

Bathurst Resources Limited

(NZCN 4382538)



Bathurst Resources Employee Incentive Plan Plan Rules

5 November 2018

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Bathurst Resources Employee Incentive Plan Rules

1. Introduction

1.1 Purpose of Plan

The Company has established this Plan to encourage Employees, being executive directors and senior managers and other employees who are close business associates of the Company, to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all Employees.

1.2 Advice

This Plan is an offer of Awards to only those Employees who are close business associates of the Company and, as such, is not required to include those disclosures required under Part 3 of the FMCA.

There are legal and tax consequences associated with participation in the Plan. Employees should ensure that they understand these consequences before accepting an invitation to participate in the Plan.

Any advice given by or on behalf of the Company is general advice only. Employees should obtain their own advice in relation to the Awards from an independent person who is appropriately qualified, knowledgeable and/or licensed to give such advice.

Employees should seek advice and ask questions before participating in the Plan.

2. Definitions and Interpretation

2.1 Definitions

In these Rules unless the contrary intention appears, terms defined in the Companies Act or Listing Rules have the same meaning in these Rules, and:

Application means a written acceptance of an Offer, or an application, for an Award in a form approved by or acceptable to, the Board.

Associate has the meaning given to that term in rule 4 of the Takeovers Code.

ASX means ASX Limited ACN 008 624 691 or the securities market which it operates, as the context requires.

Award means any one of:

- (a) an Option,
- (b) a Performance Right,
- (c) a Service Right,

- (d) a Deferred Share Award,
- (e) a Cash Right, or
- (f) a Stock Appreciation Right,

as applicable.

Board means the Board of Directors of the Company.

Cash Right means a cash based performance right issued under clause 3.7.

Change of Control means, in relation to the Company, either:

- (a) any person, either alone or together with any Associate, who did not have a relevant interest (as defined in rule 3(1) of the Takeovers Code) in more than 50% of the issued Shares, acquires a relevant interest in more than 50% of the issued Shares; or
- (b) the Board concludes that there has been a change in the control of the Company.

close business associate has the meaning given to that term in clauses 4(2) and 4(3) of Schedule 1 of the FMCA.

Company means Bathurst Resources Limited NZCN 4382538, a company incorporated in New Zealand.

Companies Act means Companies Act 1993 (New Zealand).

Control has the meaning given to that term in rule 3(1) of the Takeovers Code.

Deferred Share Award means a Share issued under clause 3.5.

Employee means a person who is a full-time or permanent part-time executive, executive director or senior manager of the Company or any related body corporate of the Company or is otherwise an employee who is a close business associate of the Company or any related body corporate of the Company.

exercise means exercise of an Award in accordance with its terms, and includes automatic exercise in accordance with these Rules.

Exercise Price means the price payable (if any) per Share to exercise an Award.

Expiry Date means the date on which an Award lapses and is no longer capable of being exercised, being the date specified in an Offer as the Expiry Date or fixed by a method of calculation as set out in an Offer.

Fair Market Value means the closing sales price per Share for the relevant date on the ASX, or, if there is no such sale on the relevant date, then on the last previous day on which such a sale is reported.

FMCA means the Financial Markets Conduct Act 2013 (New Zealand).

Group means the Company and each of its related bodies corporate.

Issue of a Share includes the transfer of an existing Share in accordance with clause 8.3.

Issue Price means the price (if any) to be paid for the issue of a Share as stated in the Offer.

Leaver's Policy means the terms and conditions that the Company has adopted and that apply, at any time and from time to time, in relation to the giving, vesting, withdrawal, denial, receipt or entitlement to or of, any remuneration, benefit, interest or other right, of an employee of the Company or any related body corporate of the Company, upon and as a consequence of the termination of their employment or the nature or quality of their performance as an employee of the Company or any related body corporate of the Company, prior to that termination occurring.

Listed means the Company being and remaining admitted to the official list of the ASX.

Listing Rules means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is Listed each as amended or replaced from time to time, except to the extent of any waiver granted by the ASX.

Market Price means the weighted average sale price of Shares on the ASX over the five trading days immediately preceding the day the Offer is made, or another pricing method determined by the Board.

Nominee has the meaning given to that term in clause 4.1.

Offer means an offer or issue of an Award or Awards made to an Employee under clause 4. Where an Award is issued without the need for acceptance, an Offer includes the document setting out the terms of that Award.

Option means an option to acquire Shares issued under clause 3.2.

Participant means an Employee or a Nominee to whom an Award is issued.

Performance Right means a right to acquire a Share issued under clause 3.3.

Plan means this Bathurst Resources Employee Incentive Plan.

Plan Shares means the Shares allotted and issued, or transferred, by the Company to a Participant in respect of an Award.

related body corporate has the meaning given to that term in section 12 of the FMCA.

relevant interest has the meaning given to that term in rule 3(1) of the Takeovers Code.

Restricted Award means an Award, or a Share issued on exercise of an Award, in respect of which a restriction on sale or disposal applies under this Plan.

Restriction Period means the period during which an Award, or a Share issued on exercise of an Award, must not be sold or disposed of, made the subject of a Security Interest or otherwise dealt

with, being the period specified in these Rules in respect of Deferred Share Awards, and as otherwise specified in the Offer in respect of other Awards.

Rules means these rules of this Plan as amended from time to time.

Security Interest means an interest in an asset which provides security for, or protects against default by, a person for the payment or satisfaction of a debt, obligation or liability including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, first right of refusal, voting right or arrangement for the retention of title or any agreement, option or other arrangement to grant such an interest or right.

Service Right means a right to acquire a Share issued under clause 3.4.

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

Stock Appreciation Right means a right designated as a stock appreciation right and issued under clause 3.8.

Takeovers Code means the takeovers code under the Takeovers Act 1993 (New Zealand), at the date of these Rules being the code set out in the Schedule entitled "Takeovers Code" to the Takeovers Regulations 2000 (New Zealand).

Vesting Conditions means any conditions described in the Offer, or that otherwise applies to an Award, and that must be satisfied before an Award can be exercised or before an Award (or Share issued under an Award) is no longer subject to forfeiture.

Vesting Date means the date on which an Award is exercisable or is no longer subject to forfeiture following satisfaction of any and all applicable Vesting Conditions.

2.2 Interpretation

In these Rules, unless expressed to the contrary:

- (a) terms defined in the Companies Act have the same meaning in these Rules;
- (b) words importing:
 - (i) the singular include the plural and vice versa;
 - (ii) any gender includes the other genders;
- (c) if a word or phrase is defined cognate words and phrases have corresponding definitions;
- (d) a reference to:
 - (i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes its legal personal representatives, successors and assigns;

- (iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (iv) a right includes a benefit, remedy, discretion, authority or power;
- (v) "\$" or "dollars" is a reference to the lawful currency of Australia;
- (vi) this or any other document includes the document as varied or replaced and notwithstanding any change in the identity of the parties; and
- (vii) anything (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them.

2.3 Headings

Headings are for convenience only and do not affect the interpretation of these Rules.

3. Awards that may be made under the Plan

3.1 The Company may, at the discretion of the Board, and subject to clause 4.1, offer and issue an Award or Awards to an Employee of the kind set out in this clause 3.

3.2 Options

The Company may make an Offer of, or issue, Options, which are rights to be issued a Share upon payment of the Exercise Price, and which rights are subject to the exercise of those rights in accordance with their terms, including the satisfaction of Vesting Conditions specified in that Offer or issue. Each of the following terms apply unless the Offer specifies otherwise:

- (a) Options are Restricted Awards until they are exercised or expire;
- (b) an Offer may specify a Restriction Period for Shares issued on the exercise of Options; and
- (c) the number and other terms upon which Options have been issued are subject to adjustment under clause 13.

3.3 Performance Rights

The Company may make an Offer of, or issue, Performance Rights, which are rights to be issued a Share for nil Exercise Price, and which are subject to the exercise of those Performance Rights in accordance with their terms, including the satisfaction of Vesting Conditions specified in that Offer or issue. Each of the following apply unless the Offer specifies otherwise:

- (a) Performance Rights are Restricted Awards until they are exercised or expire;

- (b) an Offer may specify a Restriction Period for Shares issued on the exercise of Performance Rights; and
- (c) the number and other terms upon which Performance Rights have been issued are subject to adjustment under clause 13.

3.4 Service Rights

The Company may make an Offer of, or issue, Service Rights, which are rights to be issued a Share for nil Exercise Price, and which are subject to the exercise of those Service Rights in accordance with their terms, including the satisfaction of Vesting Conditions specified in that Offer or issue. Each of the following terms apply unless the Offer specifies otherwise:

- (a) Service Rights are Restricted Awards until they are exercised or expire;
- (b) an Offer may specify a Restriction Period for Shares issued on the exercise of Service Rights; and
- (c) the number and other terms upon which Service Rights have been issued are subject to adjustment under clause 13.

3.5 Deferred Share Awards

The Company may make an Offer of, or issue, Deferred Share Awards, which are Shares issued to Employees:

- (a) who elect to receive Shares in lieu of any wages, salary, director's fees, or other remuneration; or
- (b) by the Company in its discretion, in addition to their wages, salary and remuneration of the applicable Employee, or in lieu of any discretionary cash bonus or other incentive payment; and
- (c) that may be forfeited if Vesting Conditions specified in the Offer or otherwise applicable to that issue, are not satisfied in accordance with their respective terms.

3.6 Unless a different Restriction Period is specified in an Offer, the Restriction Period for Deferred Share Awards will expire on the earlier to occur of:

- (a) when a Participant ceases to be an Employee;
- (b) when there is no risk of forfeiting the Share and there is no restriction on disposing of the Share; and
- (c) the fifteenth anniversary of the date of issue of the Shares.

3.7 Cash Rights

The Company may make an Offer of, or issue, Cash Rights, which are rights to be issued a cash

payment for nil Exercise Price upon the satisfaction of specified Vesting Conditions. Each of the following terms apply unless the Offer specifies otherwise:

- (a) the Cash Rights are Restricted Awards until they are exercised or expire; and
- (b) an Offer or issue may specify a Restriction Period for Shares issued upon the exercise of Cash Rights.

3.8 Stock Appreciation Rights

The Company may make an Offer of, or issue, Stock Appreciation Rights in accordance with this clause 3.8. Each of the following terms apply to the issue of Stock Appreciation Rights unless the Offer specifies otherwise:

- (a) Stock Appreciation Rights are Restricted Awards until they are exercised or expire;
- (b) an Offer may specify a Restriction Period for Shares issued on the exercise of Stock Appreciation Rights;
- (c) upon exercise of a Stock Appreciation Right, and unless the Board determines otherwise, the Participant exercising the Stock Appreciation Right shall be entitled to receive payment from the Company, being a dollar amount equal to the amount, if any, by which the Fair Market Value on the date of exercise of the Stock Appreciation Right exceeds the Fair Market Value on the date of grant of the Stock Appreciation Right, adjusted as necessary for any changes to the Company's capital structure that has occurred between those two dates. The full terms of calculation of such payment will be set out in the Offer;
- (d) at the discretion of the Board, the payment upon exercise of a Stock Appreciation Right may be in cash, in Shares of equivalent value (where that value is the Fair Market Value on the date of exercise of the Stock Appreciation Right), or in some combination of cash and Shares. The Board's determination shall be made at any time on or before exercise of a Stock Appreciation Right; and
- (e) the number and other terms upon which Stock Appreciation Rights have been issued are subject to adjustment under clause 13.

4. Offers of Awards

- 4.1 Subject to clause 5, the Company may make an Offer to any Employee or to any person or entity nominated by an Employee (each a **Nominee**).
- 4.2 To the extent permitted by law, the Board will be required to refuse to make an Offer, or withdraw an Offer made, to a Nominee (even where that Offer may have been accepted or attempted to be accepted, by or on behalf of the Nominee), unless and until the Board:

- (a) is satisfied that that Nominee is and will remain Controlled exclusively by the Employee until all Awards and their underlying Shares or other securities that are the subject of that Offer, have unconditionally vested in accordance with their terms and conditions of issue; and
- (b) receives from the Nominee a written acknowledgment that any Award that is issued to that Nominee will be received and held, and all rights and obligations in respect of that Award will be received and performed, in accordance with these Rules and all other applicable laws.

4.3 Form of Offer

Each Offer must be in writing (which includes email), include an Application if acceptance is required, and specify the following to the extent applicable:

- (a) the name and address of the Employee or the Nominee to whom the Offer is made;
- (b) the type of each Award being offered;
- (c) the number of each Award being offered;
- (d) any Vesting Conditions (if any) applicable to any Award;
- (e) the Issue Price and/or Exercise Price for each Award, or the manner in which the Issue Price and/or Exercise Price is to be determined;
- (f) the Expiry Date of the or each Offer (if any);
- (g) any Restriction Period (if any) applicable the or each Award;
- (h) any other terms or conditions of the or each Offer that the Board decides to include; and
- (i) any other matters required to be specified in any Offer by applicable law, any applicable exemption or the Listing Rules.

4.4 The Board may amend an Offer at any time prior to the acceptance of an Offer.

4.5 Each Offer must include an undertaking by the Company to provide to a Participant, if a request is made before the Award is exercised and within a reasonable period of being so requested, the Market Price of the Shares at the time of that request.

4.6 Compliance with laws

No Offer will be made to the extent that any such Offer would contravene the Company's Constitution, the Listing Rules, the Companies Act, the FMCA or any other applicable law.

4.7 Acceptance

If acceptance of an Offer is required, it may be accepted in each case, by not later than the last date permitted for acceptance specified in the Offer:

- (a) by an Employee or the Nominee completing and returning the Application, as required by the Offer; and
 - (b) if required, by the Employee or the Nominee making or directing payment of the total amount payable for the Awards (if any) accepted under the Offer, and in the manner specified in the Offer.
- 4.8** An Offer which requires acceptance lapses if it is not accepted by the Employee or the Nominee to whom the Offer is made as required under clause 4.7.
- 4.9** For the avoidance of any doubt, an Offer may only be accepted by (and the relevant Award and any subsequent Share issues may only be granted or issued to) the Employee or the Nominee to whom the Offer is made.
- 4.10** Notwithstanding any other provision of this Plan, neither an Employee nor a Nominee has any right to acquire an Award and no right in respect of an Award under the Plan until such Award is issued in accordance with clause 4.12.
- 4.11** If the Board is permitted by law to reject an acceptance or purported acceptance of an Offer by an Employee or a Nominee and determines to do so, the Company will provide notification to the relevant Employee or Nominee that it has rejected the Employee's or Nominee's acceptance or purported acceptance of the Offer and that acceptance or purported acceptance (and the relevant Offer) will become null and void and of no effect.
- 4.12** Subject to clauses 4.10 and 4.11, as soon as reasonably practicable following the receipt of an acceptance of an Offer in accordance with clause 4.7, the Company will, provided the Employee continues to be eligible for the Awards the subject of that acceptance, issue to that Employee or a Nominee of that Employee, the relevant Awards that are the subject of that Offer.
- 4.13** Participation in the Plan does not give the Participant any legal or beneficial interest in a Share prior to its issue to the Participant, nor any entitlement to a Share, otherwise than in accordance with the Offer and these Rules.
- 4.14** Except in respect of the transmission of an Award to a legal representative of a Participant upon death or legal incapacity of that Participant, the Participant is not permitted to dispose of, grant any Security Interest over or otherwise deal in, an Award or any right or title therein.

5. Dilution limit

The number of Shares that may be issued under this Plan will be set by the Company with regard to the limits prescribed by any applicable legislation, regulation, policy or other requirement of any duly empowered governmental agency with respect to employee share scheme offers made without a form of prescribed disclosure.

Subject to the foregoing, the Company will ensure that the total number of specified financial products issued or transferred under all of the Company's employee share purchase schemes, including under

this Plan, in any 12-month period does not exceed in the case of an Offer or issue of Awards where Shares are or may be awarded, 5% (in number) of all the Shares as at the start of the 12-month period.

6. Vesting and Exercise of Awards

6.1 Vesting

The Awards held by a Participant will vest in and become exercisable by that Participant upon the satisfaction of any Vesting Conditions specified in the Offer and otherwise in accordance with these Rules.

6.2 Any Award issued to Participant, or the Nominee of that Participant, that has not vested in that Participant or Nominee, will unless any Leaver's Policy applies or the Board determines otherwise, automatically upon the date of the cessation of the employment of the Participant by any member of the Group, no longer be able to vest in that Participant or Nominee and be cancelled.

6.3 Vesting Conditions may be waived at the absolute discretion of the Board (unless such waiver is excluded by the terms of the Award).

6.4 If the Vesting Conditions specified in the Offer are not wholly satisfied or waived in accordance with these Rules and the provisions of the Offer, the Participant's rights in relation to the relevant Award will thereupon lapse except to the extent otherwise provided by the Offer or unless the Board determines otherwise, and the Participant will be treated as having never received or held any right or interest in that lapsed Award.

6.5 Automatic Exercise

The vesting of an Award upon the satisfaction of any Vesting Conditions will not automatically oblige the holder of that Award to exercise the Award unless specified in the Offer.

6.6 Exercise of Awards

A Participant is, subject to this clause 6, entitled to exercise an Award on or after the Vesting Date. Any exercise must be for a minimum number or multiple of Shares (if any) specified in the provisions of the Offer.

7. Awards may be exercised by the holder of that Award delivering to the Company a notice stating the number of Awards to be exercised together with the Issue Price or Exercise Price (if any) for the Shares to be issued by not later than the last permitted date for exercise specified in the Offer. If a vested Award is not exercised by the date for exercise specified in the Offer, it will automatically lapse and the holder of that Award will be treated as having never received or held any right or interest in that vested Award. Election of Board to settle Awards in cash

If the Board determines that it is not appropriate to issue or transfer Shares, upon and as a consequence of the exercise of an Award, for a taxation, legal, regulatory or compliance reason, the Company may in lieu and final satisfaction of the Company's obligation to issue or transfer Shares as

required upon that exercise, make a cash payment to the Participant equivalent to the Fair Market Value as at the date of exercise of the Award (less any unpaid Exercise Price otherwise applicable to the exercise of the Award) multiplied by the relevant number of Shares otherwise required to be issued or transferred to the Participant upon exercise of the Award.

8. Allotment of Shares on exercise or vesting of Awards

8.1 Rights attaching to Shares

The Shares issued under this Plan will upon allotment:

- (a) be credited as fully paid;
- (b) rank equally for dividends and other entitlements where the record date is on or after the date of allotment, but will carry no right to receive any dividend or entitlement where the record date for determining who is entitled to receive payment of that dividend or entitlement, is before the date of allotment; and
- (c) be subject to any restrictions imposed under these Rules, and
- (d) otherwise rank equally with the existing issued Shares at the time of allotment.

8.2 Quotation

If and whilst the Company is Listed, then as soon as practicable after the date of the allotment of Shares pursuant to the exercise of an Award, the Company will, unless the Board otherwise resolves, apply for official quotation of such Shares on the ASX.

8.3 New or existing Shares

The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules.

8.4 If the Company determines to cause the transfer of Shares to a Participant, the Shares may be acquired in such manner as the Company considers appropriate, including from a trustee appointed under clause 8.5.

8.5 The Company may appoint a trustee on terms and conditions which it considers appropriate to subscribe for or acquire and hold Shares, options, or other securities of the Company either on behalf of Participants or for the purposes of this Plan.

9. Rights attaching to Shares

9.1 Shares to rank equally

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

9.2 Voting rights

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

10. Restricted Awards

10.1 Restrictions

Without limitation to the provisions of clause 4.14, a Participant must not sell, transfer, mortgage, pledge, charge, grant a Security Interest over or otherwise dispose of any Restricted Awards, or agree to do any of those things, during the Restriction Period.

10.2 The Company may implement any procedures it considers appropriate to ensure that Restricted Awards are not disposed of during the Restriction Period, including applying a holding lock in respect of Shares.

10.3 Without limiting its discretions under these Rules, the Board may at any time in its discretion waive or shorten the Restriction Period applicable to an Award.

10.4 Bonus issues

If the Company makes a pro rata bonus issue to holders of Restricted Awards, the Shares issued to Participants under that pro rata bonus issue will be subject to the balance of the Restriction Period that applied to the Restricted Awards.

10.6 Death of a Participant

If a Participant dies before the end of the Restriction Period or prior to the Vesting Date, the Vesting Conditions and any Restriction Periods applicable to all Awards will cease to apply, unless the Board determines otherwise.

11. Change of Control

If a Change of Control occurs, or the Board determines in its absolute discretion that a Change of Control is likely to occur, the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Awards will be dealt with, including determination of the extent, if any, to which:

- (a) relevant Vesting Conditions will be waived;
- (b) the time at which unvested Awards are to be replaced by rights to shares or other equity securities of the new controlling company on substantially the same terms and subject to

substantially the same conditions as the unvested Awards with any appropriate amendments, including to defined terms and Vesting Conditions; and

- (c) the time at which, unvested Awards will lapse (with the relevant Participant being treated as having never received or held any right or interest in those unvested Awards from the time of lapse).

12. Hedging unvested Awards

Participants must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested Awards.

13. Adjustments

- 13.1 This clause 13 applies to Options, Performance Rights, Service Rights and other Awards where the Participant may be entitled to acquire Shares in the future upon exercise of that Award (each a **Relevant Award**).

- 13.2 Bonus Issues

If, prior to the exercise of a Relevant Award, the Company makes a pro-rata bonus issue to the holders of Shares (other than an issue in lieu of dividends or by way of dividend reinvestment pursuant to any shareholder election), and the Relevant Award is not exercised prior to the record date in respect of that bonus issue, that Relevant Award will, when exercised, entitle the holder to one Share plus the number of bonus shares (or any fraction thereof) which would have been issued to the holder if that Relevant Award had been exercised prior to that record date.

- 13.3 Reorganisations of capital

If, prior to the exercise of a Relevant Award, the Company undergoes a reorganisation of capital the terms of that Relevant Award will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time (as their application in the circumstances is affected by any waiver granted by ASX).

- 13.4 Board discretion

Subject to the Listing Rules, FMCA, Companies Act and to clauses 13.2 and 13.3, the Board may, in its absolute discretion:

- (a) adjust the number of Relevant Awards in relation to a Participant;
- (b) issue a further Offer to a Participant in respect of additional Relevant Awards; or

- (c) determine that Shares will be allocated to a Participant in respect of some or all of their unvested Relevant Awards and that their remaining unvested Relevant Awards will wholly or partly lapse,

if the Board determines it is appropriate having regard to:

- (d) a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;
- (e) a demerger (in whatever form);
- (f) a special dividend to be paid to holders of all issued Shares; or
- (g) any other event that the Board determines appropriate.

13.5 General

Unless otherwise permitted by the Listing Rules, the number of Shares which the Participant is entitled to receive on exercise of a Relevant Award will only be adjusted in accordance with this clause 13.

- 13.6 The Company must give notice to Participants of any adjustment to the number of Shares which the Participant is entitled to receive on exercise of a Relevant Award in accordance with the Listing Rules.

- 13.7 If the making of any adjustment contemplated by this clause 13 does not result in a whole number of Relevant Awards or Shares, the number will be rounded down to the nearest whole number.

14. Power of attorney

- 14.1 In consideration of the issue of the Awards, each Participant irrevocably appoints each director and the secretary for the time being of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including share transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules or the terms of an Award.

- 14.2 The Participant (or after his or her death, his or her legal personal representative) will be deemed to ratify and confirm any act or thing done under this power and must indemnify the attorney in respect of doing so.

15. Tax contributions

- 15.1 Where the Company, or a subsidiary (within the meaning of the Companies Act) of the Company, must account for any tax or social security contributions (in any jurisdiction) for which a Participant is liable because of the issue or transfer of Shares, payment of cash to the Participant or the vesting or exercise of an Award (each an **Amount**), either the Company or subsidiary of the Company may withhold payment of the Amount in its discretion and/or where applicable, the issue or transfer of any Shares or the payment of any monies to the Participant, unless and until the Participant either:

- (a) pays the Amount to the Company; or
- (b) makes arrangements with and acceptable to the Company for the Amount to be paid to the Company.

16. Powers of the Board

- 16.1 The Plan will be administered by the Board, or a committee of the Board, which will have an absolute discretion to:
- (a) determine appropriate procedures for administration of the Plan consistent with these Rules;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Rules;
 - (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions under the Plan or these Rules;
 - (d) formulate special terms and conditions (subject to the Listing Rules), in addition to those set out in these Rules, to apply to Participants employed and/or resident in and/or who are citizens of countries other than New Zealand. Each of these special terms and conditions will, as far as is permitted by law, be restricted in their application to those Participants employed and/or resident in and/or who are citizens of other jurisdictions; and
 - (e) amend these Rules, provided that such amendments are made in accordance with clause 17.2.
- 16.2 While the Company is Listed, the Board may only exercise its powers under these Rules in accordance with the Listing Rules.

17. Commencement, suspension, termination and amendment of Plan

- 17.1 Subject to the passing of any necessary resolution approving the establishment of the Plan and the issue of the Awards, the Plan will take effect when the Board decides.
- 17.2 The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company or as otherwise required by the Listing Rules, provided that no amendment to the Plan may be made which materially prejudices the rights of existing Participants other than an amendment introduced primarily:
- (a) for the purpose of complying with or conforming to present or future laws of New Zealand or the Listing Rules;
 - (b) to correct any manifest error or mistake or technical administrative requirement; or

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

18. Connection with other schemes

- 18.1 The Company and any related body corporate of the Company are not restricted to using the Plan as the only method of providing incentive rewards to Employees.
- 18.2 The Company and any related body corporate of the Company may approve and operate other incentive schemes, whilst this Plan remains in effect.
- 18.3 Participation in the Plan does not affect, and is not affected by, participation in any other incentive scheme of the Company or of any related body corporate of the Company unless the terms of that incentive scheme provide otherwise.

19. General provisions

19.1 Overriding restriction

Notwithstanding any Rule, Awards and Shares may not be granted, issued, transferred or dealt with under the Plan if to do so would contravene the Companies Act, the FMCA (subject to any applicable exemption), the Listing Rules (for so long as the Company is Listed) or any other applicable laws or where the compliance with any applicable law would in the opinion of the Board be unduly onerous or impractical.

19.2 Error correction

In the event that any error or mistake has been made in relation to the number of Awards the subject of an Offer:

- (a) that Offer will be null and void (even where that Offer has been accepted or purported to be accepted) and of no effect to the extent of any such error or mistake;
- (b) the Board may, in its absolute discretion, correct such error or mistake, without the need to obtain consent from the relevant Employee or relevant Participant, by notice to the Employee or Participant; and
- (c) where appropriate, the Board may issue an amended Offer (with any acceptance previously submitted by the Employee or Participant in connection with the Offer deemed to be amended, cancelled or withdrawn accordingly).

19.3 Participants bound

Participants issued Awards under this Plan are bound by these Rules and by the Constitution of the Company.

19.4 Notices

Any notice required to be given by the Company to a Participant or any correspondence to be made between the Company and a Participant must be in writing and may be given or made by the Board or its delegate on behalf of the Company.

19.5 Any notice to be given by the Company may be given by email, and any reference to the Company giving or providing information or documents in writing includes doing so by email.

19.6 Effect on employee entitlements

Participation in the Plan does not affect an Employee's terms of employment or appointment with the Company. In particular, participation in the Plan does not detract from any right the Company may otherwise have to terminate or vary the terms and conditions of the employment or appointment of an Employee.

19.7 Participation in the Plan, or the issuing of any Awards, does not form part of the Employee's remuneration for the purposes of determining payments in lieu of notice of termination of employment, severance payments, leave entitlements, or any other compensation payable to an Employee upon the termination of their employment by the Company or by any related body corporate of the Company.

19.8 Governing law

These Rules are governed by and are to be construed in accordance with the laws of New Zealand.