Carbonxt Group Limited
ACN 097 247 464

Employee Option Plan

Plan Rules

Purpose

These are the rules of the Company's Employee Option Plan. The purpose of the Plan is to provide Eligible Employees with an opportunity to acquire Options. By doing so, the Plan seeks to provide Eligible Employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to shareholders. The Plan is also intended to assist the Company to attract and retain skilled and experienced senior employees, key contractors and directors and provide them with an incentive to have a greater involvement with and focus on the longer term goals of the Company. This Plan commences on the date the Company determines.

1 Definitions and Interpretation

1.1 **Definitions**

In these Rules, unless the context otherwise requires:

Acceptance Period has the meaning given to that term in Rule 3.2(h);

Amendment has the meaning given to that term in Rule 17.1;

Applicable Law means any one or more or all, as the context requires, of the following to the extent that they apply to the Company or this Plan:

(a) the Corporations Act;

(b) tax laws;

(c) the Constitution;

(d) (if and for so long as the Company is listed on the ASX) the ASX Listing Rules;

(e) any subordinate legislation, orders, rulings or other binding instruments passed or made by parliament, Australian Securities and Investments Commission or the Australian Taxation Office to clarify or expand paragraphs (a) and/or (b) of this definition;

(f) any other laws;

Application Form means the form the Board determines is to be used by an Eligible Employee to apply for Options under the Plan;

ASX means ASX Limited (ACN 008 624 691) or the stock exchange which it operates, as the context requires;

ASX Listing Rules means the official listing rules of the ASX;

Bad Leaver means:

(a) a Participant who commits a fraudulent or other dishonest act which brings disrepute upon a Group Company; or

(b) a Participant who ceases to be employed by or hold office with any member of the Group and who is not a Good Leaver. This includes where the employment or office of the Participant is terminated because of:

(i) serious misconduct;

(ii) a material breach of the terms of any contract or employment agreement entered into by a Group Company and the Participant;

(iii) gross negligence; or

(iv) any other conduct justifying termination of employment or office without notice at common law;

Board means the board of directors of the Company or a committee appointed by the board of directors of the Company for the purposes of the Plan;

Certificate means, in relation to an Option, the certificate or statement (in a form approved by the Board) issued to the Holder which discloses the number of Options held by the Holder;

Change in Control occurs if a person who Controls any entity ceases to do so, or if another person acquires Control of it.

Company means Carbonxt Group Limited (ACN 097 247 464);

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

Control means, in relation to an entity, the power to directly or indirectly:

(a) control the membership of the board or other governing body of the entity;

(b) control the entity applying section 50AA of the Corporations Act;

(c) where the entity is trustee of a trust, appoint, remove or replace the trustee or direct the trustee as to decisions to be made in relation to the trust; or

(d) direct the management and policies of that entity, whether by means of trusts, agreements, arrangements, undertakings, practices, the ownership of any interest in shares or in any other way;

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

Eligible Employee means:

(a) a full-time or permanent part-time senior manager of a Group Company;

(b) an executive director, a non-executive director or a company secretary of a Group Company;

(c) any contractor as determined by the Board in its sole and absolute discretion; or

(d) a person who satisfied paragraph (a) or (b) of this definition during the 12 months immediately before the date of the Offer Letter issued to that person,

other than a person who has been given notice of dismissal for misconduct from his or her employment or office with the Group (or has given notice of resignation in order to avoid such dismissal);

Employee Incentive Scheme means any employee equity scheme extended to senior manager and/or directors of the Company and its Related Bodies Corporate, and includes the Plan;

Entitlements means any rights to acquire shares, options or other securities granted or issued by the Company or by any other company to shareholders of the Company;

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

(a) the Participant ceases employment with any and all Group Companies due to the Participant's death or Permanent Incapacity; or

(b) any other circumstances determined by the Board in its sole and absolute discretion;

Group means the Company and each Subsidiary of the Company and **Group Company** means any of them;

Holder means the holder of Options;

Holding Lock means a mechanism to prevent a Participant transferring or otherwise dealing with the Options;

Insolvency Event means the occurrence of any one or more of the following events in relation to any party:

(a) an application or an order is made for the winding up or bankruptcy of the party, the declaration of bankruptcy of a party or the appointment of an administrator, a provisional liquidator, liquidator, official manager or receiver or receiver and manager and, in the case of an application, it is not stayed, dismissed, struck out or withdrawn within 14 days of it being made;

(b) a resolution is passed for the winding up of the party which resolution is other than for the purposes of reconstruction or amalgamation the terms of which have previously been approved in writing by the other parties;

(c) a receiver or manager (or both) is appointed to, or a mortgagee takes possession of, all or any part of the business or the assets of the party;

(d) the party makes any composition or arrangement or assignment with or for the benefit of one or more of its creditors;

(e) the party is or states that it is insolvent or is deemed or presumed to be under an applicable law;

(f) the party proposes a winding-up or dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;

(g) the party is taken to have failed to comply with a statutory demand as a result of section 459F(1) of the Corporations Act;

(h) an application is made or notice is issued under sections 601AA or 601AB of the Corporations Act;

(i) a writ of execution is levied against the party or its property and is not removed within 14 days of notification of the levy; or

(j) anything analogous or of similar effect to any of the above events occurs under the law of any applicable jurisdiction.

Liquidity Event means a Change of Control in the Company (other than through the issuance of new Shares and/or Options).

Nominee means in respect of an Eligible Employee:

(a) a person who is the spouse, parent, brother, sister or child (***close relative***) of the Eligible Employee;

(b) a body corporate in which the Eligible Employee or a close relative of the Eligible Employee has, or any two or more of the Eligible Employee and close relatives of the Eligible Employee together have, a controlling interest (including any interest that gives control); or

(c) such other person approved by the Board in its absolute discretion;

Offer Letter means an offer letter to an Eligible Employee inviting that person or his/her Nominee to participate in the Plan;

Option means an option to subscribe for Share/s;

Participant means:

(a) an Eligible Employee (or his/her Nominee) who accepts an invitation to participate in the Plan, agrees to be bound by these Rules and whose application for Options in accordance with the invitation is accepted by the Board; or

(b) the legal personal representative of any person referred to in (a) duly appointed on the death or legal incapacity of that person;

Performance Hurdles means conditions or events which must be satisfied before Options may be vested (which may include, without limitation, conditions relating to the profitability of the Company or the price at which its Shares are traded on the ASX) or a Liquidity Event or conditions which may require that the number of Options able to be vested be reduced, or that some or all the Options are forfeited or lapse in circumstances determined by the Board;

Permanent Incapacity means a condition the effect of which is in the opinion of the Board, to prevent a Participant from continuing to be an Eligible Employee engaged in a similar capacity as the Participant held prior to the condition arising;

Plan means the Carbonxt Employee Option Plan as amended from time to time and operated in accordance with these Rules;

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

Retirement means the permanent cessation by a Participant of all gainful employment;

Rules means these Rules, as amended from time to time;

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

Subsidiary has the meaning given to that term in the Corporations Act;

Trust means a trust nominated by the Board;

Trust Deed means the deed establishing the Trust (as amended from time to time);

Trustee means the trustee of a Trust;

Vested Option means an Option in respect of which all Vesting Conditions have been satisfied or which otherwise becomes vested in accordance with these Rules; and

Vesting Conditions means, in relation to an Option, the period of time, Performance Hurdles and other vesting conditions determined by the Board at the time of the offer of the Option which are required to be satisfied before the Option becomes a Vested Option.

1.2 **Interpretation**

In these Rules, unless the context otherwise requires:

(a) a gender includes all genders;

(b) the singular includes the plural and conversely;

(c) a reference to a person includes the legal personal representatives, successors and assigns of that person and also corporations and other entities recognised by law;

(d) a reference to any Applicable Law includes that Applicable Law as amended, re-enacted or replaced and any law that supersedes that law; and

(e) headings are for convenience only and do not affect the interpretation of these Rules.

2 Operation of the Plan

2.1 General

The Plan must be operated in accordance with these Rules.

2.2 Shareholder approval

The terms of this Plan are subject to Shareholder approval. Any Options to be granted to Directors under this Plan is also subject to Shareholder approval.

2.3 Binding Rules

These Rules bind the Company, each Subsidiary of the Company, each Participant, each Holder and (if the Board has nominated a Trust pursuant to Rule 7.1) the Trustee.

3 Invitation

3.1 Invitation to Participate

Subject to these Rules, the Board may in its absolute discretion from time to time invite Eligible Employees to apply for Options under the Plan on the terms set out in these Rules and any other terms the Board considers appropriate. In selecting Eligible Employees to apply for Options, the Board will have regard to:

(a) the position in the Group held or to be held by the Eligible Employee;

(b) the Eligible Employee's length of service with the Group;

(c) the contribution made by the Eligible Employee to the Group;

(d) the potential contribution to be made by the Eligible Employee to the Group; and

(e) any other matters which the Board considers relevant.

3.2 Application Form and Offer Letter

The Board must give to each Eligible Employee who is invited to apply for Options under the Plan an Application Form together with an Offer Letter setting out the following information in relation to the Options:

(a) the number of Options for which the Eligible Employee may apply;

(b) the consideration (if any) for the grant of the Options;

(c) the Exercise Price of the Options or the method of determining such Exercise Price;

(d) the latest time at which the Options may be exercised;

(e) any applicable Vesting Conditions (including, without limitation, the period or periods during which the Options or any of them may be exercised and any applicable Performance Hurdles);

(f) the conditions of any Holding Lock which applies to:

(i) the Options; and/or

(ii) (if the Options are Options) the Shares issued on exercise of the Options;

(g) any other terms and conditions relating to the invitation or the Options which in the opinion of the Board are fair and reasonable and not inconsistent with these Rules;

(h) the time within which the invitation may be accepted by the Eligible Employee (**Acceptance Period**);

(i) in respect of the initial application made by an Eligible Employee, a summary of, or a copy of, these Rules; and

(j) any other information or documents that the Applicable Law require the Company to give to the Eligible Employee.

3.3 **Participant bound by Application Form, Offer Letter, Rules, Constitution and Trust Deed**

By completing and returning the Application Form within the Acceptance Period, a Participant applies for Options under the Plan on the terms of the Offer Letter and agrees to be bound by the terms of the Application Form, the Offer Letter, these Rules, the Constitution and (if the Board has nominated a Trust pursuant to Rule 7.1) the Trust Deed.

3.4 **Acceptance by Nominee of Eligible Employee**

(a) An Eligible Employee may by notice to the Board nominate a Nominee in whose favour the Eligible Employee wishes to renounce an invitation received by, or any future invitation that may be made to, that Eligible Employee.

(b) The Board may, in its discretion, elect not to allow a renunciation of an invitation in favour of a Nominee.

(c) If the renunciation in favour of a Nominee is permitted by the Board and the Eligible Employee wishes to proceed with the renunciation in favour of its Nominee, then:

(i) the Eligible Employee will procure that its Nominee accepts the invitation made to that Eligible Employee;

(ii) both the Eligible Employee and the Nominee agree to be bound by these Rules as a Participant, except that (if the Board has nominated a Trust pursuant to Rule 7.1) only the Nominee will be a beneficiary under the Trust; and

(iii) the Eligible Employee must procure that the Nominee complies with the terms of the Application Form, these Rules, the Constitution and (if the Board has nominated a Trust pursuant to Rule 7.1) the Trust Deed as applicable.

4 Grant of Options

4.1 **Grant of Options**

Subject to the satisfaction of any terms or conditions set out in the Application Form, following receipt of a completed and signed Application Form and the acceptance by the Board of the Application Form, the Company will as soon as practicable after the end of the Acceptance Period:

(a) issue to the Participant, on the terms of the Offer Letter, the number of Options applied for by the Participant in the Application Form; and

(b) complete a register of Options in accordance with the Applicable Law.

For the avoidance of doubt, the Board will not issue any Options until the terms of this Plan have been approved by Shareholders.

4.2 **No payment for Options**

Unless otherwise determined by the Board, no payment is required for the grant of Options under the Plan.

4.3 **Certificate**

Subject to the Applicable Law, the Company may issue a Certificate to a Participant in respect of the Options granted to that Participant. The Company must comply with the Applicable Law with respect to the issue of the Certificate.

4.4 **Quotation on ASX (if applicable)**

(a) Subject to clause 4.4(b), no Options will be quoted on the ASX, unless the Board determines otherwise.

(b) If the Company's shares are quoted on the official list of the ASX, the Company must apply for quotation on the official list of the ASX of the Shares issued on the exercise of Options granted under this Plan as soon as practicable after the issue of those Shares, if and so long as Shares are quoted on the ASX at that time.

5 Restrictions on transfer

5.1 **No transfer**

(a) Options may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board.

(b) While an Option is subject to a Holding Lock, that Option may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board.

5.2 **Prohibition on value schemes or arrangements**

A Participant must not enter into a scheme or arrangement that protects the value of Option granted under the Plan prior to them becoming a Vested Option.

6 Vesting of Options

6.1 **Manner of vesting and exercise**

The vesting of Options and the exercise of any Options granted under the Plan may only be effected in such form and manner as the Board prescribes.

6.2 **Other permitted vesting**

The Board may determine that an Option will become a Vested Option, whether or not any or all applicable Vesting Conditions have been satisfied if (in the Board's opinion) one of the following events has occurred or is likely to occur:

(a) the merger or consolidation of the Company into another company;

(b) if a takeover bid is made in respect of the Company and the Board recommends acceptance to shareholders;

(c) if a scheme of arrangement is made or undertaken in respect of the Company, and the Board in its absolute discretion determines exercise to be appropriate;

(d) any event similar to those described in Rules 6.2(a) to 6.2(c) involving a change in ownership or control of the Company or all or substantial part of the assets of the Company; or

(e) any other event as determined by the Board in its absolute discretion.

6.3 **Specific Vesting Conditions and exercise procedure for Options**

(a) Subject to Rule 6.2, an Option granted under the Plan may only be exercised if, at the time of exercise:

(i) the Option is a Vested Option;

(ii) the Option has not been forfeited or lapsed under Rule 8; and

(iii) the Exercise Price (as adjusted under Rule 9, if applicable) has been paid.

(b) The exercise of some Options only does not affect the Holder's right to exercise other Options at a later time. If the Holder exercises less than all the Options represented by a Certificate then the Company will cancel the Certificate and issue a new Certificate for the balance.

(c) The Board may determine in respect of the exercise of each Option the method by which Shares may be acquired for the purposes of the Plan, whether by allotment, issue or allocation.

(d) Following exercise of an Option, the Company must, within such time as the Board determines, either:

(i) if the Board has not nominated a Trust pursuant to Rule 7.1: issue or allocate to or acquire on market for the person exercising the Option, that number of Shares in respect of which the Option has been exercised, credited as fully paid; or

(ii) if the Board has nominated a Trust pursuant to Rule 7.1: instruct the Trustee to acquire or allocate Shares for the benefit of the Participant or transfer Shares to the Participant (at a time and manner to be determined by the Board in its absolute discretion) and, if required, pay to the Trustee such amount as is necessary for that purpose.

(e) Unless the terms of issue of the Options provide otherwise, Shares issued on the exercise of Options will rank equally in all respects with all existing Shares from the date of allotment, including in relation to:

(i) voting rights; and

(ii) entitlements to participate in:

(A) distributions and dividends; and

(B) future rights issues and bonus issues,

where the record date for determining entitlements falls on or after the date of allotment.

6.4 **Vesting**

If the Board has nominated a Trust pursuant to Rule 7.1 and the Trustee holds Options which have become Vested Options, then upon such vesting the Company will direct the Trustee to transfer those Vested Options into the name of the Participant.

7 Trust

7.1 **Nomination**

The Board may in its sole and absolute discretion:

(a) determine that any or all Options to be issued, allotted or allocated under the Plan (including, without limitation, following the exercise of an Option) will be held in a Trust on behalf of Participants, for transfer to future Participants or otherwise for the purposes of the Plan;

(b) nominate a Trust for the purposes of the Plan;

(c) revoke the nomination of a Trust and determine that Options to be issued, allotted or allocated under the Plan will not be held in any Trust; or

(d) revoke the nomination of a Trust and nominate its replacement,

in each case, on terms and conditions that the Board considers appropriate.

7.2 **Trustee to hold Options**

If the Board has nominated a Trust pursuant to Rule 7.1, then:

(a) The Company may instruct the Trustee to do all such things and perform all such functions as the Board considers appropriate to enable the implementation of the Plan.

(b) The Trustee will, in accordance with instructions received from the Company acquire or allocate Options (including for the benefit of a Participant) or transfer Options (including to a Participant), provided that the Trustee has sufficient funds to acquire those Options, and will hold those Options and any Entitlements accruing to, or in connection with, those Options on the terms of the Trust Deed.

7.3 **Trustee to dispose of Options**

If the Board has revoked the nomination of a Trust (**Previous Trust**) pursuant to Rule 7.1, then the Company must instruct the trustee of the Previous Trust to, and the trustee of the Previous Trust must in accordance with those instructions, either:

(a) transfer or distribute all Options held by the trustee of the Previous Trust (including to the relevant Participants); or

(b) (if the Board has nominated a replacement Trust) transfer all Options held by the trustee of the Previous Trust to that replacement Trust,

in each case, on terms and conditions that the Company considers appropriate.

8 Lapse and forfeiture

8.1 **End of exercise period**

Subject to clauses 8.2, 8.3 and 8.4, the Option automatically lapses as at the moment immediately after:

(a) (if that Option is not a Vested Option) the latest time at which that Option may become a Vested Option, as specified by the Board in the Offer Letter; or

(b) (if that Option is a Vested Option) the latest time at which that Option may be exercised, as specified by the Board in the Offer Letter.

8.2 **Good Leaver**

If a Participant is a Good Leaver, then:

(a) all Options held by the Participant that are Vested Options at the date of cessation of employment or office may be exercised by the Participant during the 30 day period following the date of cessation of employment or office (notwithstanding that the

exercise period specified in the Offer Letter ends during the 30 day period), after which those Options will automatically lapse;

(b) all other Options held by the Participant will be automatically forfeited and automatically lapse on the date of cessation of employment or office; and

(c) all Offer Letters which have not been accepted by the Participant are automatically revoked on the date of cessation of employment or office,

unless the Board determines otherwise.

8.3 **Bad Leaver**

If a Participant is a Bad Leaver, then on the date of cessation of employment or office:

(a) all Options held by the Participant will be automatically forfeited and automatically lapse;

(b) if the Board has nominated a Trust. the Participant automatically forfeits all of his/her rights, title and interest:

(i) in all Options and Entitlements held by the Trustee and all proceeds on sale or transfer of those Shares and Entitlements;

(ii) in the Trust; and

(iii) he/she may have as a beneficiary of the Trust; and

(c) all Offer Letters which have not been accepted by the Participant are automatically revoked,

unless the Board determines otherwise.

8.4 **End of period otherwise determined by the Board**

If the Board determines a further period, or reduces the period, in which Options may be exercised, whether such revised period is more or less than the 30-day period specified in Rule 8.2(a), or more or less than the exercise period specified in the Offer Letter for those Options, then those Options will lapse at the end of that revised period.

8.5 **Cessation of employment - interpretation**

For the purposes of these Rules, a Participant will not be deemed to be either a Good Leaver or a Bad Leaver if:

(a) the Participant is absent due to approved leave granted by a Group Company;

(b) immediately after the Participant leaves the employment or office of a Group Company the Participant is employed by, or holds an office with, another Group Company;

(c) the Participant is seconded from a Group Company to a government department or instrumentality or to another company; or

(d) immediately after the Participant leaves the employment or office of a Group Company the Participant is employed by a joint venture company in which a Group Company holds a substantial interest at the time of employment, and which has been approved by the Board as an associated company for the purposes of the Plan.

9 Capital reconstructions and new issues

9.1 Alterations to capital and reconstructions

Subject to the Applicable Law, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to the rights attaching to those Options which are Options (including, without limitation, to the number of Shares which may be acquired on exercise of the Options and the Exercise Price of an Options) on any basis it deems fit in its discretion.

9.2 New issues

Subject to the Applicable Law, unless the Board determines otherwise, a Holder is only entitled to participate (in respect of Options granted under the Plan) in a new issue of Shares to existing shareholders of the Company if the Holder has validly exercised the Holder's Options and become a Shareholder prior to the relevant record date, and is then only entitled to participate in relation to Shares of which the Holder is the registered holder.

10 Powers of the Board

10.1 Powers of the Board

The Plan will be managed by the Board, which will have power to:

(a) determine appropriate procedures and make regulations for the administration of the Plan consistent with these Rules;

(b) resolve and bind the Company and Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;

(c) determine matters falling for determination under these Rules in its absolute discretion having regard to the interests of and for the benefit of the Company;

(d) exercise the discretions conferred on it by these Rules or which may otherwise be required in relation to the Plan; and

(e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan.

10.2 Suspension or termination of Plan

(a) The Plan may be suspended or terminated at any time by resolution of the Board.

(b) In the event of a suspension or termination, these Rules will continue to operate with respect to any Options issued under the Plan prior to that suspension or termination.

11 Contracts of Employment and Other Employment Rights

11.1 Rules not part of employment contract etc

(a) This Plan does not form part of any contract of employment or services between a Group Company, or any Related Body Corporate of a Group Company, and any Eligible Employee.

(b) Nothing in these Rules confers on any Eligible Employee the right to receive any Options or Shares.

(c) It is a condition of these Rules that the Plan may be terminated at any time at the discretion of the Board and that no compensation under any employment or services contract will arise as a result.

11.2 **Termination of employment**

This Plan:

(a) does not confer on any Eligible Employee or Participant the right to continue as an employee, contractor or officer of any Group Company or any Related Body Corporate of a Group Company;

(b) does not affect any rights which a Group Company, or any Related Body Corporate of a Group Company, may have to terminate the employment or office of the Eligible Employee or Participant; and

(c) may not be used to increase damages in any action brought against a Group Company, or any Related Body Corporate of a Group Company, in respect of that termination.

12 Connection with other plans

Unless the Board otherwise determines, participation in the Plan does not affect, and is not affected by, participation in any other Employee Incentive Scheme by the Company unless the terms of that other Employee Incentive Scheme provide otherwise.

13 Notices

Any notice or direction given under these Rules is validly given if it is handed to the person concerned or sent by ordinary prepaid post to the person's last known address or given in any reasonable manner which the Board from time to time determines including by email.

14 Plan costs and brokerage

(a) Unless otherwise determined by the Board, the Company must pay:

(i) all costs, charges and expenses relating to the establishment and operation of the Plan; and

(ii) any brokerage for the acquisition of Shares (including, without limitation, upon the exercise of an Option) under the Plan.

(b) For the avoidance of doubt, the Company is not responsible for any brokerage payable in relation to the sale of Shares or Options held by any Participant.

15 Overseas Eligible Employees

The Company, at the Board's discretion, may:

(a) invite Eligible Employees who are resident outside of Australia to participate in the Plan; and

(b) make regulations for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Employees and Participants who are resident outside of Australia.

16 General restrictions

16.1 **General**

Notwithstanding any Rule, Options may not be issued, transferred or dealt with under the Plan if to do so would contravene the Applicable Law or where the compliance with any Applicable Law would in the opinion of the Board be unduly onerous or impractical.

16.2 **Limit on aggregate number of Shares**

Unless otherwise determined by the Board, taking into account what it considers to be all relevant factors, an offer of Options may only be made under the Plan at any particular time, if:

(a) the number of Shares proposed to be issued pursuant to that offer; plus

(b) the number of Shares that may be acquired on exercise of the Options proposed to be issued pursuant to that offer; plus

(c) the number of Shares which have not been forfeited or become Vested Options under the Plan; plus

(d) the number of Shares that may be acquired on exercise of rights or options on issue under any Employee Incentive Scheme (including the Plan); plus

(e) the number of Shares which would be issued if each already issued and outstanding offer with respect to Shares or rights or options over Shares under any Employee Incentive Scheme (including the Plan) was to be accepted and, if the offer relates to rights or options, those rights or options were exercised,

does not exceed 10% (ten percent) of the total number of issued Shares on a fully diluted basis as at the time of the offer.

17 Amendment of the Rules, Vesting Conditions or terms of issue

17.1 **General**

Subject to Rule 17.2 and the Applicable Law, the Board may amend, add to, delete, revoke or otherwise vary any or all of the Vesting Conditions, the terms of issue of an Option, or these Rules at any time in any manner it thinks fit in its absolute discretion (**Amendment**).

17.2 **Limitation on Amendments**

No Amendment to the provisions of these Rules may be made which reduces the rights of Participants in respect of Options acquired by them prior to the date of the Amendment, other than an Amendment introduced primarily:

(a) for the purpose of complying with or conforming to present or future Applicable Law;

(b) to correct any manifest error or mistake; or

(c) for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

18 Governing law

These Rules are governed by and shall be construed in accordance with the laws of the State of New South Wales.