

**COPPER SEARCH LIMITED  
ACN 650 673 500**

**EMPLOYEE INCENTIVE PLAN**

Adopted by the Board on 1<sup>st</sup> July 2021



## CONTENTS

1.	PURPOSE .....	3
2.	COMMENCEMENT .....	3
3.	MAXIMUM ALLOCATION .....	3
4.	ELIGIBILITY AND GRANT .....	3
5.	OPERATION OF PLAN .....	5
6.	OPTION TERMS .....	5
7.	EXERCISE OF OPTIONS .....	7
8.	EMPLOYEE SHARE TRUST .....	8
9.	PERFORMANCE RIGHT TERMS .....	8
10.	PERFORMANCE CRITERIA .....	9
11.	QUOTATION .....	9
12.	LAPSE OF OPTIONS AND PERFORMANCE RIGHTS .....	11
13.	ISSUE OF SHARES .....	12
14.	EMPLOYEE LOAN .....	13
15.	REPAYMENT OF EMPLOYEE LOAN .....	14
16.	RIGHTS ATTACHING TO PLAN SHARES .....	14
17.	DISPOSAL RESTRICTIONS ON PLAN SHARES .....	14
18.	HOLDING PERIOD .....	15
19.	NOMINEE .....	15
20.	GOOD LEAVER .....	15
21.	BAD LEAVER .....	16
22.	FORFEITURE .....	16
23.	BUY-BACK .....	16
24.	BUY-BACK PRICE FOR SHARES .....	17
25.	CANCELLATION .....	17
26.	CAPITAL RECONSTRUCTIONS .....	17
27.	CHANGE OF CONTROL .....	18
28.	TAX LIABILITY AND WITHHOLDING .....	19
29.	CONTRAVENTION OF APPLICABLE LAWS .....	19
30.	CONTRAVENTION OF RULES .....	19
31.	ADMINISTRATION OF THE PLAN .....	19
32.	PLAN AMENDMENT .....	20
33.	TERMINATION OR SUSPENSION .....	21
34.	NO EMPLOYMENT CONTRACT .....	21
35.	ASIC RELIEF .....	22

36.	NON-EXCLUSIVITY .....	22
37.	GENERAL .....	22
38.	DEFINITIONS AND INTERPRETATION.....	23
	SCHEDULE 1: PRO-FORMA OFFER LETTER – OPTIONS .....	30
	SCHEDULE 2: PRO-FORMA OFFER LETTER - PERFORMANCE RIGHTS .....	36
	SCHEDULE 3: PRO-FORMA OFFER LETTER – SHARES .....	43

## **1. PURPOSE**

- 1.1 The purpose of the Plan is to:
- 1.1.1 assist in the reward, retention and motivation of Eligible Employees;
  - 1.1.2 link the reward of Eligible Employees to Shareholder value creation; and
  - 1.1.3 align the interests of Eligible Employees with Shareholders by providing an opportunity to Eligible Employees to earn rewards via an equity interest in the Company based on creating Shareholder value.

## **2. COMMENCEMENT**

- 2.1 The Plan will commence on a date determined by resolution of the Board (and if no date is specified, on the date the Plan is approved by the Board).

## **3. MAXIMUM ALLOCATION**

- 3.1 The Company must not make an Offer for Shares, Options or Performance Rights under this Plan if, immediately afterwards, the sum of:

- 3.1.1 the total number of unissued Shares which may be acquired pursuant to the Offer (for avoidance of doubt, including pursuant to Options or Performance Rights which may be applied for as part of the Offer);
- 3.1.2 the total number of unissued Shares over which Options have been granted or Performance Rights issued during the preceding three years under this Plan and any other Group employee incentive scheme; and
- 3.1.3 the total number of Shares (not being Plan Shares) issued during the preceding three years under this Plan and any other Group employee incentive scheme,

would exceed 10% of the total number of Shares on issue at the time of the proposed issue.

- 3.2 For the avoidance of doubt, where an Employee Incentive lapses without being exercised, the Employee Incentive concerned shall be excluded from any calculation under this clause 3.
- 3.3 The maximum allocation and allocated pool provided for in this clause 3 may be increased by Board resolution, provided such an increase complies with the Listing Rules.

## **4. ELIGIBILITY AND GRANT**

### **Participation**

- 4.1 The Board may from time to time in its sole and absolute discretion determine that an Eligible Employee may participate in the Plan.

### **Selection**

- 4.2 Following determination that an Eligible Employee may participate in the Plan, the Board may at any time, and from time to time, make an Offer to the Eligible Employee.

### **Offer**

- 4.3 Subject to clause 4.4, the manner, form, content, timing and frequency of Offers will be as determined by the Board in its sole and absolute discretion.
- 4.4 An Offer must be set out in an Offer Letter delivered to the Eligible Employee and specify:

- 4.4.1 the number of Shares, Options or Performance Rights;
  - 4.4.2 the conditions on the Offer (**Offer Conditions**);
  - 4.4.3 the Grant Date;
  - 4.4.4 the Fee (if any);
  - 4.4.5 the Performance Criteria (if any);
  - 4.4.6 the Vesting Conditions (if any);
  - 4.4.7 the Exercise Price (if any);
  - 4.4.8 the Exercise Period (if applicable);
  - 4.4.9 the Performance Period (if applicable);
  - 4.4.10 the Expiry Date and Term (if applicable);
  - 4.4.11 the Forfeiture Conditions (if any);
  - 4.4.12 any Restrictions attaching to the Shares or Plan Shares together with the Restriction Period; and
  - 4.4.13 the terms of any Employee Loan to be made by the Company to the Employee in accordance with this Plan to fund the purchase of Shares offered (if applicable).
- 4.5 An Offer must be accompanied by an Application and a copy of this Plan.
- 4.6 Pro-forma Offer Letters and pro-forma Applications are attached as Schedules 1 to 3 (as applicable) of this Plan, respectively.

#### **Application**

- 4.7 Unless otherwise determined by the Board in its sole and absolute discretion, an Eligible Employee that wishes to apply to participate in the Plan in response to an Offer must, on or before the period of time allowed for acceptance of the Offer, give an Application:
- 4.7.1 to the person specified in the Offer Letter; and
  - 4.7.2 in accordance with any instructions or conditions set out in the Offer Letter.
- 4.8 An Eligible Employee may accept less than the total number of Employee Incentives in an Offer.

#### **Multiple Offers**

- 4.9 Unless otherwise determined by the Board in its sole and absolute discretion, the Board may make any number of issues to Eligible Employees, as set out in any Offer, notwithstanding that an issue or issues may have been previously made to any Eligible Employee.

#### **Right to reject Applications**

- 4.10 The Board is entitled to reject any Application by an Eligible Employee to participate in this Plan without giving any reason.

#### **Acceptance of Offer**

- 4.11 A person to whom an Offer is made may accept the Offer by completing the Application and

giving it to the Board by 5.00pm on the last day of the acceptance period specified in the Offer Letter.

- 4.12 The Board must notify the Eligible Employee promptly, if the Board resolves to accept the Eligible Employee's Application.
- 4.13 Once that notice is given, a contract is formed under which an Eligible Employee:
  - 4.13.1 becomes bound by the terms and conditions of the Offer Letter, this Plan and the Company's Constitution; and
  - 4.13.2 agrees to the issue of the Employee Incentives in accordance with the terms and conditions of the Eligible Employee's Application.
- 4.14 In accordance with the Company's reporting obligations under Australian and other tax legislation, each participant consents to the disclosure of information about this Plan and its participants to the Australian Tax Office or another tax authority.

## **5. OPERATION OF PLAN**

- 5.1 This Plan is administered by the Board, which has power to:
  - 5.1.1 determine appropriate procedures for administration of this Plan consistent with this Plan;
  - 5.1.2 resolve conclusively all questions of fact or interpretation in connection with this Plan;
  - 5.1.3 appoint a person to be the Plan Administrator;
  - 5.1.4 delegate to any persons (including, without limitation, a Plan Administrator) for such period and on such terms as it sees fit the exercise of any of its powers or discretions under this Plan; and
  - 5.1.5 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.
- 5.2 Where the Board is to make a determination, decision, approval or give any opinion under this Plan, the Board or the Company may do so in its absolute discretion.
- 5.3 Any power or discretion which is conferred on the Board or the Company by this Plan may be exercised by the Board in the interests, or for the benefit, of the Company and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person including, for the avoidance of doubt, any Eligible Employee or any Participant.

## **6. OPTION TERMS**

### **Option entitlements**

- 6.1 Subject to the Board determining otherwise prior to an Offer, each vested Option entitles the Participant holding the Option to subscribe for, or to be transferred, one Plan Share on payment of the Exercise Price (if any).

### **Participant rights**

- 6.2 A Participant who holds Options is not entitled to:
  - 6.2.1 notice of, or to vote or attend at, a meeting of the Shareholders;

- 6.2.2 receive any dividends declared by the Company; or
- 6.2.3 participate in any new issues of securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Participant holds Plan Shares.

#### **Conditions for vesting and exercise**

- 6.3 The Board will determine prior to an Offer being made and specify in the Offer any Performance Criteria and/or Vesting Conditions attaching to the Options.
- 6.4 Options will only vest and be exercisable if the applicable Performance Criteria and/or Vesting Conditions (if any) have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules.
- 6.5 In the event of a Liquidity Event, the Board in its absolute discretion may waive any Performance Criteria and/or Vesting Conditions in respect of some or all Options held by a Participant.

#### **No transfer of Options**

- 6.6 Options granted under this Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:
  - 6.6.1 the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, encumbrance with a Security Interest or disposal as the Board sees fit; or
  - 6.6.2 such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

#### **Options to be recorded**

- 6.7 Options will be recorded in the appropriate register of the Company.

#### **Adjustment for rights issue**

- 6.8 If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

### **Adjustment for bonus issue of Shares**

6.9 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):

6.9.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Option before the record date for the bonus issue; and

6.9.2 no change will be made to the Exercise Price.

## **7. EXERCISE OF OPTIONS**

### **Exercise Period for Options**

7.1 The Exercise Period for Options will be as determined by the Board in its sole and absolute discretion.

### **Method of exercise**

7.2 Following the issuing of a Vesting Notification to the Participant, the Option is exercisable by the Participant within the Exercise Period specified by the Board in the Offer, subject to the Participant delivering to the registered office of the Company or such other address as determined by the Board of:

7.2.1 a signed Notice of Exercise; and

7.2.2 subject to clause 7.4, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any).

### **No issue unless cleared funds**

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

### **Cashless exercise of Options**

7.4 The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the Exercise Price of Options by cash, cheque or some other method acceptable to the Company, but that on exercise of the Options, the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the Exercise Price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).

### **Minimum Exercise**

7.5 Options must be exercised in multiples of 1000 unless fewer than 1000 Options are held by a Participant or the Board otherwise agrees.



### **Actions on exercise**

- 7.6 On completion of the exercise of Options:
- 7.6.1 the Options will automatically lapse; and
  - 7.6.2 the Company will allot and issue, or transfer, the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Options.

## **8. EMPLOYEE SHARE TRUST**

- 8.1 The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Plan Shares for Participants under the Plan and delivering Plan Shares to Participants upon exercise of the Options or the satisfaction of Performance Criteria of a Performance Right.

## **9. PERFORMANCE RIGHT TERMS**

### **Offer of Performance Rights**

- 9.1 The Board may offer Performance Rights to any Eligible Employee at its sole discretion. Each Performance Right confers an entitlement to be provided with one Plan Share, credited as fully paid, at no cost, upon the full satisfaction of the Performance Criteria specified by the Board in relation to that Performance Right.

### **Participant rights**

- 9.2 A Participant who holds Performance Rights is not entitled to:
- 9.2.1 notice of, or to vote or attend at, a meeting of the Shareholders; or
  - 9.2.2 receive any dividends declared by the Company,
- unless and until the Performance Rights are satisfied and the Participant holds Plan Shares.

### **Board may add to or vary Performance Rights**

- 9.3 The Board may add to or vary any Eligible Employee's Performance Rights, in a manner that increases the overall benefit to the Eligible Employee, if the Eligible Employee is promoted, receives an increase in remuneration, or if the Eligible Employee's professional circumstances change such that the Board considers the previous Performance Rights to be no longer appropriate.

### **Performance Rights subject to this Plan**

- 9.4 Performance Rights will be governed by this Plan until the Performance Rights:
- 9.4.1 lapse; or
  - 9.4.2 the Performance Criteria to which the Performance Rights relate have been fully satisfied in accordance with this Plan and consequently Plan Shares have been issued in respect of those Performance Rights.

### **Performance Rights not property**

- 9.5 A Participant's Performance Rights are personal contractual rights granted to the Participant only and do not constitute any form of property.

### **No transfer of Performance Rights**

- 9.6 Unless otherwise determined by the Board, Performance Rights cannot be transferred to or vest in any person other than the Participant.

## **10. PERFORMANCE CRITERIA**

### **Board may determine Performance Criteria**

- 10.1 The Board may at its sole discretion determine the Performance Criteria which will apply to any Performance Rights granted under this Plan. The Performance Criteria will specify the criteria which the Eligible Employee is required to meet in the specified Performance Period in order to become entitled to receive Shares under this Plan.
- 10.2 The Board will provide written notice of the Performance Criteria before the commencement of the Performance Period to which those Performance Criteria relate. However, if the Board grants Performance Rights after a Performance Period has already commenced, then the Board will provide such notice no later than the time at which it grants those Performance Rights.
- 10.3 The Board may vary the Performance Criteria and/or the Performance Period after the grant of those Performance Rights, subject to:
- 10.3.1 the Company complying with any Applicable Laws;
  - 10.3.2 the Performance Criteria and/or the Performance Period as varied being no less favourable to the Participant than the terms upon which the Performance Rights were originally granted; and
  - 10.3.3 the Board promptly notifying a Participant of any such variation.
- 10.4 The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Participant has satisfied the Performance Criteria applicable to the Performance Period at the end of the Performance Period. As soon as practicable after making that determination the Board must:
- 10.4.1 inform the Participant of that determination and of the number of Shares to be provided to the Participant in respect of the Performance Rights to which those Performance Criteria relate; and
  - 10.4.2 allot and issue, or transfer, the number of Plan Shares for which the Participant is entitled to acquire upon satisfaction of the Performance Criteria for the relevant number of Performance Rights held.
- 10.5 Where Performance Rights have not satisfied the Performance Criteria within the Performance Period, those Performance Rights will automatically lapse.

## **11. QUOTATION**

- 11.1 The Company will not seek official quotation of any Options or Performance Rights.
- 11.2 The Company must use all reasonable endeavours to obtain the grant of quotation of Shares issued under this Plan or Plan Shares issued on exercise of Options or Performance Rights under this Plan on the ASX and, subject to Listing Rules, on any other exchange on which Shares are quoted. This is subject to there being no applicable trading restrictions under:
- 11.2.1 this Plan;
  - 11.2.2 the Listing Rules; or

- 11.2.3 the *Corporations Act 2001* (Cth).
- 11.3 The Company must within 20 business days (or such shorter period as may be required by ASIC, the ASX or any other exchange on which the Company's shares are quoted) do one of the following:
  - 11.3.1 issue and allot the applicable number of Shares; or
  - 11.3.2 transfer the applicable number of Shares.
- 11.4 Notwithstanding clause 11.3 above, the Company's obligation to issue such Shares in accordance with this clause 11 shall be postponed until the earlier of:
  - 11.4.1 when excluded information in respect to the Company (as defined in section 708A(7) of the *Corporations Act*) (if any) ceases to be excluded information; or
  - 11.4.2 the Participant elects that the Shares to be issued will be subject to a holding lock for a period of 12 months.
- 11.5 If clause 11.4.1 applies, upon issue of the Shares the Company shall either give ASX a notice that complies with section 708A(5)(e) of the *Corporations Act* or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the *Corporations Act*.
- 11.6 If clause 11.4.2 applies, the Company shall issue or transfer the Shares to the Participant in accordance with applicable foregoing provisions of this clause 11 and the Company shall apply a holding lock in accordance with clause 11.7.2, in respect of the Shares.
- 11.7 The Participant may make an election pursuant to clause 11.4.2 at any time following the exercise of their Option or Performance Right. Following any such election:
  - 11.7.1 the Shares to be issued or transferred will be held by the Participant on the Company's issuer sponsored sub-register (and not in a CHESSE sponsored holding);
  - 11.7.2 the Company will apply a holding lock on the Shares to be issued or transferred and the Participant is taken to have agreed to that application of that holding lock;
  - 11.7.3 the Company shall release the holding lock on the Shares on the earlier to occur of:
    - 11.7.3.1 the date that is 12 months from the date of issue of the Plan Share;
    - 11.7.3.2 the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the *Corporations Act*;
    - 11.7.3.3 in accordance with clause 27.2.3; or
    - 11.7.3.4 the date a transfer of the Shares occurs pursuant to clause 11.7.4 of these Terms and Conditions; and
  - 11.7.4 Plan Shares shall be transferable by the Participant and the holding lock will be lifted provided that the transfer of the Plan Shares complies with section 707(3) of the *Corporations Act* and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period in clause 11.7.2.

## **12. LAPSE OF OPTIONS AND PERFORMANCE RIGHTS**

### **When do Options and Performance Rights lapse?**

- 12.1 Subject to clause 12.2 or the Board deciding otherwise, a Participant's Options and Performance Rights shall automatically be cancelled for no consideration on the earliest to occur of the following:
- 12.1.1 the cessation of employment or office of a Participant (other than in accordance with clauses 20 and 21);
  - 12.1.2 where clause 22 applies;
  - 12.1.3 if applicable Performance Criteria and/or Vesting Conditions are not achieved by the relevant time;
  - 12.1.4 if the Board determines in its reasonable opinion that the applicable Performance Criteria and/or Vesting Conditions have not been met and cannot be met prior to the Expiry Date or the end of the Performance Period (as applicable);
  - 12.1.5 (in the case of Options only) the Expiry Date;
  - 12.1.6 (in the case of Performance Rights only) a determination by the Board that the Participant has not satisfied the Performance Criteria specified by the Board in respect of those Performance Rights (in which case all such Performance Rights will immediately lapse);
  - 12.1.7 where the Board has determined that the Participant has, by any act or omission, brought the Company into disrepute;
  - 12.1.8 the receipt by the Company of notice from the Participant (after a Special Circumstance has arisen with respect to the Participant) that the Participant has elected to surrender the Employee Incentive; and
  - 12.1.9 any other circumstances specified in any Offer Letter pursuant to which the Employee Incentive were issued.

### **Discretion of Board**

- 12.2 The Board may decide to allow a Participant to:
- 12.2.1 exercise any or all of their Options, whether or not the Vesting Conditions have been satisfied, and whether or not the Options would otherwise have lapsed, provided that no Options will be capable of exercise later than the relevant Expiry Date for those Options; and
  - 12.2.2 retain any Performance Rights regardless of:
    - 12.2.2.1 the expiry of the Performance Period to which those Performance Rights relate; or
    - 12.2.2.2 any failure by the Participant to satisfy in part or in full the Performance Criteria specified by the Board in respect of those Performance Rights;in which case, the Board may:
    - 12.2.2.3 determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Eligible Employee; or

- 12.2.2.4 determine a new Performance Period for those retained Performance Rights and notify the Participant of that Period as soon as practicable.

#### **Determination whether to exercise discretion**

- 12.3 The Board may have regard to whatever matters it thinks reasonable when making a decision about the matters in clause 12.2 with respect to a Participant, including any of the following factors:
  - 12.3.1 the reason for the cessation of employment with the Company, or any member of the Group;
  - 12.3.2 (in the case of Options only) the length of time between the date of cessation of employment and the Expiry Date;
  - 12.3.3 (in the case of Performance Rights only), the Participant's reasons for any failure to satisfy any Performance Criteria;
  - 12.3.4 the total length of service of the person as an employee with the Company, or any member of the Group;
  - 12.3.5 if the cessation of employment is related to the person's performance, then the extent to which the person has been given warning of their performance inadequacies;
  - 12.3.6 information provided by the person to the Board to support any claim to exercise the discretion in the person's favour; or
  - 12.3.7 Applicable Law.

#### **Effect of lapse**

- 12.4 All rights of a Participant under this Plan in respect of an Option or Performance Right cease upon the Option or Performance Right lapsing. No consideration or compensation will be payable to any person in relation to that lapse.
- 12.5 The Company will, with respect to any Option or Performance Right that has lapsed in accordance with this clause 12:
  - 12.5.1 notify the Participant that the relevant Options or Performance Rights held by them have lapsed;
  - 12.5.2 arrange for the Participant or the Participant's agent or attorney to sign any transfer documents as may be required to transfer or otherwise deal with the Options or Performance Rights; and
  - 12.5.3 not be liable for any damages, compensation or other amounts to the Participant in respect of the Options or Performance Rights.

### **13. ISSUE OF SHARES**

#### **Issue of Shares directly to Eligible Employee**

- 13.1 The Company will issue Shares or acquire and transfer Shares directly to the Eligible Employee where Shares are to be provided under this Plan, unless the Board determines otherwise.
- 13.2 Shares issued to a Participant may be subject to any Offer Conditions specified in the Offer and will remain Restricted Shares until all applicable Offer Conditions have been satisfied.

### **Restrictions on Shares**

- 13.3 A Participant must comply with any Restrictions applicable to any Shares held by the Participant during the Restriction Period. The Company may place a holding lock or similar arrangement to give effect to the Restrictions.

### **Removal of Restrictions**

- 13.4 A Participant may submit a written request to the Board at any time to remove any Restrictions applicable to Shares held by the Participant during the Restriction Period. The Board may approve such a request at its absolute discretion.

### **Forfeiture of Shares**

- 13.5 A Participant (and any person claiming through a Participant) will forfeit any right or entitlement in any Shares under the Plan, if during the Restriction Period, that Eligible Employee has:

13.5.1 been dismissed or removed from office for a reason which the Company is entitled to dismiss the Participant without notice or has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of the Company (whether or not charged with an offence);

13.5.2 by their act or omission, done anything which brings the Company into disrepute; or

13.5.3 ceases to be employed by the Company and the Board directs that such Shares are to be forfeited.

- 13.6 The Board must not issue and allot any Shares to a person if:

13.6.1 the issue of the shares is prohibited under the Corporations Act without a disclosure document, product disclosure statement or similar document; or

13.6.2 any Employee Loan included in the Offer (if applicable) would not be 'exempted financial assistance' under section 260C(4) of the Corporations Act if accepted by the Participant.

- 13.7 The Company may require from the Participant a signed blank transfer in relation to those Shares or any other documentation upon the issue or transfer of Shares to a Participant. The Participant must provide such a transfer or such other documentation.

## **14. EMPLOYEE LOAN**

- 14.1 As part of any Offer, the Board may, in its absolute discretion, offer to a Participant a limited recourse, interest free loan to be made by the Company to the Participant for an amount equal to the Issue Price for the Shares offered to the Participant pursuant to the relevant Offer (**Employee Loan**).

- 14.2 An Employee Loan must be used for the sole purpose of paying the Company the Issue Price for Shares to be issued to the Participant on acceptance of the relevant Offer, with the amount to be advanced to the Participant under the Employee Loan applied to payment of the Issue Price for such Shares.

- 14.3 In the event that the Employee Loan is repayable by the Participant to the Company, the Company's sole recourse in the event that the Employee Loan is not repaid will be limited to the Shares to which the Employee Loan relates and the Company may deal with those shares in accordance with clause 15.5 or 23.

## **15. REPAYMENT OF EMPLOYEE LOAN**

- 15.1 A Participant may repay an Employee Loan in any of the following ways:
- 15.1.1 by specific payments;
  - 15.1.2 by directing the Board to apply dividends (net of tax) from the Shares toward the repayment of the loan; or
  - 15.1.3 in accordance with clause 15.4 below.
- 15.2 If a Participant has more than one Employee Loan and makes a specific payment without specifying to which Employee Loan the payment is directed, payments will be directed to the earliest Employee Loan.
- 15.3 If a Participant ceases to be a Participant, fails to comply with any obligations under this Plan or seeks to Transfer any shares issued under this Plan other than in accordance with the terms of this Plan or the Constitution, the Board, may by written notice to the Participant, require repayment of all Employee Loans (**Employee Loan Repayment Notice**).
- 15.4 Unless the Board, in its absolute discretion, determines otherwise, the date on which an Employee Loan must be repaid by the Participant shall be the later of the date specified by the Board in the Employee Loan Repayment Notice (if any) and:
- 15.4.1 where the Company has the right to Buy-Back any Shares under this Plan, but does not exercise that right during the applicable Buy-Back Period, the date being 30 days after the expiry of the applicable Buy-Back Period; and
  - 15.4.2 where the Company has the right to Buy-Back any Shares under this Plan and exercises that right, the date of completion of the Buy-Back of the relevant Shares.
- 15.5 If an Employee Loan is not repaid in full by the date specified by the Board for repayment, the Board may sell the relevant Shares or dispose of such number of relevant Shares for their market price as the Board determines in its absolute discretion. The Board must apply the proceeds of the sale or disposal first, towards meeting the costs of the sale or disposal, second, towards repaying the outstanding amount under the relevant Employee Loan, third, towards repaying any amount owed (on any account) to the Company by the Participant, and fourth, any amounts remaining to the Participant.

## **16. RIGHTS ATTACHING TO PLAN SHARES**

### **Shares to rank equally**

- 16.1 Any Plan Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares, including those Shares issued, directly, under this Plan, on and from the date of allotment, issue or transfer in respect of all rights and bonus issues, and dividends which have a record date for determining entitlements on or after the date of allotment, issue, or transfer of those Plan Shares.

## **17. DISPOSAL RESTRICTIONS ON PLAN SHARES**

- 17.1 A Participant must comply with any Restrictions applicable to any Plan Shares held by the Participant during the Restriction Period. The Company may place a holding lock or similar arrangement to give effect to the Restrictions.

### **Removal of Restrictions**

- 17.2 A Participant may submit a written request to the Board at any time to remove any Restrictions

applicable to Plan Shares held by the Participant during the Restriction Period. The Board may approve such a request at its absolute discretion.

### **Overriding restrictions on dealing with Plan Shares**

- 17.3 Participants must not deal with Plan Shares if to do so would contravene Applicable Laws.

### **Plan Shares entitlements**

- 17.4 A Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company or Shareholders, and to receive any dividends declared by the Company during the relevant Restriction Period will not be affected by the imposition of a restriction on the Plan Shares held by a Participant pursuant to clause 17.1.

## **18. HOLDING PERIOD**

- 18.1 The Board may specify, in its absolute discretion, a specific holding period disposal restrictions that apply to some or all of the Employee Incentives offered to a person in any Offer (**Holding Period**).

## **19. NOMINEE**

- 19.1 Unless expressly permitted in the Offer, an Eligible Employee may only submit an Application in the Eligible Employee's name and not on behalf of any other person.
- 19.2 Despite anything to the contrary in this Plan, if an Employee Loan is offered to an Eligible Employee, the Eligible Employee is not able to nominate a Related Party to hold the Shares offered to the Eligible Employee.
- 19.3 If an Eligible Employee is permitted in the Offer, the Eligible Employee may nominate a Related Party to be issued the Shares, Options or Performance Rights the subject of the Offer. The nominated Related Party must execute any documents required by the Company in order to receive the grant of the Shares, Options or Performance Rights.
- 19.4 If Shares, Options or Performance Rights are granted to a Related Party nominated by an Eligible Employee, then to the extent necessary to give effect to these Rules, the Eligible Employee will continue to be treated as the Participant.
- 19.5 If a Participant ceases to Control its Related Party to whom Shares, Options, Performance Rights or Plan Shares have been granted under these Rules, then that Related Party must immediately transfer all Shares, Options, Performance Rights or Plan Shares held by it to the Participant. Each of the Participant and the Related Party will do (and hereby authorise the Company and its officers and agents to do) all things necessary, including executing all documentation necessary, to give effect to this clause.

## **20. GOOD LEAVER**

- 20.1 Where a Participant who holds Employee Incentives becomes a Good Leaver:
- 20.1.1 all vested Options which have not been exercised in accordance with these Rules will continue in force and remain exercisable for 90 days after the date the Participant becomes a Good Leaver, unless the Board determines otherwise in its sole and absolute discretion, after which the Options will lapse; and
- 20.1.2 unless the Board determines otherwise, in its sole and absolute discretion, all unvested Employee Incentives will lapse.



## **21. BAD LEAVER**

- 21.1 Where a Participant who holds Employee Incentives becomes a Bad Leaver, unless the Board determines otherwise, in its sole and absolute discretion, all vested and unvested Employee Incentives will lapse.

## **22. FORFEITURE**

### **Forfeiture Conditions**

- 22.1 The Board may determine prior to any Offer if any Forfeiture Conditions apply in respect of Employee Incentives and/or Plan Shares issued under that Offer.

### **Where Forfeiture Occurs**

- 22.2 Where any Employee Incentives and/or Plan Shares are subject to Forfeiture Conditions and any such Forfeiture Condition(s) occur, such Employee Incentives and/or Plan Shares will be forfeited and the Company will:

- 22.2.1 notify the Participant that the relevant Employee Incentives and/or Plan Shares held by them have been forfeited;
- 22.2.2 arrange for the Participant's agent or attorney to sign any transfer documents required to transfer or rely on clauses 31.5 and 31.6 and otherwise deal with the relevant Employee Incentives and/or Plan Shares; and
- 22.2.3 not be liable for any damages, compensation or other amounts to the Participant in respect of the relevant Employee Incentives and/or Plan Shares that were subject to such forfeiture.

### **Fraudulent or dishonest actions**

- 22.3 In addition to forfeiture in accordance with the Forfeiture Conditions (if any), where, in the reasonable opinion of the Board, a Participant:

- 22.3.1 acts fraudulently or dishonestly; or
- 22.3.2 wilfully breaches his or her duties to the Company, or any member of the Group,

then the Board may deem all Employee Incentives and/or Plan Shares held by the Participant will automatically be forfeited.

## **23. BUY-BACK**

### **Buy-Back**

- 23.1 Subject to any provisions to the contrary in the Constitution or Applicable Law, Shares issued pursuant to this Plan will be subject to the Company's right to Buy-Back and may at any time be immediately Bought- Back by the Company if:

- 23.1.1 the Participant holding the Shares ceases employment or office where the Offer Conditions, Performance Criteria and/or Vesting Conditions attaching to the Shares have not been met by the time of cessation. The time of cessation of employment or office shall be the time as determined by the Board in its sole discretion;
- 23.1.2 where clause 22 applies; or
- 23.1.3 if the Board determines in its reasonable opinion that the applicable Performance

Criteria and/or Vesting Conditions have not been met by the end of the Expiry Date.

- 23.2 If the Company does not exercise its right to Buy-Back any Shares during the relevant Buy-Back Period, the Former Participant must repay any Employee Loan advanced to the Former Participant in respect of the purchase of such Shares in accordance with paragraph 15.4 and shall thereafter hold such Shares in accordance with the terms of the Constitution.
- 23.3 The Buy-Back of Shares under clause 23.1 may occur in one or more tranches within such time, as determined by the Board in its sole and absolute discretion.

#### **Buy-Back mechanism**

- 23.4 Each Participant will do all acts, matters and things at any time which are necessary or desirable in the sole opinion of the Board to give effect to any Buy-Back of his or her Shares and/or Plan Shares.

### **24. BUY-BACK PRICE FOR SHARES**

- 24.1 Unless determined otherwise by the Board in its absolute discretion, the price on which each Share may be Bought-Back by the Company (**Buy-Back Price**) shall be the Issue Price of the Shares.

### **25. CANCELLATION**

#### **Securities may be Cancelled if Participant consents**

- 25.1 Notwithstanding any other provisions of the Plan, if a Participant and the Board have agreed in writing that some or all of the Employee Incentives and/or Plan Shares granted to that Participant may be Cancelled on a specified date or on the occurrence of a particular event and any consideration related thereto, then the Board may Cancel those Employee Incentives and/or Plan Shares on the relevant date or on the occurrence of the particular event (as the case may be).

#### **Cancellation of Employee Incentives and/or Plan Shares**

- 25.2 Where the Employee Incentives and/or Plan Shares are to be Cancelled by the Company, the Company may do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary to enforce any Cancellation and the relevant Participant will be bound by any action by the Company under this clause 25.2.

### **26. CAPITAL RECONSTRUCTIONS**

- 26.1 Subject to any Applicable Laws, the number of Employee Incentives and/or Plan Shares held by a Participant under the Plan may, in the sole and absolute discretion of the Board, be determined to be such number as is appropriate and so that the Participant does not suffer any material detriment following any variation in the share capital of the Company arising from:

- 26.1.1 a reduction, subdivision or consolidation of share capital;
- 26.1.2 a reorganisation of share capital;
- 26.1.3 a distribution of assets in specie;
- 26.1.4 the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or
- 26.1.5 any issue of ordinary shares or other equity securities or instruments which convert into ordinary shares by way of capitalisation of profits or reserves.

- 26.2 Upon any adjustment being made pursuant to this clause, the Board will notify each Participant (or his or her legal personal representative where applicable) in writing, informing them of the number of Employee Incentives and/or Plan Shares held by the relevant Participant.

### **Reorganisation**

- 26.3 If there is any reorganisation of the issued share capital of the Company, the terms of Options and Performance Rights and the rights of the Participant who holds such Options and Performance Rights will be varied, including an adjustment to the number of Options and/or the Exercise Price (if any) applicable to Options and an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

## **27. CHANGE OF CONTROL**

### **Change of Control Event**

- 27.1 For the purposes of this clause 27, a Change of Control Event occurs if:

27.1.1 the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

27.1.2 a Takeover Bid:

27.1.2.1 is announced;

27.1.2.2 has become unconditional; and

27.1.2.3 the person making the Takeover Bid has a Relevant Interest in 50% or more of the issued Shares; or

27.1.3 any person acquires a Relevant Interest in 50.1% or more of the issued Shares by any other means.

### **Effect of a Change of Control**

- 27.2 Unless the Board, in its absolute discretion, determines otherwise, where a Change of Control Event has occurred or, in the opinion of the Board, will occur:

27.2.1 all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest;

27.2.2 a Participant may exercise any or all of their Options, regardless of whether the Vesting Conditions have been satisfied, provided that no Option will be capable of exercise later than the Expiry Date; and

27.2.3 the Board will release any holding locks on Shares applied in accordance with clause 11.4.2.

### **Aggregation**

- 27.3 For the purposes of this clause 27, if a number of Options are exercised simultaneously, or a number of Shares or Performance Rights vest simultaneously, the number of Shares or fractions of Shares which are to be issued as a consequence, may be aggregated. Any fraction in that aggregate number only will be disregarded in determining the total entitlement of an

Eligible Employee.

## **28. TAX LIABILITY AND WITHHOLDING**

- 28.1 The ultimate responsibility and liability for any and all taxes belongs to and shall remain with the Participant, and any tax consequences arising from the grant or exercise of any Employee Incentives, from the payment of Shares covered thereby, or from any other event or act relating to the Employee Incentives, or Shares issued upon exercise thereof, shall be borne solely by the Participant. The Company makes no representations or undertaking regarding the tax treatment of any grant, issuance or exercise of any Performance Rights, Options, or Shares.
- 28.2 The Company may withhold any such number of Performance Rights, Options, or Shares to be issued to the Participant which may be required to be withheld by any Applicable Law or to satisfy the Participant's tax obligations under clause 28.1.

## **29. CONTRAVENTION OF APPLICABLE LAWS**

- 29.1 No act will be done or determination made in accordance with these Rules where to do so would be a breach of any Applicable Laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of Employee Incentives and/or Plan Shares.

## **30. CONTRAVENTION OF RULES**

- 30.1 The Board may at any time, in its sole and absolute discretion, take any action it deems reasonably necessary in relation to any Employee Incentives if it determines or reasonably believes a Participant has breached these Rules or the terms of issue of any Employee Incentives, including but not limited to, signing transfer forms in relation to Employee Incentives, placing a holding lock on Employee Incentives pursuant to these Rules, signing any and all documents and doing all acts necessary to effect a Buy-Back, accounting for the proceeds of the sale of forfeited Employee Incentives, refusing to transfer any Employee Incentives and/or refusing to issue any Shares.

## **31. ADMINISTRATION OF THE PLAN**

### **Regulations**

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

### **Delegation**

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

### **Decisions final**

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

### **Attorney and agent**

- 31.5 Each Participant hereby authorises and appoints the company secretary holding office at the relevant time (or their delegate) as their agent or attorney with power to do all things necessary

in the name of and on behalf of the Participant to give effect to these Rules, including and without limitation, signing Option, Share or Plan Share transfers, and signing all documents and doing all acts necessary to effect a Buy-Back, and accounting for the proceeds of the sale of forfeited shares, but expressly excluding the power to exercise Options granted to the Participant under the Plan.

- 31.6 Each Participant agrees to indemnify and hold harmless any person acting as their agent or attorney in accordance with these Rules in respect of all costs, damages or losses of whatever nature arising from so acting, other than costs, damages or losses arising out of the agent's or the attorney's dishonesty, fraud or wilful breach of their duties.

#### **Notice**

- 31.7 Address for service:

31.7.1 Any notice required to be given to the Participants under the Plan will be sent to the address of the Participant as entered in the register unless delivered in person.

31.7.2 Any notice required to be given to the Company under the Plan will be sent to the registered office of the Company or such other address as is notified to Participants from time to time.

- 31.8 Delivery of notices:

31.8.1 Any notice to be given to Participants may be delivered by hand to the Participant.

31.8.2 Any notice to be given to the Company may be delivered by hand or by prepaid post. Notices may also be given to the Company by means of facsimile, email or other mode of electronic delivery to such address as is notified by the Company to the Participant.

31.8.3 Notices delivered to Participants in accordance with the Constitution will be taken to be delivered in accordance with the Constitution. Notices delivered to the Company by pre-paid post will be taken to be delivered if properly addressed and stamped, 48 hours after mailing in Australia and seven days after mailing outside Australia. Notices delivered by facsimile, email or other mode of electronic delivery will be taken to be delivered on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery.

## **32. PLAN AMENDMENT**

### **Amendment of Plan**

- 32.1 Subject to clause 32.2 and the Constitution, the Board may at any time amend these Rules or the terms and conditions upon which any Employee Incentives have been issued under the Plan.

- 32.2 No amendment to these Rules or to Employee Incentives granted under the Plan may be made if the amendment, in the opinion of the Board, materially reduces the rights of any Participant in respect of Employee Incentives granted to them prior to the date of the amendment, other than:

32.2.1 an amendment introduced primarily:

32.2.1.1 for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;

32.2.1.2 to correct any manifest error or mistake;

- 32.2.1.3 to allow the implementation of a trust arrangement in relation to the holding of Plan Shares granted under the Plan;
  - 32.2.1.4 for the purpose of complying with the Applicable Laws; and/or
  - 32.2.1.5 to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
- 32.2.2 an amendment agreed to in writing by the Participant(s).
- 32.3 The Board may determine that any amendment to these Rules or the terms of Employee Incentives granted under the Plan be given retrospective effect.
- 32.4 Amendment of these Rules or the terms and conditions upon which Employee Incentives are granted under the Plan by the Board will be of immediate effect unless otherwise determined by the Board.
- 32.5 As soon as reasonably practicable after making any amendment to these Rules or the terms and conditions of Employee Incentives granted under the Plan, the Board will give notice of the amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

**Amendment by addendum**

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

**33. TERMINATION OR SUSPENSION**

**Termination or suspension**

- 33.1 Subject to clause 33.2, the Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit.

**Resolution to terminate, suspend, supplement or amend**

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

**34. NO EMPLOYMENT CONTRACT**

- 34.1 Nothing in these Rules or the terms of any Employee Incentives:
- 34.1.1 confers upon an Eligible Employee a right to a grant or offer of a grant of Employee Incentives;
  - 34.1.2 confers on an Eligible Employee or a Participant the right to continue as an employee or officer of the Company, or any member of the Group (as the case may be);
  - 34.1.3 affects the rights of the Company, or any member of the Group, to terminate the employment or office of an Eligible Employee or a Participant (as the case may be);
  - 34.1.4 affects the rights and obligations of any Eligible Employee or Participant under the

terms of their office or employment with the Company, or any member of the Group;

34.1.5 confers any legal or equitable right on an Eligible Employee or a Participant whatsoever to take action against the Company, or any member of the Group, in respect of their office or employment; or

34.1.6 confers on an Eligible Employee or a Participant any rights to compensation or damages in consequence of the termination of their employment or office by the Company, or any member of the Group, for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination.

### **35. ASIC RELIEF**

35.1 Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this clause 35 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

### **36. NON-EXCLUSIVITY**

#### **Non-exclusivity**

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

#### **Relationship to other equity plans**

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

### **37. GENERAL**

#### **No fiduciary capacity**

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

#### **Listing Rules**

37.2 On the Company being admitted to the list of companies quoted on a recognised stock exchange, the provisions of the Listing Rules will apply to the Plan, and to the extent that the Plan and the Listing Rules are inconsistent, the provisions of the Listing Rules will apply.

#### **Enforcement**

37.3 These Rules, any determination of the Board made pursuant to the Rules, and the terms of any Shares, Options or Performance Rights granted under the Plan, will be deemed to form a contract between the Company and the Participant.

## **Governing law**

- 37.4 This Plan and any Shares, Options or Performance Rights granted under it will be governed by, and must be construed according to, the laws of the Western Australia and the Commonwealth of Australia.

## **38. DEFINITIONS AND INTERPRETATION**

### **Definitions**

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

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

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

**Application** means an application by an Eligible Employee to participate in the Plan made in response to an Offer substantially in the form set out in Schedules 1 to 3 (as applicable).

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

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

**Bad Leaver** means, unless otherwise determined by the Board in its sole and absolute discretion, a Participant who ceases employment or office with any member of the Group in any of the following circumstances:

- (a) the employment of the Participant is terminated due to poor performance;
- (b) the Participant's employment is terminated, or the Participant is dismissed from the office, for any of the following reasons:
  - (i) the Participant has committed any serious or persistent breach of the provisions of any employment contract entered into by the Participant with any member of the Group;
  - (ii) the Participant being guilty of fraudulent or dishonest conduct in the performance of the Participant's duties, which in the reasonable opinion of the relevant member of the Group effects the Participant's suitability for employment with that member of the Group, or brings the Participant or the relevant member of the Group into disrepute;
  - (iii) where the Board has determined that the Participant has, by any act or omission, brought the Company into disrepute;



- (iv) the Participant has been convicted of any criminal offence which involves fraud or dishonesty;
  - (v) the Participant has committed any wrongful or negligent act or omission which has caused any member of the Group substantial liability;
  - (vi) the Participant has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation; or
  - (vii) the Participant has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice;
- (c) within 6 months of ceasing employment or office with any member of the Group, the Participant has:
- (i) directly or indirectly, alone or jointly with or on behalf of anybody else, in any Capacity, carried on, operated, become engaged, interested, concerned or employed by a Competitor of the Group;
  - (ii) solicited or endeavoured to solicit or approach any director, officer, employee, contractor or agent of the Company or any other member of the Group known personally to the Participant or who is likely to be in possession of any trade secret or confidential information of any member of the Group, with the purpose of enticing that person away from the Company or any other member of the Group, and procuring the employment or engagement of that person by a Competitor of the Group;
  - (iii) solicited, canvassed, approached or accepted any approach from any person or entity who during the Relevant Period was a client, customer, supplier, distributor or licensee of or to the Company or any other member of the Group, or who was in the habit of dealing with the Company or any other member of the Group, with a view to establishing a relationship with or obtaining the custom of that person or entity with a Competitor of the Group; or
  - (iv) interfered or sought to interfere with, or counselled or procured any person (including but not limited to an employee, contractor, agent or business partner of the Participant) to interfere with, disrupt, attempt to disrupt or attempt to procure, the relationship, contractual or otherwise, between any member of the Group and any of their existing customers, or prospective customers, to whom the Participant was introduced or with whom the Participant had business dealings during the Relevant Period;

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

**Buy-Back** means the buy-back by the Company of Shares, pursuant to clause 23, and **Bought-Back** has a similar meaning.

**Buy-Back Period** means, with respect to any Share and any Participant, the period of 90 days from the date that the right to Buy-Back arises under clause 23.1 of the Plan.

**Buy-Back Price** means the price at which Shares are to be Bought-Back as determined under clause 24.1.

**Capacity** means being:

- (a) in partnership or association with anybody else;
- (b) an agent, representative, director, officer or employee of anybody else;
- (c) a member, shareholder or holder of any other security in or from anybody else; or
- (d) a trustee of, or consultant or adviser to, anybody else;

**Company** means Copper Search Limited (ACN 650 673 500).

**Competitor** means any person which carries on a business that is the same as, or similar to, the Group's business or a part of the Group's business, and that person is determined by the Board in its sole and absolute discretion to be a Competitor of the Group.

**Cancel** means the cancellation of Employee Incentives by the Company for payment of any consideration to the relevant Participant as required under clause 25.1 and **Cancellation** and **Cancelled** has a similar meaning.

**Control** has the meaning given in section 50AA of the Corporations Act and **Controlled** has a corresponding meaning.

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

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended from time to time.

**Director** means a director of the Company, or any member of the Group.

**Eligible Employee** means:

- (a) Directors and Employees who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives under the Plan; or
- (b) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives under the Plan.

**Employee** means an employee or other consultant or contractor of the Company, or any member of the Group.

**Employee Incentive** means a Share, Option or Performance Right granted under this Plan.

**Employee Loan** has the meaning given to that term in clause 14.

**Employee Loan Agreement** means an agreement between the Company and an Employee with respect to an Employee Loan, substantially in the form set out in Schedule 4.

**Employee Loan Repayment Notice** has the meaning given to that term in clause 15.3.

**Exercise Period** means the period up to the Expiry Date during which a vested Option may be exercised, and as determined by the Board.

**Exercise Price** means the exercise price payable (if any) by a Participant to acquire a Plan Share upon the exercise of an Option as specified by the Board in the Offer in its sole and absolute discretion.

**Expiry Date** means:

- (a) with respect to any Options, the date determined by the Board and as specified in the Offer with respect to those Options, after which those Options lapse and may no longer be exercised; and
- (b) with respect to any Shares, the date determined by the Board and as specified in the Offer with respect to those Shares, after which the Company's right to Buy-Back the Shares arises pursuant to clause 23.1.

**Fee** means any fee payable by a Participant on the grant of an Option to them, and as determined by the Board in its sole and absolute discretion.

**Forfeiture Conditions** means any criteria, requirements or conditions as determined by the Board and as specified in the Offer or under these Rules with respect to any Employee Incentives and/or Plan Shares which, if they occur (notwithstanding the satisfaction or waiver of any applicable Performance Criteria and Vesting Conditions) will result in a Participant forfeiting such Employee Incentives and/or Plan Shares (as applicable).

**Former Participant** means a Participant who ceases to be an Employee.

**Good Leaver** means a Participant who ceases employment or office with the Company and is not a Bad Leaver.

**Grant Date** means the date on which Employee Incentives are granted to a Participant following the acceptance of an Application.

**Group** means the Company and its Related Bodies Corporate (if applicable).

**Issue Price** means, with respect to a Share, the price per Share paid by the Participant pursuant to the relevant Offer.

**Liquidity Event** means:

- (a) a sale of all of the ordinary shares in the Company; or
- (b) a sale of all or substantially all of the assets of the Company.

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

**Market Value** means a value determined by application of a valuation methodology approved by the Board.

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

**Offer** means an offer to an Eligible Employee to apply for the grant of Employee Incentives under the Plan, in each case substantially in the form set out in Schedules 1 to 3 (as applicable) to this Plan pursuant to clause 4.6.

**Offer Conditions** has the meaning given to that term in clause 4.4.2.

**Offer Letter** means a letter containing an Offer to an Eligible Employee that sets out the terms and conditions of the Offer, substantially in the form set out in Schedules 1 to 3 (as applicable).

**Option** means an option granted under this Plan to subscribe for, acquire and/or be allocated

(as determined by the Board in its sole and absolute discretion) one Plan Share subject to the satisfaction of any Vesting Conditions, and payment of the relevant Exercise Price.

**Participant** means an Eligible Employee who has been offered Employee Incentives and who has returned a corresponding Application to the Company that has been accepted by the Company pursuant to these Rules, or that Eligible Employee's Related Party nominated in accordance with clause 19.

**Performance Criteria** means any minimum performance requirements (as specified in the Offer Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Options or Shares (as applicable) vesting in a Participant or a Performance Right entitling the holder to a Plan Share.

**Performance Period** means the period in which the Performance Criteria must be satisfied in respect of a Performance Right.

**Performance Right** means a right granted under this Plan to be issued a Plan Share subject to the satisfaction of any Performance Criteria.

**Plan** means the employee incentive plan established in accordance with these Rules.

**Plan Administrator** means a person or entity appointed to administer the Plan.

**Plan Share** means any Share issued or transferred to a Participant upon exercise of an Option or the satisfaction of Performance Criteria of a Performance Right.

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

**Related Party** in relation to an Eligible Employee means:

- (a) a trustee of a trust, in respect of which the Eligible Employee is the trustee or the Eligible Employee Controls a body corporate which is the trustee; or
- (b) a body corporate Controlled by such Eligible Employee.

**Relevant Interest** has the meaning given to that term under section 9 of the Corporations Act.

**Relevant Period** means the period commencing 12 months prior to the cessation of the Participant's employment or office.

**Restricted Shares** are those Shares subject to Restrictions.

**Restrictions** means a requirement that Participant must not:

- (a) dispose, sell, transfer or otherwise deal with the Shares or Plan Shares; or
- (b) grant a security interest in or over the Shares or Plan Shares,

and must comply with any other restriction as determined by the Board in its absolute discretion and set out in an Offer.

**Restriction Period** means such period as the Board may determine at its absolute discretion.

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

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

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

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

**Shareholder** means any holder of a Share.

**Special Circumstances** means any of the following:

- (a) the death of the Participant; or
- (b) the total and permanent disablement of the Participant such that the Participant is unlikely ever to engage in any occupation for which the Participant is reasonably qualified by education, training or experience.

**Takeover Bid** has the meaning given to that term under section 9 of the Corporations Act.

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

**Transfer** has the meaning given to that term in the Constitution.

**Vesting Conditions** means any time based requirement or condition (as specified in the Offer and determined by the Board in its sole and absolute discretion) which must be met prior to Options or Shares (as applicable) vesting in a Participant.

**Vesting Notification** means a notice to a Participant informing the Participant that the Participant's Options have vested and are exercisable.

### **Interpretation**

38.2 In these Rules, unless otherwise stated or the contrary intention appears:

- 38.2.1 the singular includes the plural and vice versa;
- 38.2.2 a gender includes all genders;
- 38.2.3 a reference to any legislation includes any modification or replacement of it and all regulations and statutory instruments issued under it and a reference to any provision of any legislation includes any modification or substitution of it;
- 38.2.4 a reference to these Rules means these Rules as amended from time to time and includes all recitals, annexures, addendums and schedules to these Rules;
- 38.2.5 a reference to a person includes a reference to the person's executors, administrators and successors or a body corporate including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee; and
- 38.2.6 in these Rules any reference to include means to include without limitation.

### **Applicable Laws**

38.3 These Rules, the offering and granting of any Options, the issuing and/or transferring of any Shares, including Plan Shares, and the rights attaching to or interests in the Options and Shares, including Plan Shares, will at all times be subject to all Applicable Laws.

### **Share Trading Policy**

38.4 A Participant must comply with any Share Trading Policy at all times.

### **Rounding**

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

### **Headings**

- 38.6 Headings are inserted in these Rules for convenience only and do not affect the interpretation of these Rules.

### **Constitution**

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

## SCHEDULE 1: PRO-FORMA OFFER LETTER – OPTIONS

[ON COMPANY LETTERHEAD]

[insert participant name]

[address]

[date]

Dear [participant]

### OFFER TO PARTICIPATE IN COPPER SEARCH LIMITED EMPLOYEE INCENTIVE PLAN

As you are aware, Copper Search Limited ("**Copper Search**") has established an Employee Incentive Plan dated [x] 2021 ("**Plan**").

To incentivise people important to the development prospects of Copper Search and to ensure the interests and motivations of such key persons are aligned with the interests and motivations of shareholders of Copper Search, the Board of Copper Search ("**Board**") have elected to offer equity to some key individuals.

As a key member of the Copper Search team, Copper Search is delighted to offer you the opportunity to participate in the Plan on the terms set out in this letter ("**Offer**") and in accordance with the rules of the Plan as enclosed ("**Rules**").

The offer means such key persons will have an opportunity to be personally rewarded for developing the business of Copper Search.

The Grant Date of the Employee Incentive Plan is the date on which Copper Search receives and accepts the Application from you.

Enclosed is a copy of the Rules. Capitalised terms which are defined in the Rules have the same meaning in this Offer Letter.

### KEY TERMS OF THE OFFER

Copper Search is offering you the opportunity to acquire the following securities:

TYPE OF PLAN SECURITY	NUMBER OFFERED
Unlisted options to subscribe for fully paid ordinary shares in Copper Search ( <b>Options</b> )	[insert number of options]

The Options will only be issued to you if you continue to be employed or engaged by Copper Search or one of its subsidiaries at the Grant Date.

### Conditions

The Options to be issued shall be subject to the following conditions:

CONDITION TYPE	CONDITION DESCRIPTION
Vesting Condition - Time based conditions	(c) [for the first 25% of Options, the 12-month anniversary of the Grant Date (i.e. one year after the Options are issued to you); and  (d) in respect of the remaining 75% of the Options, 1/12th each quarter commencing from the 12-month anniversary of the Grant Date.]
Performance Criteria - Performance based conditions	(e) [insert performance based conditions]

#### Grant Price

The Grant Price of the Options is nil.

#### Exercise Price

The Exercise Price of the Options is \$[insert exercise price] per Option.

#### Conversion Rate

Upon exercise each Option will convert to one Ordinary Share in Copper Search.

#### Exercise Period

Your vested Options will be exercisable at any time before the Expiry Date.

#### Expiry Date

The Expiry Date of the Options is [x] years from the Grant Date

#### Nominee

You may nominate a Related Party to receive the Options in accordance with clause 19 of the Plan. In order to do so, you will need to include the nominee's details in the attached Application.

#### Quotation

The Options will not be quoted on ASX.

#### Other terms applicable to the Offer

The following are other key terms applicable to the Options offered to you:

- the Options may not be Transferred by you except as provided for under the Rules;
- you must not create any Security Interest or encumbrance in respect of the Options offered without the prior written consent of the Board; and
- the Options are issued subject to the Rules and the constitution of Copper Search.



## Financial and taxation consequences

*This Offer does not purport to provide all of the information you may require in order to evaluate an investment in the Company. The Company in making the Offer is not giving you any financial, legal, tax or investment advice. You should make your own enquiries and evaluations as you deem necessary of the Offer (including your investment objectives, financial situation, and particular needs), and you should seek all necessary financial, legal, tax and investment advice.*

*In the event the Company does provide you with any advice in relation to Plan Shares, such advice does not take into account your objectives, financial situation and needs.*

## Risk

As with any investment in securities there can be no guarantee that the market value of the Company's shares will not fall in the future. There is also no assurance as to future dividends or distributions since these are dependent on earnings and the financial condition of the Company.

## Market Price of Shares

Before deciding whether to accept the Offer, you should refer to the current market price of the Company's shares, which can be obtained from the financial pages of some daily newspapers, your stockbroker, your financial adviser, or the ASX. The Company will also provide you upon request, within a reasonable time, either verbally or in writing, details of the current market price (in Australian dollars) of the Company's shares.

Please note that the market price of the Company's shares may rise or fall between the date of this Offer and the date when the Shares are issued to you upon exercise of the Options.

## Next steps

If you wish to accept the Offer and apply for Options, you must:

- complete, sign and date the enclosed Application; and
- return the completed Application to Copper Search at [insert address].

By delivering the attached application form to Copper Search, you agree to be bound by the Rules and the terms of this Offer as a Participant in the Plan, as well as giving the acknowledgments contained in the Application.

Upon receipt of the Application, provided you remain employed or engaged by Copper Search at that time, Copper Search will take steps to issue the Options to you and to provide you with an Options Certificate confirming the issue.

**This Offer must be accepted before 5pm on the date 14 days after the date of this letter and will expire after that time.** Please get in contact with me if you need more time to consider the Offer for any reason and we can discuss.

Once again, you are a very important member of the Copper Search team and we look forward to your participation in the Plan.

Yours sincerely

[Director of the Company]

Encl: Acceptance form  
Plan Rules

**PRO-FORMA APPLICATION - OPTIONS**

**COPPER SEARCH LIMITED  
EMPLOYEE INCENTIVE PLAN**

**APPLICATION BY AUSTRALIAN PARTICIPANT - OPTIONS**

**INSTRUCTIONS:**

*When completing this form, please strike out language below that is not applicable  
Please provide the original application form to Copper Search at [insert address].*

**PERSONAL DETAILS**

Name:.....

Address:.....

I accept the offer of Options offered to me pursuant to a Letter of Offer dated \_\_\_\_\_  
("Offer Letter") under the Copper Search Employee Incentive Plan ("Plan") in full/in respect  
of .....Options.

**USE OF NOMINEE**

- I do not wish to nominate another person to accept my Options and apply for them personally in my own name.
- I wish to nominate \_\_\_\_\_ to accept my Options and attach evidence showing that they are a Related Party.

**ACKNOWLEDGEMENT**

By accepting the Offer and delivering this form to Copper Search, I agree and acknowledge:

- (a) the Options are issued pursuant to the Plan and the Rules and I agree to be bound by the Rules and the terms of the Offer as a Participant in the Plan;
- (b) participation in the Plan does not create a right to employment or interfere with the ability to terminate my employment or service relationship (if any), subject to applicable law;
- (c) the future value of the Options and any Shares is uncertain and the value may increase or decrease in value from time to time;
- (d) any rights acquired under the Plan are an extraordinary item of compensation, which is outside the scope of my employment agreement, if any, and are not part of ordinary compensation or salary for any purpose;
- (e) no claim or entitlement to compensation or damages shall arise from forfeiture of Options under the Plan resulting from my service to Copper Search coming to an end for any reason;
- (f) the ultimate liability for all taxes payable in respect of my participation in the Plan and the acquisition and disposal of Options and Shares is and remains my responsibility;
- (g) Copper Search may be required by law to provide information about me to Tax authorities and I will allow Copper Search to provide such information; and
- (h) the Offer Letter provided to me is not financial product advice and I have been advised to consult an independent investment or taxation advisor prior to accepting Options if I have any concerns.

THIS APPLICATION IS HEREBY EXECUTED BY

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

***If a related Party is nominated, please also complete the required details below and have the related party execute:***

*(if related party is a trust for which you are the trustee in your personal capacity)*

THIS APPLICATION IS HEREBY EXECUTED BY  
\_\_\_\_\_ as trustee for the  
\_\_\_\_\_ Trust:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

*(if related party is a company you control which is the trustee of a trust)*

Executed by \_\_\_\_\_

**ACN** \_\_\_\_\_

as trustee of the

\_\_\_\_\_  
\_\_\_\_\_ Trust

acting by the following persons or, if the seal is affixed, witnessed by the following persons in accordance with s127 of the Corporations Act 2001:

.....  
Signature of director

.....  
Signature of director/company secretary

.....  
Name of director (print)

.....  
Name of director/company secretary (print)

*(if related party is a company you control, not in the capacity of trustee)*

Executed by

\_\_\_\_\_  
**ACN** \_\_\_\_\_

acting by the following persons or, if the seal is affixed, witnessed by the following persons in accordance with s127 of the Corporations Act 2001:

.....  
Signature of director

.....  
Signature of director/company secretary

**SCHEDULE 2: PRO-FORMA OFFER LETTER - PERFORMANCE RIGHTS**

[ON COMPANY LETTERHEAD]

[insert participant name]

[address]

[date]

Dear [participant]

**OFFER TO PARTICIPATE IN COPPER SEARCH LIMITED EMPLOYEE INCENTIVE PLAN**

As you are aware, Copper Search Limited ("**Copper Search**") has recently established an Employee Incentive Plan dated [x] 2018 ("**Plan**").

To incentivise people important to the development prospects of Copper Search and to ensure the interests and motivations of such key persons are aligned with the interests and motivations of shareholders of Copper Search, the Board of Copper Search ("**Board**") have elected to offer equity to some key individuals.

As a key member of the Copper Search team, Copper Search is delighted to offer you the opportunity to participate in the Plan on the terms set out in this letter ("**Offer**") and in accordance with the rules of the Plan as enclosed ("**Rules**").

The offer means such key persons will have an opportunity to be personally rewarded for developing the business of Copper Search.

The Grant Date of the Employee Incentive Plan is the date on which Copper Search receives and accepts the Application from you.

Enclosed is a copy of the Rules. Capitalised terms which are defined in the Rules have the same meaning in this Offer Letter.

**KEY TERMS OF THE OFFER**

Copper Search is offering you the opportunity to acquire the following:

TYPE OF PLAN SECURITY	NUMBER OFFERED
A right to be issued shares in Copper Search, credited as fully paid, at no cost, subject to the satisfaction of any Performance Criteria ( <b>Performance Right</b> )	[insert number of Performance Rights]

The Performance Right will only be issued to you if you continue to be employed or engaged by Copper Search or one of its subsidiaries at the Grant Date.

**Performance Criteria**

The following Performance Criteria must be met by you in order to become eligible to receive shares under this Plan.

## PERFORMANCE CRITERIA

[insert Performance Criteria]

### Grant Price

The Grant Price of the Performance Rights is nil.

### Exercise Price

The Exercise Price of the Performance Rights is nil.

### Conversion Rate

Upon exercise each Performance Right will convert to one Ordinary Share in Copper Search.

### Performance Period

The Performance Period of the Performance Right is [x] years, commencing from the Grant Date.

### Nominee

You may nominate a Related Party to receive the Performance Rights in accordance with clause 19 of the Plan. In order to do so, you will need to include the nominee's details in the attached Application.

### Other terms applicable to the Offer

The following are other key terms applicable to the Performance Rights offered to you:

- the Performance Rights may not be Transferred by you except as provided for under the Rules;
- you must not create any security interest or encumbrance in respect of the Performance Rights offered without the prior written consent of the Board of Copper Search; and
- the Performance Rights are issued subject to the Rules and the constitution of Copper Search.

### Financial and taxation consequences

***This Offer does not purport to provide all of the information you may require in order to evaluate an investment in the Company. The Company in making the Offer is not giving you any financial, legal, tax or investment advice. You should make your own enquiries and evaluations as you deem necessary of the Offer (including your investment objectives, financial situation, and particular needs), and you should seek all necessary financial, legal, tax and investment advice.***

***In the event the Company does provide you with any advice in relation to Plan Shares, such advice does not take into account your objectives, financial situation and needs.***

### Risk

As with any investment in securities there can be no guarantee that the market value of the Company's shares will not fall in the future. There is also no assurance as to future dividends or distributions since these are dependent on earnings and the financial condition of the Company.

### Market Price of Shares

Before deciding whether to accept the Offer, you should refer to the current market price of the Company's shares, which can be obtained from the financial pages of some daily newspapers, your stockbroker, your financial adviser, or the ASX. The Company will also provide you upon request, within a reasonable time, either verbally or in writing, details of the current market price (in Australian dollars) of the Company's shares.

Please note that the market price of the Company's shares may rise or fall between the date of this Offer and the date when the Shares are issued to you upon conversion of Performance Rights.

**Next steps**

If you wish to accept the Offer and apply for Performance Rights, you must:

- complete, sign and date the enclosed Application; and
- return the completed Application to Copper Search at [insert address].

By delivering the attached application form to Copper Search, you agree to be bound by the Rules and the terms of this Offer as a Participant in the Plan, as well as giving the acknowledgments contained in the Application.

Upon receipt of the Application, provided you remain employed or engaged by Copper Search at that time, Copper Search will take steps to issue the Performance Rights to you and to provide you with a Certificate confirming the issue.

**This Offer must be accepted before 5pm on the date 14 days after the date of this letter and will expire after that time.** Please get in contact with me if you need more time to consider the Offer for any reason and we can discuss.

Once again, you are a very important member of the Copper Search team and we look forward to your participation in the Plan.

Yours sincerely

[Director of the Company]

Encl: Acceptance form  
Plan Rules



**PRO-FORMA APPLICATION FORM - PERFORMANCE RIGHTS**

**COPPER SEARCH LIMITED  
EMPLOYEE INCENTIVE PLAN**

**APPLICATION FORM**

**INSTRUCTIONS:**

*When completing this form, please strike out language below that is not applicable  
Please provide the original application form to Copper Search at [insert address].*

**PERSONAL DETAILS**

Name:.....

Address:.....

I accept the offer of Performance Rights offered to me pursuant to a Letter of Offer dated \_\_\_\_\_ ("Offer Letter") under the Copper Search Employee Incentive Plan ("Plan") in full/in respect of .....Performance Rights.

**USE OF NOMINEE**

I do not wish to nominate another person to accept my Performance Rights and apply for them personally in my own name.

I wish to nominate \_\_\_\_\_ to accept my Performance Rights and attach evidence showing that they are a Related Party.

**ACKNOWLEDGEMENT**

By accepting the Offer and delivering this form to Copper Search, I agree and acknowledge:

- 39. the Performance Rights are issued pursuant to the Plan and the Rules and I agree to be bound by the Rules and the terms of the Offer as a Participant in the Plan;
- 40. participation in the Plan does not create a right to employment or interfere with the ability to terminate my employment or service relationship (if any), subject to applicable law;
- 41. the future value of the Performance Rights and any Shares is uncertain and the value may increase or decrease in value from time to time;
- 42. any rights acquired under the Plan are an extraordinary item of compensation, which is outside the scope of my employment agreement, if any, and are not part of ordinary compensation or salary for any purpose;
- 43. no claim or entitlement to compensation or damages shall arise from forfeiture of Performance Rights under the Plan resulting from my service to Copper Search coming to an end for any reason;
- 44. the ultimate liability for all taxes payable in respect of my participation in the Plan and the acquisition and disposal of Performance Rights and Shares is and remains my responsibility;
- 45. Copper Search may be required by law to provide information about me to Tax authorities and I will allow Copper Search to provide such information; and
- 46. the Offer Letter provided to me is not financial product advice and I have been advised to consult an independent investment or taxation advisor prior to accepting Performance Rights if I have any concerns.

THIS APPLICATION IS HEREBY EXECUTED BY

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address  
\_\_\_\_\_

***If a related Party is nominated, please also complete the required details below and have the related party execute:***

*(if related party is a trust for which you are the trustee in your personal capacity)*

THIS APPLICATION IS HEREBY EXECUTED BY  
\_\_\_\_\_ as trustee for the  
\_\_\_\_\_ Trust:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address  
\_\_\_\_\_

*(if related party is a company you control which is the trustee of a trust)*

Executed by \_\_\_\_\_

**ACN** \_\_\_\_\_

as trustee of the

\_\_\_\_\_  
\_\_\_\_\_ Trust

acting by the following persons or, if the seal is affixed, witnessed by the following persons in accordance with s127 of the Corporations Act 2001:

.....  
Signature of director

.....  
Signature of director/company secretary

.....  
Name of director (print)

.....  
Name of director/company secretary (print)

*(if related party is a company you control, not in the capacity of trustee)*

Executed by \_\_\_\_\_

**ACN** \_\_\_\_\_

acting by the following persons or, if the seal is affixed, witnessed by the following persons in accordance with s127 of the Corporations Act 2001:

.....  
Signature of director

.....  
Signature of director/company secretary

.....  
Name of director (print)

.....  
Name of director/company secretary (print)

### SCHEDULE 3: PRO-FORMA OFFER LETTER – SHARES

[ON COMPANY LETTERHEAD]

[insert participant name]

[address]

[date]

Dear [participant]

#### OFFER TO PARTICIPATE IN COPPER SEARCH LIMITED EMPLOYEE INCENTIVE PLAN

As you are aware, Copper Search Limited ("**Copper Search**") has recently established an Employee Incentive Plan dated [x] ("**Plan**").

To incentivise people important to the development prospects of Copper Search and to ensure the interests and motivations of such key persons are aligned with the interests and motivations of shareholders of Copper Search, the Board of Copper Search ("**Board**") have elected to offer equity to some key individuals.

As a key member of the Copper Search team, Copper Search is delighted to offer you the opportunity to participate in the Plan on the terms set out in this letter ("**Offer**") **if an Employee Loan will be made**, loan agreement ("**Loan Agreement**") and in accordance with the rules of as enclosed ("**Rules**").

The offer means such key persons will have an opportunity to be personally rewarded for developing the business of Copper Search.

The Grant Date of the Employee Incentive Plan is the date on which Copper Search receives and accepts the Application and signed Loan Agreement from you.

Enclosed is a copy of the Rules. Capitalised terms which are defined in the Rules have the same meaning in this Offer Letter.

#### KEY TERMS OF THE OFFER

Copper Search is offering you the opportunity to acquire the following securities:

TYPE OF PLAN SECURITY	NUMBER OFFERED
Fully paid ordinary shares in Copper Search (" <b>Shares</b> ")	[insert number of shares]

The Shares will only be issued to you if you continue to be employed or engaged by Copper Search or one of its subsidiaries at the Grant Date.

#### Offer Conditions

The Shares are issued to you with the following Performance Criteria and Vesting Conditions ("**Offer Conditions**") and the Shares will remain Restricted until such Offer Conditions are satisfied:

OFFER CONDITION TYPE	OFFER CONDITION DESCRIPTION
Time based Vesting Conditions	(f) [insert time based conditions]
Performance Criteria	(g) [insert performance based conditions]

Should the Offer Conditions not be satisfied, you consent to your Shares being bought-back and cancelled by Copper Search in exchange for the Issue Price on those Shares as if the Buy-Back mechanism contained at clause 23 of the Plan applied.

### Issue Price

The Issue Price of the Shares will be the Volume Weighted Average Price ("**VWAP**") of Copper Search shares over the 5 trading days on which trades in Copper Search shares were recorded immediately preceding the date of issue.

### **[if an Employee Loan will be made: Employee loan**

Copper Search will provide a limited recourse, interest free loan to you for an amount equal to the issue price for the Shares you have been offered ("**Employee Loan**"), the Employee Loan must be used for the sole purpose of paying Copper Search the issue price for Shares to be issued to the Participant on acceptance of the relevant Offer. On the sale of any Shares issued to you in connection with the Employee Loan, you must immediately repay the relevant portion of the Employee Loan outstanding with respect to those Shares in accordance with any requirements of the Company at the time. The full terms of the Employee Loan are set out in the Employee Loan Agreement provided to you with this Offer Letter.

You acknowledge that while the precise dollar amount of the Employee Loan may not be able to be specified at the time the Employee Loan Agreement is signed (i.e. because the Issue Price, being the 5 day VWAP is still being calculated), this amount is known and agreed as the number of Shares issued multiplied by the Issue Price, and you authorise the Company to update the Employee Loan.

The term of the Employee Loan will be [x]-years from the Grant Date. The Employee Loan will be repayable at the expiry of its term. Full details in relation to the Employee Loan can be found in the Loan Agreement. ]

### Buy-Back of Shares

Copper Search may, in its absolute discretion, buy-back all or any of the Shares held by you based on the Buy-Back mechanism and Buy-Back Price set out in the Rules.

### Expiry Date

The Expiry Date of the Shares is [insert years] from the Grant Date, after which the Company's right to Buy-Back the Shares arises pursuant to clause 23.1.

### Nominee

You may not nominate a Related Party to receive the Shares on your behalf.

### Other terms applicable to the Offer

The following are other key terms applicable to the Shares offered to you:

- the Shares may not be Transferred by a Participant, while they are Restricted Shares;
- you must not create any security interest or encumbrance in respect of the Shares offered without the prior written consent of the Board of Directors of Copper Search; and

- the Shares are issued subject to the Rules and the constitution of the Company.

#### **Financial and taxation consequences**

***This Offer does not purport to provide all of the information you may require in order to evaluate an investment in the Company. The Company in making the Offer is not giving you any financial, legal, tax or investment advice. You should make your own enquiries and evaluations as you deem necessary of the Offer (including your investment objectives, financial situation, and particular needs), and you should seek all necessary financial, legal, tax and investment advice.***

***In the event the Company does provide you with any advice in relation to Plan Shares, such advice does not take into account your objectives, financial situation and needs.***

#### **Risk**

As with any investment in securities there can be no guarantee that the market value of the Company's shares will not fall in the future. There is also no assurance as to future dividends or distributions since these are dependent on earnings and the financial condition of the Company.

#### **Market Price of Shares**

Before deciding whether to accept the Offer, you should refer to the current market price of the Company's shares, which can be obtained from the financial pages of some daily newspapers, your stockbroker, your financial adviser, or the ASX. The Company will also provide you upon request, within a reasonable time, either verbally or in writing, details of the current market price (in Australian dollars) of the Company's shares.

Please note that the market price of the Company's shares may rise or fall between the date of this Offer and the date when the Shares are issued to you.

#### **Next steps**

If you wish to accept the Offer and apply for Shares, you must:

- complete, sign and date the enclosed Application;
- complete, sign and date the enclosed Employee Loan Agreement; and
- return the completed Application to Copper Search at [insert address].

By delivering the attached application form to Copper Search, you agree to be bound by the Rules and the terms of this Offer as a Participant in the Plan, as well as giving the acknowledgments contained in the Application.

Upon receipt of the Application, provided you remain employed or engaged by Copper Search at that time, Copper Search will take steps to issue the Shares to you and to provide you with a Share Certificate confirming the issue.

**This Offer must be accepted before 5pm on the date 14 days after the date of this letter and will expire after that time.** Please get in contact with me though if you need more time to consider the Offer for any reason and we can discuss.

Once again, you are a very important member of the Copper Search team and we look forward to your participation in the Plan.

Yours sincerely

[Director of the Company]

Encl: Acceptance form  
Plan Rules  
Employee Loan Agreement

**PRO-FORMA APPLICATION – SHARES**

**COPPER SEARCH LIMITED  
EMPLOYEE INCENTIVE PLAN**

**APPLICATION - SHARES**

**INSTRUCTIONS:**

*When completing this form, please strike out language below that is not applicable  
Please provide the original application form to Copper Search at [insert address].*

**PERSONAL DETAILS**

Name:.....

Address:.....

I accept the offer of Shares offered to me pursuant to a Letter of Offer dated \_\_\_\_\_  
("Offer Letter") under the Copper Search Employee Incentive Plan ("Plan") in full/in respect  
of .....Shares.

**ACKNOWLEDGEMENT**

By accepting the Offer and delivering this form to Copper Search, I agree and acknowledge:

1. the Shares are issued pursuant to the Plan and the Rules and I agree to be bound by the Rules and the terms of the Offer as a Participant in the Plan;
2. participation in the Plan does not create a right to employment or interfere with the ability to terminate my employment or service relationship (if any), subject to applicable law;
3. the future value of the Shares is uncertain and the value of such Shares may increase or decrease in value from time to time;
4. any rights acquired under the Plan are an extraordinary item of compensation, which is outside the scope of my employment agreement, if any, and are not part of ordinary compensation or salary for any purpose;
5. no claim or entitlement to compensation or damages shall arise from forfeiture of Shares under the Plan resulting from my service to Copper Search coming to an end for any reason;
6. the ultimate liability for all taxes payable in respect of my participation in the Plan and the acquisition and disposal of Shares is and remains my responsibility;
7. any Employee Loan amount(s) outstanding with respect to any Shares must be repaid immediately on sale or transfer of such Shares, and at any time while the Employee Loan is outstanding I must not sell or transfer any Shares issued in connection with the Employee Loan without (a) written approval from the Company of the specific repayment arrangements in place by me to ensure repayment of the relevant amount to the Company, and (b) making the relevant repayments to the Company in accordance with those arrangements;
8. Copper Search may be required by law to provide information about me to Tax authorities and I will allow Copper Search to provide such information; and
9. the Offer Letter provided to me is not financial product advice and I have been advised to consult an independent investment or taxation advisor prior to accepting shares if I have any concerns.



THIS APPLICATION IS HEREBY EXECUTED BY

\_\_\_\_\_ :

Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Address

\_\_\_\_\_

PRO-FORMA EMPLOYEE LOAN AGREEMENT<sup>1</sup>

**DATED**

**2018**

**EMPLOYEE INCENTIVE PLAN –  
EMPLOYEE LOAN AGREEMENT**

between

Copper Search Limited

and

[insert employee name]

---

<sup>1</sup> If US employees will be offered loans, this agreement will need to be substantially revised.

## **CONTENTS**

1.	DEFINITIONS AND INTERPRETATION.....	51
2.	LOAN.....	52
3.	SPECIAL CIRCUMSTANCES.....	53
4.	REPAYMENT OF LOAN.....	53
5.	MISCELLANEOUS .....	53
6.	INTERPRETATION.....	54

**THIS AGREEMENT** is made on

**BETWEEN:**

- (1) Copper Search Limited (ACN 650 673 500) of **[INSERT ADDRESS]** (**Company**)
- (2) **[INSERT EMPLOYEE NAME]** of **[insert address]** (**Participant**)

**BACKGROUND:**

- A The Participant is an Employee of the Company;
- B The Company is desirous of providing a long term incentive with respect to the Participant's employment and aligning his/her outcomes with those of the shareholders of the Company through the Plan;
- C The Company has agreed to loan funds to the Participant. These funds will be used by the Participant to acquire Shares in the Company;
- D The Participant agrees to borrow such funds on the terms and conditions set out in this Agreement.

**IT IS AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

**Definitions**

- 1.1 In this agreement the following definitions apply:

**Applicable Law** means all applicable laws, subordinate legislation or regulations and includes the ASX Listing Rules.

**ASX** means ASX Limited (ABN 90 008 624 691).

**ASX Listing Rules** means the official listing rules of ASX which apply to the Company from time to time.

**Board** means the board of directors of the Company

**Buy-Back Period** has the meaning given to that term in the Plan;

**Dividend** means the amount of dividend declared by the Company in respect of Shares from time to time;

**Employee** means employees of the Company and directors of the Company or other consultants to the Company;

**Employee Loan Repayment Notice** has the meaning given to that term in clause 4.1;

**Loan** means the Loan Amount less any repayments made from time to time;

**Loan Amount** means the amount as set out in the Schedule;

**Maturity Date** means the maturity date of the Loan as set out in the Schedule;

**Offer** means a written offer to an Employee of the Company to participate in the Plan;

**Offer Conditions** has the meaning given to that term in the Plan;

**Plan** means the Copper Search Australia [Limited] Employee Incentive Plan adopted by the Board on [insert date];

**Repayable Portion** means the amount of the Loan repayable by the Participant at the Maturity Date, being the lower of:

- (a) the then outstanding Loan Amount after any reductions pursuant to clause 2.5; and
- (b) the market value, as determined in accordance with the Plan, of the ordinary shares in the Company as at 5.00 pm on the business day immediately prior to the Maturity Date;

**Restricted Shares** means Shares under the Plan to which Offer Conditions still apply;

**Resulting Shares** means Shares issued to the Participant under or in connection with the Offer, the acquisition of which has been funded by the Loan.

**Shares** means fully paid ordinary shares in the Company;

**Special Circumstances** means any of the following:

- (a) the death of the Participant; or
- (b) the total and permanent disablement of the Participant such that the Participant is unlikely ever to engage in any occupation for which the Participant is reasonably qualified by education, training or experience;

## 2. LOAN

- 2.1 The Company shall lend to the Participant the Loan Amount and Participant shall borrow the Loan Amount on the terms and conditions set out in this Agreement.

### **Purpose of Loan & acknowledgement**

- 2.2 The Participant acknowledges that the sole purpose of the Loan is for the acquisition of Shares in the Company under the Plan and the entire Loan Amount is to be applied for such a purpose.

### **No interest or charges**

- 2.3 No interest or other charges shall be payable by the Participant on the Loan Amount or on any amount outstanding under the Loan.

### **Repayment of Loan**

- 2.4 Subject to this clause 2 and the Plan, the Participant shall repay the Loan:

- 2.4.1 in accordance with clauses 2.5 and 4.2.2 of this Agreement;
- 2.4.2 with respect to any Resulting Share immediately on the date that the Participant disposes of such Resulting Share; or
- 2.4.3 otherwise as required by the Plan and the Offer.

### **Repayment at Participant's option**

- 2.5 Without limiting any other provision of this Agreement but subject to the rules of the Plan and the offer to the Participant, the Participant may, at any time, make specific payments to repay part or all of the amount of the Loan.

### **Repayment on Maturity Date**

- 2.6 The Participant agrees that on the Maturity Date, the Participant must pay the Company the Repayable Portion of the Loan.

- 2.7 If an Employee Loan is not repaid in full by the Maturity Date, the Board may buy back or sell the Shares or dispose of such Shares for their market price in its absolute discretion. The Board must apply the proceeds of the sale or disposal first, towards meeting the costs of the sale or disposal, second, towards repaying the Repayable Portion, and third, towards repaying any amount owed (on any account) to the Company by the Participant. Any balance remaining will be paid to the Participant.

#### **Limited recourse**

- 2.8 Notwithstanding any other clause in this Agreement the Participant shall have no obligation to pay any more than the Repayable Portion of the Loan at the Maturity Date, nor shall the Company have any recourse beyond the Participant's Resulting Shares under the Plan.

### **3. SPECIAL CIRCUMSTANCES**

- 3.1 If a Special Circumstances event occurs, the Board may, in its absolute discretion:
- 3.1.1 permit the sale or transfer of any Shares acquired under the Plan on such terms as the Board shall determine (including permitting the sale of Shares which are subject to restrictions on their sale under the Plan), and require the consideration received on the sale of the Shares to be applied to the benefit of the Company until such time as the Loan outstanding on those Shares is repaid); and/or
  - 3.1.2 waive part or all of the existing Loan attributable to any Shares acquired under the Plan.

### **4. REPAYMENT OF LOAN**

- 4.1 If a Participant ceases to be a Participant, fails to comply with any obligations under the Offer or the Plan (including failing to meet any relevant Performance Criteria) or seeks to Transfer any shares issued under this Plan not in accordance with the terms of this Plan or the Constitution, the Board, may by written notice to the Participant, require repayment of all Loans (**Employee Loan Repayment Notice**).
- 4.2 The date on which a Loan must be repaid shall be the later of the date specified by the Board in the Employee Loan Repayment Notice (if any) and:
- 4.2.1 where the Company has the right to buy-back any Shares under this Plan, but does not exercise that right during the applicable Buy-Back Period, the date being 30 days after the expiry of the applicable Buy-Back Period; and
  - 4.2.2 where the Company has the right to buy-back any Shares under this Plan and exercises that right, the date of completion of the buy-back of the relevant shares.

### **5. MISCELLANEOUS**

#### **Power of attorney**

- 5.1 The Participant agrees to the appointment of the Company and its respective directors as the several attorneys of the Participant with the power to sign all documents and do all other things in the name of the Participant which are reasonably necessary to effect the buyback or sale of the Shares as described in this agreement.

#### **Compliance with laws**

- 5.2 If the Plan is inconsistent with the Corporations Act (or any other rules that apply to the Company), the Corporations Act (or any other rules that apply to the Company) shall prevail.

#### **Severability**

- 5.3 If a section or part of a section can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way. If any clause or part of a section is illegal, unenforceable or invalid, that section

or part is to be treated as removed from this document, but the rest of this document is not affected.

### **Governing law and jurisdiction**

- 5.4 This document is governed by the law of Western Australia. The Company and the Participants submit to the non-exclusive jurisdiction of its courts.

### **Tax**

- 5.5 The Participant will be responsible for all tax consequences arising in relation to the Loan and the Plan.

## **6. INTERPRETATION**

- 6.1 In this Agreement, unless the context otherwise requires:
- 6.1.1 Headings are inserted for convenience only and do not affect the interpretation of this Agreement.
  - 6.1.2 A reference in this Agreement to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in Perth, Western Australia.
  - 6.1.3 If the day on which any act, matter or thing is to be done under this Agreement is not a business day, the act, matter or thing must be done on the next business day.
  - 6.1.4 A reference in this Agreement to 'dollars' or '\$' means Australian dollars and all amounts payable under this Agreement are payable in Australian dollars.
  - 6.1.5 A reference in this Agreement to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
  - 6.1.6 An expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency.
  - 6.1.7 Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.
  - 6.1.8 A word which indicates the singular also indicates the plural, a word which indicates the plural also indicates the singular, and a reference to any gender also indicates the other genders.
  - 6.1.9 A reference to the word 'include' or 'including' is to be interpreted without limitation.
  - 6.1.10 Any schedules and attachments form part of this Agreement.

**EXECUTION AND DATE**

Executed as a deed.

Date:

Executed by **Copper Search Limited** (ACN 650 673 500) in accordance with section 127 of the *Corporations Act 2001* (Cth):

.....  
Signature of director

.....  
Signature of director/company secretary

.....  
Name of director (print)

.....  
Name of director/company secretary (print)

Signed by **[Participant]** in the presence of:

.....  
Signature of witness

.....  
Signature of **[Participant]**

.....  
Name of witness (print)



**Schedule: Details**

Name of Participant:	[insert employee name]
Address of Participant:	[insert employee address]
Loan Amount:	<p>\$....., being an amount equal to:  the number of Shares to be acquired in connection with the Loan under the Offer,  multiplied by:  the Issue Price under the Offer.</p> <p>The 'Issue Price' under the Offer is the volume weighted average price of the Company's shares on the ASX over the 5 trading days on which trades in the Company's shares were recorded immediately preceding the date of issue.</p> <p>The Participant acknowledges that the Company may update this document after the date hereof to insert the actual Loan Amount number above.</p>
Maturity Date:	[x] years from the date of this Agreement.