the Group.

(b) Subject to applicable laws, at the sole discretion of the Board, a Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the Awards vest, will not be treated for those purposes as ceasing employment.

## **7.10 Governing Law**

The rules and conditions of this Plan are governed by the laws of New South Wales and the Commonwealth of Australia.

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# **8 Definitions and Interpretation**

## **8.1 Application of General Terms**

The rules contained in the General Terms of the Plan will apply to Parts A and B of the Plan, unless they are modified or are otherwise inconsistent with the paragraphs contained in Schedule 1 and Schedule 2 of the Plan.

## **8.2 Definitions**

In this Plan:

**ASX** means the Australian Securities Exchange operated by ASX Limited ACN 008 624 691.

**Award** means an award made under the Plan in the form of Options and/or Share Rights, as the context requires.

**Board** means the directors of the Company, a committee of the Board or the Board's delegate.

**Bona fide redundancy** has the meaning ordinarily attached to it through Australian Taxation Office guidelines.

**Business Day** means any day which is not a Saturday, Sunday or public holiday in New South Wales.



**Cessation Date** means the date on which a Participant ceases to be an employee of the Group.

**Cessation Period** means the period which starts on the Cessation Date and ends 60 days after the Cessation Date or any other period determined by the Board in respect of a particular Award.

**Company** means Elixinol Wellness Limited ACN 621 479 794.

**Conditions** means one or more performance or service related conditions which must be satisfied before an Award vests or may be exercised.

**Control Event** means:

(a) a Court orders a meeting to be convened in relation to a proposed compromise or arrangement for the purposes of, or in connection with:

(i) a scheme which would, if it becomes effective, result in any person (either alone or together with its related bodies corporate) owning all of the shares in the Company; or

(ii) a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

(b) members of the Company approve any compromise or arrangement referred to in paragraph (a); or

(c) any person becomes bound or entitled to acquire shares in the Company under any compromise or arrangement referred to in paragraph (a) which has been approved by the Court.

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

**Deferred Share Right** means a right to acquire a Share subject to Conditions including relating to service and on the terms set out in Schedule 2 of the Plan.

**Disability** means that the Participant is unable to continue working as a result of a permanent disability, as determined by a relevant Insurer or a relevant Superannuation Trustee.

**Dismissal** means termination of a Participant's employment with a Group Company for cause, including unlawful or serious misconduct, as determined by the Board in its sole discretion.

**Eligible Employee** means an employee of the Group or another person determined by the Board as eligible to participate in the Plan.

**Exercisable Award** means an Award which is required to be exercised for a Participant to be entitled to be allocated a Share or receive a payment under rule 3.4;

**Exercisable Option** means an Option which is required to be exercised for a Participant to be entitled to be allocated a Share or receive a payment under rule 3.4.

**Exercisable Share Right** means a Share Right which is required to be exercised for a Participant to be entitled to be allocated a Share or receive a payment under rule 3.4.

**Exercise Price** means the amount payable on exercise of an Option or Share Right as specified by the Board for the purposes of rule 1.1 or paragraph 1.1 of Schedule 2 and adjusted under the Plan.

**Genuine retirement** in the case of a Participant means the Board is satisfied that the Participant intends to retire permanently from executive employment or from the workforce whichever is applicable in the circumstances of that Participant.

**Group** means the Company, its subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan.

**Invitation** means an invitation to an Eligible Executive made by the Board under rule 2.1 to apply for, or participate in a grant of, Awards.

**Managerial or Executive Officer** means a Participant whom the Board considers meets or may meet the definition for the holding of a Managerial or Executive Office under subsection (1) of section 200AA of the Corporations Act or who has, at any time during the last 3 years before the Participant's cessation to be an employee of the Group, held a Managerial or Executive Office as defined under that subsection.

**Option** means a right to acquire a Share on the terms set out in Schedule 1 of the Plan.

**Participant** means an Eligible Employee who is granted an Award under the Plan.

**Period** means the period or periods over which the Conditions are measured as specified by the Board for the purposes of each Award.

**Performance Share Right** means a right to acquire a Share subject to Conditions including relating to performance and on the terms set out in Schedule 2 of the Plan.

**Plan** means the Company's equity incentive plan as set out in these Rules.

**Pro Rata** means, in respect of Options or Share Rights for a Performance Year, a calculation under the following formula and rounded down to the nearest whole number of Options or Share Rights (as applicable):

$$RA = EA \times (W + T)$$

where:

- (a) RA is the number of unvested Options or Share Rights (as applicable) for that Performance Year retained by the Participant;
- (b) EA is the number of unvested Performance Share Rights or Options (as applicable) granted to the Participant (in that Performance Year) as at the Cessation Date that have not lapsed;
- (c) W, in any vesting period for Performance Share Rights or Options (as applicable) granted to the Participant in that Performance Year, is the number of [full months // days] that have passed since the beginning of that vesting period during which the Participant has been employed by a Group Company; and
- (d) T is the number of [full months // days] in the vesting period for the Performance Share Rights or Options (as applicable) granted to the Participant in that Performance Year.

**Rules** means the rules of the Plan, as amended from time to time.

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

**Share Right** means a Performance Share Right or Deferred Share Right.

**Takeover Bid** has the meaning given in the Corporations Act.

**Takeover Event** means:

- (a) a Takeover Bid being made for Shares in the Company (and for these purposes, a Takeover Bid will be made when a bidder serves its bidder's statement on the Company);
- (b) the Board recommending that shareholders of the Company accept any Takeover Bid for Shares in the Company; or
- (c) a Takeover Bid for Shares in the Company becoming unconditional.

**Terms** means the terms and conditions of an Award specified in an Invitation.

**Test Date** means the date at which performance hurdles are tested in accordance the offer terms of an Award.

**Trust** means any employee share ownership plan trust established by the Company for the purposes of the Plan to hold Shares, the beneficiaries of which include Participants.

**Vesting Date** means the date at which the Conditions specified in the offer terms of an Award are satisfied.

### **8.3 Interpretation**

In these Rules:

- (a) headings and holdings are for convenience only and do not affect the interpretation of these Rules and, unless the context requires otherwise;
- (b) words importing the singular include the plural and vice versa;
- (c) the word 'includes' in any form is not a word of limitation; and
- (d) any reference in the Plan to any enactment or the ASX Listing Rules is a reference to that enactment or those ASX Listing Rules (and to all regulations or instruments issued under them) in force at the time that an invitation is made under the Plan unless expressed to the contrary in this Plan, determined otherwise by the Board under rule 7.2 or required at law.

# Schedule 1      Options

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## 1      Options

### 1.1      Interpretation

If an Award comprises Options, the Board will, at the time of a grant or invitation under rule 2.1(a) of the General Terms, advise each Eligible Employee of the following minimum information regarding Options:

- (a) the number or maximum value of Options being offered;
- (b) the time or times at which Options may vest (and become exercisable);
- (c) the period or periods during which Options may be exercised and the manner of exercise of the Options;
- (d) the date, time and circumstances when Options lapse;
- (e) the Exercise Price payable in order to exercise an Option;
- (f) any applicable Conditions and the applicable Period; and
- (g) any other relevant terms and conditions to be attached to the Options or to Shares acquired on exercise of an Option (including any restrictions on transfer of the Shares).

### 1.2      No payment on grant

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

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## 2      Vesting, exercise and lapse of Options

### 2.1      Vesting of Options

- (a) Subject to rules 4, 5, 6, and 7.2 of the General Terms and paragraphs 2.1(b) and 3 of Schedule 1, an Option granted under the Plan will not vest unless the conditions (if any) advised to the Participant under paragraph 1.1 of Schedule 1 have been satisfied.
- (b) The Board may, in its sole discretion, determine that an Option vests prior to the date specified by the Board for the purposes of paragraph 1.1 of Schedule 1.

### 2.2      Lapse of Option

Subject to the Board's overriding discretion, a Participant's unvested Option will lapse on the earliest to occur of:

- (a) the date specified by the Board for the purposes of paragraph 1.1 of Schedule 1;
- (b) an event described in rules 2.3, 4, 5, 6 of the General Terms or paragraph 3.1 of Schedule 1;
- (c) failure to meet the Conditions by the end of the Period; or
- (d) 5 years after the date of the grant of the Options or such other period the Board determines, up to a maximum of 10 years after the date of the grant of the Option.

## **2.3 Allocation of shares**

On exercise of a vested Option, the Company must allocate to, or procure the transfer to:

- (a) the Participant (or his or her personal representative); or
- (b) the Trustee to be held on behalf of the Participant, one Share for each Option that is exercised, one Share for each Option that vests or is exercised (as applicable).

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## **3 Cessation of employment**

### **3.1 Unvested Options**

- (a) Subject to paragraph 3.1(e) of Schedule 1, where a Participant ceases to be an employee of the Group because of resignation or Dismissal before Options held by that Participant vest, all unvested Options held by that Participant lapse. Any Option which has vested (and in the case of an Exercisable Option not been exercised at the time of resignation or Dismissal) will not lapse (and in the case of an Exercisable Option will remain exercisable for the Cessation Period), unless the Board determines otherwise under paragraph 3.1(c)(ii) of Schedule 1.
- (b) Notwithstanding paragraph 3.1(a) of Schedule 1 and subject to paragraph 3.1(f) of Schedule 1, where a Participant ceases to be an employee of the Group before Options held by that Participant vest by reason of death, Disability, bona fide redundancy, Genuine Retirement or other reason (with the exception of resignation or Dismissal), then unless the Board, in its sole discretion, determines otherwise under paragraph 3.1(c) of Schedule 1:
  - (i) a Pro Rata number of the Participant's unvested Options will not vest or lapse as a result of the Participant ceasing to be an employee of the Group, and these Rules and the relevant Terms of the Option (including any Conditions) continue to apply, except that any continuous service requirement will be deemed to be waived;
  - (ii) the balance of the Participant's unvested Options will lapse; and
  - (iii) any Option which has vested (and in the case of an Exercisable Option not been exercised at the time of cessation of employment of the Group) will not lapse (and in the case of an Exercisable Option will remain exercisable for the Cessation Period).
- (c) Where a Participant ceases to be an employee of the Group, for the purposes of paragraphs 3.1(a) or 3.1(b) of Schedule 1 the Board may, at its sole discretion, determine at any time prior to or within 60 days of the Cessation Date that some or all:
  - (i) unvested Options vest or lapse with effect from the Cessation Date; or
  - (ii) vested Options lapse with effect from the Cessation Date.
- (d) The Board will give written notice to each Participant of the number of Options that vest under paragraph 3.1(c) of Schedule 1.
- (e) The Board may at the time of an Invitation, provide for a different treatment on a Participant ceasing to be an employee of the Group than that contemplated by paragraphs 3.1(a), 3.1(b) or 3.1(c) of Schedule 1 in which case the Terms of the Option shall prevail over paragraphs 3.1(a), 3.1(b) or 3.1(c) of Schedule 1 to the extent of any inconsistency.
- (f) Subject to applicable laws, at the sole discretion of the Board, a Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the vesting of an Option under the Plan will be treated for those purposes as not having ceased to be such an employee.

### **3.2 Exercise period**

(a) Where a Participant ceases to be an employee of the Group, all vested Options, including Options that vest under paragraph 3.1 (b)(i) or (ii) of Schedule 1, must be exercised within 30 days of cessation, or such other period determined by the Board.

(b) Options which are not exercised within the period specified in paragraph 3.2(a) of Schedule 1 will lapse.

## Schedule 2      Share Rights

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### 1      Share Rights

#### 1.1      Information to be provided

If an Award comprises Share Rights, the Board will, at the time of a grant or invitation under rule 2.1(a) of the General Terms, advise each Eligible Employee of the following minimum information regarding Share Rights:

- (a) the number or maximum value of Share Rights being offered;
- (b) the time or times at which Share Rights may vest (and, if applicable, become exercisable);
- (c) the period or periods during which Share Rights may be exercised and the manner of exercise of the Share Rights (if applicable);
- (d) the date, time and circumstances when Share Rights lapse;
- (e) the Exercise Price payable in order to exercise a Share Right (if applicable);
- (f) any applicable Conditions and the applicable Period; and
- (g) any other relevant terms and conditions to be attached to the Share Rights or Shares acquired on vesting or exercise of a Share Right (as the case may be) (including for example, any restrictions on transfer of the Shares).

#### 1.2      No payment on grant

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

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## 2      Vesting and lapse of Share Rights

### 2.1      Vesting of Share Rights

(a) Subject to rules 4, 5, 6, and 7.2 of the General Terms and paragraphs 2.1(b) and 3 of Schedule 2, a Share Right granted under the Plan will not vest unless the Conditions (if any) advised to the Participant under rule 1.1 of Schedule 2 have been satisfied.

(b) The Board may, in its sole discretion, determine that the Share Right vests prior to the date specified by the Board for the purposes of rule 1.1 of Schedule 2.

### 2.2      Lapse of Share Rights

Subject to the Board's overriding discretion, a Participant's unvested Share Right will lapse on the earliest to occur of:

- (a) the date specified by the Board for the purposes of paragraph 1.1 of Schedule 2;
- (b) an event described in rules 2.3, 4, 5, 6 of the General Terms or paragraphs 3.1 of Schedule 2;
- (c) failure to meet the Conditions by the end of the Period; or
- (d) 5 years after the date of the grant of the Share Right or such other period the Board determines, up to a maximum of 10 years after the date of the grant of the Share Right.

## **2.3 Allocation of shares**

On vesting or exercise of a Share Right (as applicable), the Company must allocate to, or procure the transfer to:

- (a) the Participant (or his or her personal representative); or
- (b) the Trustee to be held on behalf of the Participant,

one Share for each Share Right that vests or is exercised (as applicable).

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## **3 Cessation of employment**

### **3.1 Unvested Share Rights**

(a) Subject to paragraph 3.1(e) of Schedule 2, where a Participant ceases to be an employee of the Group because of resignation or Dismissal before Share Rights held by that Participant vest, all unvested Share Rights held by that Participant lapse. Any Share Right which has vested (and in the case of an Exercisable Share Right not been exercised at the time of resignation or Dismissal) will not lapse (and in the case of an Exercisable Share Right will remain exercisable for the Cessation Period), unless the Board determines otherwise under paragraph 3.1(c)(ii) of Schedule 2.

(b) Notwithstanding paragraph 3.1(a) of Schedule 2 and subject to paragraph 3.1(e) of Schedule 2, where a Participant ceases to be an employee of the Group before Share Rights held by that Participant vest by reason of death, Disability, bona fide redundancy, Genuine Retirement or other reason (with the exception of resignation or Dismissal), then unless the Board, in its sole discretion, determines otherwise under paragraph 3.1(c) of Schedule 2:

- (i) a Pro Rata number of the Participant's unvested Share Rights will not vest or lapse as a result of the Participant ceasing to be an employee of the Group, and these Rules and the relevant Terms of the Share Right (including any Conditions) continue to apply, except that any continuous service requirement will be deemed to be waived;
- (ii) the balance of the Participant's unvested Share Rights will lapse; and
- (iii) any Share Right which has vested (and in the case of an Exercisable Share Right not been exercised at the time of cessation of employment of the Group) will not lapse (and in the case of an Exercisable Share Right will remain exercisable for the Cessation Period).

(c) Where a Participant ceases to be an employee of the Group, for the purposes of paragraphs 3.1(a) or 3.1(b) of Schedule 2 the Board may, at its sole discretion, determine at any time prior to or within 60 days of the Cessation Date that some or all:

- (i) unvested Share Rights vest or lapse with effect from the Cessation Date; or
- (ii) vested Share Rights lapse with effect from the Cessation Date.

(d) The Board will give written notice to each Participant of the number of Share Rights that vest under paragraph 3.1(c) of Schedule 2.

(e) The Board may at the time of an Invitation, provide for a different treatment on a Participant ceasing to be an employee of the Group than that contemplated by paragraphs 3.1(a), 3.1(b) or 3.1(c) of Schedule 2 in which case the Terms of the Share Right shall prevail over paragraphs 3.1(a), 3.1(b) or 3.1(c) of Schedule 2 to the extent of any inconsistency.

(f) Subject to applicable laws, at the sole discretion of the Board, a Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the vesting of a Share Right under the Plan will be treated for those purposes as not having ceased to be such an employee.



### **3.2 Exercise period**

(a) For Share Rights that must be exercised, where a Participant ceases to be an employee of the Group all vested Share Rights, including Share Rights that vest under paragraph 3.1(b)(i) or (ii) of Schedule 2, must be exercised within 30 days of cessation, or such other period determined by the Board.

(b) Share Rights which are not exercised within the period specified in paragraph 3.2(a) of Schedule 2 will lapse.