

CORE LITHIUM LTD
ACN 146 287 809

(Company)

INCENTIVE PLAN

To be approved by Shareholders

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CORE LITHIUM LTD

INCENTIVE PLAN

The Directors are empowered to operate the Core Lithium Ltd Incentive Plan (**Plan**) on the following terms and in accordance with the Listing Rules (where applicable).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of the Plan, the following words have the following meanings.

Application Form means the Application Form by which an Eligible Participant or Nominee (as applicable) applies for a Short Term Incentive or Long Term Incentive in the form of a Security or a Cash Bonus (as applicable) in response to an Offer, in substantially the same form as set out in Schedule 2 (Convertible Security), Schedule 5 (Plan Share) or Schedule 7 (Cash Bonus) or as otherwise approved by the Company from time to time.

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Blackout Period means a period when the Participant is prohibited from trading in the Company's securities by the Company's written policies.

Board means the board of Directors of the Company or committee appointed by the Board for the purposes of the Plan.

Business Day means those days other than a Saturday, Sunday or public holiday in the State and any other day which the ASX shall declare and publish is not a business day.

Cash Bonus means, in respect of a Short Term Incentive, a cash payment into the Eligible Employees (or their Nominee's) nominated bank account subject to the terms of these Rules and the terms of any applicable Offer.

Cash Payment means, in respect of a vested Convertible Security, except as otherwise provided for in the Offer for that Convertible Security, a cash amount equal to the current Market Value of a Share.

Cash Payment Facility has the meaning given to it in Rule 9.2.

Change of Control means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board

Class Order means ASIC Class Order 14/1000 as amended or replaced.

Closing Date means the date on which an Offer is stated to close.

Company means Core Lithium Ltd (ACN 146 287 809).

Constitution means the constitution of the Company from time to time.

Convertible Security means a Security exercisable for Plan Share(s) in accordance with these Rules, including an Option or Performance Right.

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

Director means any person occupying the position of a director of any Group Company (including an alternate director or managing director appointed in accordance with the relevant constitution).

Dispose means, in relation to a Security:

- (a) sell, assign, buy-back, redeem, transfer, convey, grant an option over, grant or allow a Security Interest over;
- (b) enter into any swap arrangement, any derivative arrangements or other similar arrangement; or
- (c) otherwise directly or indirectly dispose of a legal, beneficial or economic interest in the Security,

(and **Disposal** has a corresponding meaning).

Eligible Participant means:

- (a) a Director (whether executive or non-executive) of any Group Company;
- (b) a full or part time employee of any Group Company;
- (c) a casual employee or contractor of a Group Company (but, if the Class Order is being relied on, only to the extent permitted by the Class Order); or
- (d) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into

that will result in the person becoming an Eligible Participant under Rules (a), (b) or (c) above,

who is declared by the Board to be eligible to receive a Short Term Incentive or Long Term Incentive under the Plan.

Exercise Price means, in respect of an Option, the price to be paid by the Participant (if any) when exercising that Option as specified in the relevant Invitation.

Expiry Date means, in respect of a Convertible Security, the date on which the Convertible Security lapses (if it has not already otherwise lapsed in accordance with the Plan).

Grant Date means, in relation to a Security or Cash Bonus, the date on which the Security or Cash Bonus is granted.

Group means the Company and each other Associated Body Corporate.

Group Company means the Company or any Associated Body Corporate.

Holding Lock has the meaning given to that term in the Listing Rules.

Long Term Incentive means a grant of one or more Securities awarded on a calendar year basis commencing 1 January 2022 offered over a period of at least three years or as otherwise determined by the Board.

Market Value, in respect of a Share, means:

- (a) where the Company is not listed on the ASX, the more recent of:
 - (i) the most recent cash or cash equivalent price at which Shares were issued or sold for valuable consideration in a bona fide, arms' length transaction (not being Shares issued under this Plan); and
 - (ii) the market value of a Share as determined by the Company, acting reasonably, such valuation being no less than twelve (12) months old as at the date the Market Value is to be determined; or
- (b) where the Company is listed on the ASX, the volume weighted average market price for Shares traded on the ASX over the 10 most recent trading days on which the Shares were traded prior to the day on which the Market Value is to be determined.

Marketable Parcel has the meaning given to that term in the Listing Rules.

Nominee means a nominee of an Eligible Participant that is one of the following:

- (a) an immediate family member of the Eligible Participant or (subject to Board approval) a trustee of an Eligible Participant's family trust whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the participant; or

- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Participant is a director of the trustee.

Offer Document means an offer document in substantially the same form as set out in Schedule 1 (Convertible Security), Schedule 4 (Plan Share) or Schedule 6 (Cash Bonus) to this Plan, or such other form as approved by the Board from time to time consistent with the Corporations Act (and the Class Order to the extent it is being relied upon).

Offer means an invitation to treat made to an Eligible Participant to be granted a Short Term Incentive or Long Term Incentive in the form of a Cash Bonus or one or more Securities (as applicable) under the Plan as set out in an Offer Document.

Option means an option granted under these Rules to acquire one or more Shares Share (or paid a Cash Payment), upon and subject to the terms of these Rules and the terms of any applicable Offer.

Participant means an Eligible Participant to whom a Short Term Incentive or Long Term Incentive has been granted under the Plan or, if Rule 4.6 applies, a Nominee of the Eligible Participant to whom a Short Term Incentive or Long Term Incentive has been granted under the Plan.

Performance Right means a right to be issued or transferred a Share (or paid a Cash Payment), upon and subject to the terms of these Rules and the terms of any applicable Offer.

Plan means the plan as set out in this document, subject to any amendments or additions made under Rule 16.

Plan Shares means all Shares issued or transferred to a Participant under these Rules, including upon the valid exercise or conversion of a Convertible Security.

Redundancy means termination of the employment, office or engagement of a Relevant Person due to economic, technological, structural or other organisational change where:

- (a) no Group Company requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or
- (b) no Group Company requires the position held by the Relevant Person to be held by anyone.

Relevant Interest has the meaning given in the Corporations Act.

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant.

Restricted Shares means Plan Shares that the Board has determined are subject to a Restriction Period.

Restriction Period means the period during which a Plan Share cannot be transferred or otherwise dealt with in accordance with Rule 11.

Retirement means where a Relevant Person intends to permanently cease all gainful employment in circumstances where the Relevant Person provides, in good faith, a written statutory declaration to the Board to that effect.

Rules means the rules of the Plan set out in this document.

Security means a security in the capital of the Company granted under these Rules, including a Plan Share, Option, Performance Right or other Convertible Security.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to:

- (c) any agreement to grant or create any of the above; and
- (d) a security interest within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth).

Severe Financial Hardship means that the Relevant Person is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

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

Shareholder means a holder of Shares.

Short Term Incentive means a grant of a Cash Bonus or one or more Performance Rights (or a combination of both) offered over a calendar year commencing 1 January 2022.

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
 - (i) death or Total and Permanent Disability of a Relevant Person; or
 - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which

circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

State means South Australia.

Takeover Bid means a takeover bid (as defined in the Corporations Act) to acquire Shares.

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which he or she is reasonably qualified by education, training or experience.

Vesting Condition means, in respect of a Convertible Security, any condition set out in the Offer which must be satisfied (unless waived in accordance with the Plan) before that Convertible Security can be exercised or any other restriction on exercise or conversion of that Convertible Security specified in the Offer or in this Plan.

Voting Power has the meaning given to that term in Section 9 of the Corporations Act.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Plan;
- (b) any reference in the Plan to any enactment of the Listing Rules includes a reference to that enactment or those Listing Rules as from time to time amended, consolidated, re-enacted or replaced;
- (c) the singular includes the plural and vice versa;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a document includes all amendments or supplements to that document;
 - (iii) a Rule is a reference to a Rule of this Plan;
 - (iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment,

rule of common law or equity and is a reference to that law as amended, consolidated or replaced;

- (v) an agreement other than this Plan includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
- (vi) a monetary amount is in Australian dollars; and
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

2. PURPOSE

The Plan is designed to provide a framework for the Company's incentive scheme. The Plan provides Short Term Incentives and Long Term Incentives which are payable via the grant of a Cash Bonus, Security or a combination of both (as applicable).

The Plan is designed to incentivise management and deliver short and long term goals by:

- (a) assisting in the reward, retention and motivation of Eligible Participants;
- (b) linking the reward of Eligible Participants to performance and the creation of Shareholder value; and
- (c) providing Eligible Participants with the opportunity to share in any future growth in value of the Company.

3. COMMENCEMENT AND TERM

- (a) This Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.
- (b) The Board may terminate the Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Short Term Incentives and Long Term Incentives shall survive termination of the Plan until fully satisfied and discharged.

4. OFFER

4.1 Overview

- (a) The Board may, from time to time, in its absolute discretion, make a written invitation to any Eligible Participant (including an Eligible Participant who has previously received an Offer) to apply for a Short Term Incentive or Long Term Incentive, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (b) In exercising that discretion, the Board may have regard to the following (without limitation):
 - (i) an Eligible Participant's performance against various key performance indicators. These key performance indicators may

- be any combination of pre-determined key performance indicators or retrospective key performance indicators;
- (ii) the Eligible Participant's length of service with the Group;
 - (iii) the contribution made by the Eligible Participant to the Group;
 - (iv) the potential contribution of the Eligible Participant to the Group;
or
 - (v) any other matter the Board considers relevant.

For the avoidance of doubt, nothing in this document obliges the Company at any time to make an Offer, or further Offer, to any Eligible Participant.

4.2 Short Term Incentive

Short Term Incentive (**STI**) payments will be made as soon as practical after the end of the relevant calendar year.

An Eligible Participant's STI potential is specified as the greater of a maximum percentage of their fixed remuneration set out in their employment contract (or subsequent amendment letter), or such other percentage of their fixed remuneration as determined by the Board.

The award of a Cash Bonus or Performance Rights (or a combination of both) as an STI by the Board will be determined by the Board at its absolute discretion and subject to any necessary shareholder approval being obtained.

4.3 Long Term Incentive

Long Term Incentives (**LTI**) will be awarded to incentivise high level performance and provide the Company with a potential long term retention benefit over a period of at least three years.

An Eligible Participant's LTI potential is specified as the greater of a maximum percentage of their fixed remuneration set out in their employment contract (or subsequent amendment letter), or such other percentage of their fixed remuneration as determined by the Board.

Whilst awarded annually, the LTIs may vest on any date throughout the relevant calendar year so that appropriate key performance indicators can be aligned with the Company's strategic plans, budgets, work programs or another measure.

The grant of Securities as a LTI will be determined by the Board at its absolute discretion and subject to the necessary shareholder approval being obtained.

4.4 Offer Document

An Offer must be made using an Offer Document.

4.5 Personal Offer

Subject to Rule 4.6 an Offer is personal and is not assignable.

4.6 Nominee

- (a) Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the Offer.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.

4.7 Minimum contents of offer document

An Offer Document must advise the Eligible Participant of the following minimum information regarding any issue of Securities:

- (a) the maximum number of Securities that the Eligible Participant may apply for, or in the case of a Convertible Security, the formula for determining the number of Convertible Securities that may be applied for;
- (b) the maximum number of Plan Shares that the Participant is entitled to be granted or be issued on the exercise or conversion of a Convertible Security or the formula for determining the maximum number of Plan Shares;
- (c) any applicable Vesting Conditions;
- (d) any Restriction Period applied by this Plan or that the Board has resolved to apply to Plan Shares granted or to be issued on exercise or conversion of the Convertible Securities;
- (e) when Options (if applicable) will expire (**Expiry Date**);
- (f) the date by which an Offer must be accepted (**Closing Date**); and
- (g) any other information required by law or the Listing Rules or considered by the Board to be relevant to the Security.

An Offer Document must advise the Eligible Participant of the following minimum information regarding any issue of a Cash Bonus:

- (a) amount of the Cash Bonus where applicable;
- (b) the date by which an Offer must be accepted (**Closing Date**); and
- (c) any other information required by law or considered by the Board to be relevant to the Cash Bonus.

4.8 Number of Securities

- (a) Subject to Rule 4.14, the number of Securities to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with applicable law and the Listing Rules.
- (b) Each Convertible Security will entitle the holder to be issued or transferred one Share (or to be paid a Cash Payment in lieu of the issue or transfer of one Share) unless the Plan or an applicable Offer otherwise provides.

4.9 No consideration

Convertible Securities granted under the Plan will be issued for nil cash consideration.

4.10 Vesting Conditions

A Convertible Security may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Convertible Security.

4.11 Share Restriction Period

A Share issued on exercise or conversion of a Convertible Security may be subject to a Restriction Period as determined in accordance with Rule 11 of this Plan.

4.12 Deferred taxation

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Plan except to the extent an Offer provides otherwise.

4.13 Quotation of Convertible Securities

Convertible Securities will not be quoted on the ASX, except to the extent provided for by this Plan or unless the Offer provides otherwise.

4.14 Limit on Offers

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the total number of Plan Shares that may be issued under the Plan, or acquired upon exercise or conversion of Convertible Securities offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

5. ACCEPTANCE OF OFFER

5.1 Acceptance of Offer

An Eligible Participant (or permitted Nominee) may accept an Offer in whole or in part, by signing and returning an Application Form to the Company no later than the Closing Date.

5.2 Board's right to reject

- (a) The Board may accept or reject any Application Form in its absolute discretion.
- (b) Before accepting or rejecting the Application Form, the Board may require the applicant to provide any information that the Board requests concerning the person's entitlement to lodge an Application Form under this Plan.
- (c) The Board must promptly notify an applicant if an Application Form has

been rejected, in whole or in part.

5.3 Participant agrees to be bound

- (a) An Eligible Participant, by submitting an Application Form, agrees to be bound by the terms and conditions of the Offer and the Application Form, the Plan and the Constitution of the Company, as amended from time to time.
- (b) If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the terms and conditions of the Offer and Application Form, the Plan and the Constitution of the Company, as amended from time to time.

5.4 Lapse of Offer

To the extent an Offer is not accepted in accordance with Rule 5.1, the Offer will lapse on the date following the Closing Date, unless the Board determines otherwise.

6. GRANT OF CASH BONUS

- (a) The Cash Bonus will be granted to the Eligible Participant on the terms set out in the Offer Document.
- (b) Once the Board has received and approved a duly signed and completed Application Form for a Cash Bonus, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly grant the Cash Bonus to the applicant, upon the terms set out in the Offer, the Application Form and the Plan and upon such additional terms and conditions as the Board determines.
- (c) The Company will, within a reasonable period after the Grant Date of the Cash Bonus, issue the applicant with a certificate evidencing the grant of the Cash Bonus.

7. GRANT OF SECURITIES

7.1 Grant of Securities

- (a) Subject to Rule 7.2, once the Board has received and approved a duly signed and completed Application Form for Securities, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly grant Securities to the applicant, upon the terms set out in the Offer, the Application Form and the Plan and upon such additional terms and conditions as the Board determines.
- (b) The Company will, within a reasonable period after the Grant Date of the Securities, issue the applicant with a certificate evidencing the grant of the Securities.

7.2 Approvals

The Company's obligation to grant Securities is conditional on:

- (a) the grant of the Securities complying with all applicable legislation, the

Listing Rules and the Constitution; and

- (b) all necessary approvals required under any applicable legislation and the Listing Rules being obtained prior to the grant of the Securities.

7.3 Participant's rights attaching to Convertible Securities

Prior to a Convertible Security being exercised or converted in accordance with Rule 8:

- (a) a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than those expressly set out in these Rules; and
- (b) a Participant is not entitled to:
 - (i) notice of, or to vote or attend at, a meeting of the shareholders of the Company; and
 - (ii) receive any dividends declared by the Company,

by virtue of holding the Convertible Security.

7.4 Restrictions on transfers, dealings and hedging

- (a) Subject to the Listing Rules, and except as otherwise provided for by an Offer, a Security granted under the Plan is only transferable, assignable or able to be otherwise Disposed:
 - (i) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
 - (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) A Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Securities.
- (c) Where the Participant purports to transfer, assign, mortgage, charge or otherwise dispose or encumber a Securities, other than in accordance with Rule 7.4(a) or hedge a Convertible Security contrary to Rule 7.4(b), the Convertible Security immediately lapses.

8. VESTING, CONVERSION AND EXERCISE OF CONVERTIBLE SECURITIES

8.1 Vesting Conditions

- (a) Subject to Rules 8.2 and 8.3, a Convertible Security granted under the Plan will not vest and be exercisable or convertible unless the Vesting Conditions (if any) attaching to that Convertible Security have been satisfied, as determined by the Board acting reasonably, and the Board has notified the Participant of that fact.
- (b) The Board must notify a Participant in writing within 10 Business Days of becoming aware that any Vesting Condition attaching to a Convertible Security has been satisfied.

8.2 Vesting Condition exceptions

Notwithstanding Rule 8.1, the Board may in its absolute discretion, by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Convertible Securities due to:

- (a) Special Circumstances arising in relation to an Eligible Participant;
- (b) a Change of Control occurring; or
- (c) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company,

in which case Rule 8.3 applies.

8.3 Exercise or conversion on vesting

A Participant (or their personal legal representative where applicable) may, subject to the terms of this Plan and any Offer, exercise or convert any vested Convertible Security at any time after the Board notifies that the Convertible Security has vested and before it lapses by providing the Company with:

- (a) the certificate for the Convertible Securities or, if the certificate for the Convertible Securities has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed; and
- (b) a notice in the form of Schedule 3 addressed to the Company and signed by the Participant stating that the Participant exercises or wishes to convert the Convertible Securities and specifying the number of Convertible Securities which are exercised.

8.4 One or several parcels

Convertible Securities may be exercised or converted in one or more parcels of any size, provided that the number of Shares issued or transferred upon exercise or conversion of the number of Convertible Securities in any parcel is not less than a Marketable Parcel.

9. ISSUE/TRANSFER OF SHARES OR CASH PAYMENT

9.1 Issue/transfer of Shares

If the items specified in Rule 8.3 are delivered in accordance with that Rule, and provided the Board has not determined that a Cash Payment applies, the Company will, subject to the Corporations Act, the Listing Rules, this Plan and any applicable Offer:

- (a) within 10 Business Days of satisfaction of Rule 8.3, and subject to the Company's ability to issue a cleansing notice, issue or transfer to the Participant the Plan Shares credited as being fully paid in respect of which the Convertible Securities are exercised or converted, together with any additional Shares an entitlement to which has arisen under Rule 11.4 in consequence of the exercise or conversion of the Convertible Securities;

- (b) despatch a share certificate or enter the Plan Shares in the Participant's uncertificated holding, as the case may be, upon the terms set out in the Offer, the Application Form and the Plan and upon such additional terms and conditions as the Board determines; and
- (c) cancel the certificate delivered pursuant to Rule 8.3 and, if any Convertible Securities which have not lapsed remain unconverted or unexercised, deliver to the Participant a replacement certificate reflecting the number of those Convertible Securities which remain unexercised or unconverted.

9.2 Cash Payment Facility

- (a) Subject to the Corporations Act, the Listing Rules, this Plan and the terms of any Offer, where all Vesting Conditions in respect of a Convertible Security have been satisfied or waived, the Board may, in its absolute discretion, within 10 Business Days of receipt of a valid notice of exercise or conversion for vested Convertible Security, in lieu of issuing or transferring a Plan Share to the Participant on exercise or conversion of the Convertible Security under Rule 9.1, pay the Participant or his or her personal representative (as the case may be) a Cash Payment for the Convertible Security exercised (which may be nil if the Cash Payment is a negative amount).
- (b) A vested Convertible Security automatically lapses upon payment of a Cash Payment in respect of the vested Convertible Security.

9.3 Blackout Period, takeover restrictions and insider trading

If the issue or transfer of Shares on exercise or conversion of a Convertible Security would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, or the Listing Rules, the Company may delay the issue of the Shares until 10 Business Days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions or the Listing Rules, no longer prevent the issue or transfer of the Shares.

9.4 Withholding

If a Participant is liable for tax, duties or other amounts in respect of their Convertible Securities, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must either deduct from any Cash Payment due, or issue to the Participant and arrange (as the Participant's attorney) for a nominee to sell on the ASX such number of Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale (after allowing for reasonable sale costs) equal the payment the Company is required to pay to the appropriate authorities. The Company is entitled to apply such net sale costs to pay to the appropriate authorities, with any excess sale proceeds to be remitted to the Participant.

10. RIGHTS ATTACHING TO PLAN SHARES

A Participant will, from and including the issue date of Plan Shares under this Plan, be the legal owner of the Shares issued in respect of them and will be entitled to dividends and to exercise voting rights attached to the Shares.

10.1 Share ranking

All Plan Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares.

10.2 Quotation on ASX

If Plan Shares are in the same class as Shares which are listed on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Plan Shares to be quoted on ASX within the time required by the Listing Rules after the date of allotment.

10.3 Dividends

A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares which, at the closing date for determining entitlement to such dividends, are standing to the account of the Participant (or a trustee for and on behalf of the Participant).

10.4 Dividend reinvestment plan

A Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held by the Participant (or a trustee for and on behalf of the Participant). Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by the Participant (or a trustee for and on behalf of the Participant) unless the Board determines otherwise.

10.5 Voting rights

A Participant may exercise any voting rights attaching to Plan Shares held by the Participant (or a trustee for and on behalf of the Participant).

11. DISPOSAL RESTRICTIONS ON PLAN SHARES

11.1 Disposal restriction

If the Offer provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction, including but not limited to imposing an ASX Holding Lock (where applicable) on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period.

11.2 Participant's undertaking

For so long as a Plan Share is subject to any disposal restrictions under this Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a Security Interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

11.3 Expiry of restriction

Subject at all times to the terms of the Listing Rules, Corporations Act, Plan Rules and Constitution, upon the expiry of any disposal restrictions over a Plan Share, the Company will take all action necessary to ensure that the Participant can deal with that Plan Share.

11.4 Share entitlements

For the avoidance of doubt, the imposition of a disposal restriction on a Plan Share held by a Participant will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company, and to receive any dividends declared by the Company during the relevant disposal restriction period on that Plan Share. If an employee share trust arrangement is implemented in respect of this Plan, the Board may implement such procedures it deems appropriate to give effect to the intent of this Rule 11.4.

12. ADJUSTMENT OF CONVERTIBLE SECURITIES

12.1 Reorganisation

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

12.2 Bonus issue

- (a) If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise or conversion of the Convertible Securities, to receive, in addition to the Shares in respect of which the Convertible Securities are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.
- (b) Additional Shares to which the holder of Convertible Securities becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Convertible Securities are exercised for the purposes of subsequent applications of Rule 12.2(a), and any adjustments which, after the time just mentioned, are made under Rule 12.1 to the number of Shares will also be made to the additional Shares.

12.3 Rights issue

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

12.4 No other participation

Subject to Rules 12.1 to 12.3 (inclusive), during the currency of any Convertible Securities and prior to their exercise, the holders of Convertible Securities are not entitled to participate in any new issue of Shares of the Company as a result of their holding of Convertible Securities.

12.5 Rounding

Until a Convertible Security is exercised, all calculations adjusting the number of Shares must be carried out to include all fractions, but when a Convertible Security is exercised and is settled in Shares the number of Shares to be issued or transferred to the Participant is rounded down to the next lowest whole number.

12.6 Application of adjustment

- (a) In the application of this Rule 12, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company, subject to the Listing Rules and other applicable laws.
- (b) Unless otherwise provided in these Rules, a Participant has no right to:
 - (i) change the Exercise Price; or
 - (ii) change the number of Shares over which the Convertible Security can be exercised.

13. LAPSE OF CONVERTIBLE SECURITIES

13.1 Lapsing of Convertible Security

A Convertible Security will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Convertible Security occurring, as governed by Rule 7.4(c);
- (b) a Vesting Condition in relation to the Convertible Security is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board acting reasonably, unless the Board exercises its discretion to waive the Vesting Condition and vest the Convertible Security under Rule 8.2 (Vesting Condition Exceptions) or Rule 13.1(c)(ii) applies;
- (c) in respect of an unvested Convertible Security only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (i) exercises its discretion to vest the Convertible Security under Rule 8.2 (Vesting Condition Exceptions); or
 - (ii) in its absolute discretion, resolves to allow the unvested Convertible Securities to remain unvested after the Relevant Person ceases to be an Eligible Participant;

- (d) in respect of a vested Convertible Security only:
 - (i) a Relevant Person ceases to be an Eligible Participant and the Board, in its absolute discretion, resolves that the Convertible Security granted in respect of that Relevant Person must:
 - (A) be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant and the Convertible Security is not exercised within that period; or;
 - (B) be cancelled by the Company in consideration for a Cash Payment to the Participant, and a Cash Payment is made in respect of the vested Convertible Security; or
 - (ii) upon payment of a Cash Payment in respect of the vested Convertible Security under Rule 9.2;
- (e) the Board deems that a Convertible Security lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under Rule 13.2 (Fraud and Related Matters);
- (f) in respect of an unvested Convertible Security, the Company undergoes a Change of Control or a winding up resolution or order is made, and the Convertible Security does not vest in accordance with Rule 8.2 (Vesting Condition Exceptions); and
- (g) the Expiry Date of the Convertible Security.

13.2 Fraud and related matters

Notwithstanding any other provision of this document, where a Relevant Person:

- (a) in the opinion of the Board, acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct, or causes a material adverse effect on the reputation of the Company;
- (b) has his or her employment or office terminated due to serious or wilful misconduct or otherwise for cause without notice;
- (c) deals with or disposes of Convertible Securities or Restricted Shares contrary to the provisions of this Plan or any applicable Offer; or
- (d) becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act,

the Board may, by written notice to the Participant, deem any unvested, or vested but unconverted or unexercised, Convertible Securities of the Participant to have lapsed, or require the Participant to pay back any Cash Payment paid to the Participant, which is deemed to be a debt due and payable by the Participant on demand, or require the Participant to do all such things necessary to cancel any Shares issued on exercise or conversion of the Participant's Convertible Securities.

14. CHANGE OF CONTROL

14.1 Board's discretion

Notwithstanding any other provisions of the Rules, if a Change of Control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control event.

14.2 Exchange due to Change of Control

If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control and both the Company, the Acquiring Company and the Participant agree, a Participant may, in respect of any vested Convertible Securities that are exercised or converted, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Convertible Securities.

15. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding the Rules or the terms of any Convertible Security, no Convertible Security may be offered, granted or exercised and no Share may be issued under the Plan if to do so:

- (a) would contravene the Corporations Act, the Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are, in the absolute discretion of the Board, impractical.

16. AMENDMENTS

16.1 Power to amend Plan

Subject to Rule 16.2, the Corporations Act and the Listing Rules:

- (a) the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, an Offer or the terms or conditions of any Short Term Incentive or Long Term Incentive granted under the Plan; and
- (b) any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

16.2 Adjustment to Security terms

No adjustment or variation of the terms of a Security will be made without the consent of the Participant who holds the relevant Security if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Securities), other than an adjustment or variation introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
- (d) 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.

16.3 Notice of amendment

As soon as reasonably practicable after making any amendment under Rule 16.1 the Board will give notice in writing of that amendment to any Participant affected by the amendment.

17. TRUST

The Board may, in its discretion, use an employee share trust or other mechanism for the purposes of holding Shares and Plan Shares before or after the exercise or conversion of a Convertible Security or delivering any Plan Shares arising from exercise or conversion of a Convertible Security under these Rules on such terms and conditions as determined by the Board. For the avoidance of doubt, the Board may do all things necessary for the establishment, administration, operation and funding of an employee share trust.

18. MISCELLANEOUS

18.1 Rights and obligations of Participant

- (a) The rights and obligations of an Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. This Plan will not form part of, and is not incorporated into, any contract of any Eligible Participant (whether or not they are an employee of a Group Company).
- (b) No Participant will have any rights to compensation or damages in consequence of:
 - (i) the termination, for any reason, of the office, employment or other contract with a Group Company of the Participant (or, where the Participant is a Nominee of the Eligible Participant, that Eligible Participant) where those rights arise, or may arise, as a result of the Participant ceasing to have rights under the Plan as a result of such termination; or
 - (ii) the lapsing of Convertible Securities in accordance with this Plan.
- (c) Nothing in this Plan, participation in the Plan or the terms of any Short Term Incentive or Long Term Incentive:

- (i) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
 - (ii) affects the rights and obligations of any Eligible Participant or Participant under the terms of their employment, engagement or office with any Group Company;
 - (iii) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against any Group Company in respect of their employment, engagement or office;
 - (iv) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
 - (v) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Participant or Participant.
- (d) If a Vesting Condition attached to a Convertible Security requires a Participant to remain an employee of a Group Company, then the Participant will be treated as having ceased to be an employee of a Group Company at such time the Participant's employer ceases to be a Group Company.
- (e) A Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise or conversion of a Convertible Security under the Plan or grant of a Cash Bonus will be treated for those purposes as not having ceased to be such an employee.

18.2 Power of the Board

- (a) The Plan is administered by the Board which has power to:
- (i) determine appropriate procedures for administration of the Plan consistent with this Plan; and
 - (ii) delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan or any Short Term Incentive or Long Term Incentive under the Plan and in the exercise of any power or discretion under the Plan.

18.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Short Term

Incentive or Long Term Incentive granted under it, the decision of the Board is final and binding.

18.4 ASIC relief

- (a) 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 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.
- (b) To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

18.5 Non-residents of Australia

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights. Any additional rule must conform to the basic principles of the Plan.
- (b) When a Short Term Incentive or Long Term Incentive is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulation or similar factors which may apply to the Participant or to any Group Company in relation to the Short Term Incentive or Long Term Incentive.

18.6 Communication

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile:
 - (i) in the case of a company, to its registered office;
 - (ii) in the case of an individual, to the individual's last notified address; or
 - (iii) where a Participant is a Director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission. Where a notice is given by electronic transmission, the notice is taken to have been received at the time the electronic transmission is

sent unless the sender receives a message that the electronic message has not been delivered.

- (c) Despite Rule 18.6(b) if any communication is received, or taken to be received under Rule 18.6(b), after 5.00pm in the place of receipt or on a non-Business Day, it is taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

18.7 Attorney

Each Participant:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an attorney), severally, as the Participant's attorney to complete and execute any documents, including applications for Shares and Share transfers, and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of enforcing a Participant's obligations, or exercising the Company's rights, under this Plan or an Offer;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) except in respect of any liability caused by the Company's reckless or wilful misconduct, releases each Group Company and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) except in respect of any losses caused by the Company's reckless or wilful misconduct, indemnifies and holds harmless each Group Company and the attorney in respect thereof.

18.8 Costs and expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Plan Shares.

18.9 Adverse tax

Where a Participant may suffer an adverse taxation consequence as a direct result of participating in the Plan that was not apparent to the Participant or the Company at the time the Participant was issued a Short Term Incentive or Long Term Incentive under the Plan, the Board may, in its absolute discretion, agree to compensate the Participant in whole or in part.

18.10 Data protection

By lodging an Application Form, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;

- (c) providing information to future purchasers of the Company or the business in which the Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

18.11 Error in allocation

If any Short Term Incentives or Long Term Incentives are provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in those Short Term Incentives or Long Term Incentives and those Short Term Incentives or Long Term Incentives will immediately lapse.

18.12 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by this Plan 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.

18.13 Listing Rules

If, and for so long as, the Company is admitted to the ASX, the provisions of the Listing Rules of the ASX 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 prevail.

18.14 Enforcement

This Plan, any determination of the Board made pursuant to this Plan, and the terms of any Short Term Incentive or Long Term Incentive granted under the Plan, will be deemed to form a contract between the Company and the Participant.

18.15 Laws governing Plan

- (a) This Plan, and any Short Term Incentive or Long Term Incentive issued under it, are governed by the laws of the State and the Commonwealth of Australia.
- (b) The Company and the Participants submit to the non-exclusive jurisdiction of the courts of the State.

SCHEDULE 1 – CONVERTIBLE SECURITY – OFFER DOCUMENT

[insert date]

[Name and address of Eligible Participant]

Dear [insert]

CORE LITHIUM LTD – GRANT OF [SHORT/LONG] TERM INCENTIVE

1. INTRODUCTION

On behalf of the board of Core Lithium Ltd (ACN 146 287 809) (**Company**), I am pleased to inform you that the Company has determined that, in addition to your fixed remuneration, you are entitled to a [long/short] term incentive bonus granted under the Company's Incentive Plan (**Plan**) on the terms of this offer letter (**Offer**). Terms used in this Offer have the same meaning as used in the Plan.

The Plan is designed to incentivise management and deliver short and long term goals by:

- (a) assisting in the reward, retention and motivation of Eligible Participants;
- (b) linking the reward of Eligible Participants to performance and the creation of Shareholder value; and
- (c) providing Eligible Participants with the opportunity to share in any future growth in value of the Company.

The Board of Directors is inviting you to apply for Convertible Securities under the Plan in accordance with this letter (**Convertible Securities**).

By applying for Convertible Securities, you agree to accept the terms and conditions in this letter of invitation, the terms and conditions of the Convertible Securities (see Annexure A) and the Plan, (together, the **Terms**).

We recommend you read the Terms carefully before accepting the invitation. Capitalised terms used in this letter have the same meaning as those terms used in the Plan.

2. INVITATION TO SUBSCRIBE FOR CONVERTIBLE SECURITIES

The Company invites you to subscribe for the Convertible Securities as described below in accordance with the Terms (**Invitation**). To accept the Invitation and apply for Convertible Securities you must complete the attached Application Form.

Item	Details
Eligible Participant	[insert name]
Type of Convertible Security	[Options/Performance Rights]
Total number of Convertible Securities	[insert total]
[Vesting Conditions]	[insert]
[Exercise Price if Options]	[\$[insert]]
Expiry Date	[insert]

Item	Details
Grant Date	[insert]

The current market price used for the grant of the Convertible Securities was \$[insert].

The grant of the Convertible Securities is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder approval/s and you remaining an Eligible Participant at the time the Convertible Securities are granted and, subject to a number of exceptions, exercised into Shares or a Cash Payment.

The full terms and conditions of the Convertible Securities are set out in Annexure A.

3. ACCEPTANCE OF THE INVITATION

The Invitation is personal to you and may only be accepted by you. Other than as specifically provided in this Invitation you may not in whole or in part assign, transfer or in any other manner, deal with the Invitation.

Under the Plan, you may give the Board a written notice nominating a permitted nominee in whose favour you wish to renounce the Invitation, subject to the Board's approval. Please discuss this with the Company Secretary if you have any queries.

This Invitation remains open for acceptance by you until **5pm WST** on [insert] **2022 (Closing Date)** at which time this Invitation will close and lapse.

You may apply for all or a lesser number of the Convertible Securities by filling out the Application Form below and returning to the Company Secretary before the Closing Date.

By signing the Application Form you acknowledge that no grant of Convertible Securities will be made to you to the extent that it would contravene the Company's Constitution, Listing Rules, the *Corporations Act 2001* (Cth) or any other applicable law.

Upon receipt of a signed copy of the Application Form, and its acceptance by the Company and receipt of any necessary Shareholder approval/s, the Company will grant the Convertible Securities to you (or your permitted nominee) together with a certificate for the Convertible Securities.

4. DISCLAIMER

This letter is for your exclusive use and is considered to be a personal offer to you. It is not to be copied or circulated to any other person by you other than your professional adviser(s).

This letter is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission.

The information contained in this letter is being provided on a confidential basis to you solely for the purpose of evaluating the Invitation.

No assurance can be given by the Company as to the accuracy or completeness of the information in this Invitation.

No responsibility or liability (including in negligence) is assumed by the Company for such information or for updating any such information or to inform you of any new information of which the Company may become aware.

The provision of this Invitation is not and should not be considered as a recommendation in relation to an investment in the Company, or that an investment in the Company is a suitable investment for you.

5. ADVICE

This Invitation 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 Invitation 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 Invitation (including your investment objectives, financial situation, and particular needs), and you should seek all necessary financial, legal, tax and investment advice.

6. TAXATION ADVICE AND DISCLAIMER

Subdivision 83A-C of the *Income Tax Assessment Act 1997*, which enables tax deferral on Convertible Securities, [will/will not apply] (subject to the conditions in that Act) to Convertible Securities granted to you under this Invitation.

You are advised to seek independent professional advice regarding the tax consequences of the grant of Convertible Securities and the acquiring and disposing of any Shares that are issued on exercise or conversion of Convertible Securities under the Plan in light of current tax laws in your country of residence and your particular investment circumstances.

7. RISK

You should be aware that the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company, including Convertible Securities offered under the Plan, and Shares issued on exercise or conversion of the Convertible Securities.

As with any investment in shares 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.

Please refer to the Plan and the Company's Constitution with regards to your voting and dividend rights as the holder of Convertible Securities and/or Shares.

8. SALE OF SHARES

You should be aware that there are restrictions imposed by general law and the Corporations Act on dealing in shares by persons who possess material information likely to affect the value of the shares and which is not generally available. These laws may restrict the acquisition or disposal of shares by you during the time you have such information.

Any Shares which are issued to you upon exercise or conversion of Convertible Securities shall be subject to the terms of the relevant provisions of the Listing Rules, Corporations Act, Plan Rules and Constitution.

Please confirm your (or your Nominee's) acceptance of the Offer set out in this letter by completing the Application Form below and returning it to the Company **by no later than [insert]**.

Yours faithfully

[insert name]
Director
For and on behalf of
CORE LITHIUM LTD

Encl.

**ANNEXURE A – TERMS AND CONDITIONS OF CONVERTIBLE SECURITIES
- [OPTIONS/PERFORMANCE RIGHTS]**

[insert]

SCHEDULE 2 – CONVERTIBLE SECURITY - APPLICATION FORM

Core Lithium Ltd (ACN 146 287 809) (**Company**) has invited you (or your Nominee), by an invitation dated [insert] (**Offer**), to apply for the grant under its Incentive Plan (**Plan**) of certain Convertible Securities.

The entity below hereby applies for the Convertible Securities under the terms of the Offer, this Application Form and the Plan.

Full Name of Eligible Participant:			
ACN of Eligible Participant (if applicable):			
Full Name of Nominated Party (if any):			
ACN of Nominated Party (if any):			
Trust name of Nominated Party (if any):			
Address:			
Ph:		Email:	

Tax file number(s) or exemption: _____

CHESS HIN (where applicable): _____

In applying for the grant of Convertible Securities under the Offer, the entity below acknowledges and agrees:

- (a) that, in accordance with Rule 5.2 of the Plan, the Board may, in its absolute discretion, reject this Application Form and not grant the Convertible Securities;
- (b) to be entered on the register of performance rights holders of the Company as the holder of the Convertible Securities applied for, and any Shares issued on the exercise or conversion of the Convertible Securities;
- (c) to be bound by the terms of the Constitution of the Company;
- (d) to be bound by the terms and conditions of the Plan;
- (e) to be bound by the terms and conditions of the Offer;
- (f) a copy of the full terms of the Plan has been provided to it;
- (g) that, by completing this Application Form, it agrees to appoint the Company Secretary as its attorney to complete and execute any documents and do all acts

on its behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan and the Offer;

- (h) that any tax liability arising from the Company accepting its application for Convertible Securities under the Plan or the issue or transfer of Shares or the making of a Cash Payment on exercise or conversion of the Convertible Securities is its responsibility and not that of the Company; and
- (i) to the extent required by the terms of the Plan and the Listing Rules, to enter into any necessary restriction agreement in relation to any Shares provided on the exercise or conversion of the Convertible Securities and to the placing of a Holding Lock on those Shares.

Where an individual

SIGNED by **[INSERT NAME OF INDIVIDUAL]** in the presence of:)
)

Signature of witness

Signature

Name of witness

Where an Australian company

EXECUTED by **[INSERT COMPANY NAME]**)
ACN [INSERT ACN])
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

SCHEDULE 3 – NOTICE OF [EXERCISE/CONVERSION] OF CONVERTIBLE SECURITY

To: The Directors
Core Lithium Ltd

I/We _____ of _____
_____ being registered holder(s) of Convertible Securities as set out on the certificate annexed to this notice, hereby [exercise/convert] _____ of the abovementioned Convertible Securities.

I/ We authorise and direct the Company, except to the extent a Cash Payment is made, to register me/us as the holder(s) of the Shares to be allotted to me/us and I/we agree to accept such Shares subject to the provisions of the Constitution of the Company.

Dated: _____

Signature of Holder(s)

Note:

1. Each holder must sign.
2. An application by a company must be executed in accordance with section 127 of the *Corporations Act 2001* (Cth) and, if signing for a company as a sole director/secretary – ensure “sole director/secretary” is written beside the signature.

SCHEDULE 4 – PLAN SHARE – OFFER DOCUMENT

[insert date]

[Name and address of Eligible Participant]

Dear [insert]

CORE LITHIUM LTD – GRANT OF [SHORT/LONG] TERM INCENTIVE

1. INTRODUCTION

On behalf of the board of Core Lithium Ltd (ACN 146 287 809) (**Company**), I am pleased to inform you that the Company has determined that, in addition to your fixed remuneration, you are entitled to a [long/short] term incentive bonus granted under the Company's Incentive Plan (**Plan**) on the terms of this offer letter (**Offer**). Terms used in this Offer have the same meaning as used in the Plan.

The objectives of the Plan are to:

- (a) assist in the reward, retention and motivation of employees and directors;
- (b) link the reward of employees and directors to shareholder value creation; and
- (c) align the interests of employees and directors with shareholders of the Company and its related entities by providing an opportunity to employees and directors to receive an equity interest in the Company in the form of securities.

The Board of Directors is inviting you to subscribe for the issue of:

- (a) up to [insert number of shares] ordinary fully paid shares (**Plan Share**);
- (b) at an issue price [equal to the volume weighted average price at which Shares are traded on the ASX over the 10 trading days up to and including the actual date of you acceptance of the Shares offered under the Offer] (**Issue Price**) on the terms and conditions set out in the Offer and the Plan,

(the **Invitation**).

The grant of the Plan Shares is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder approval/s and you remaining an Eligible Participant at the time the Plan Shares are granted.

Terms defined in the Plan have the same meaning in this Offer and the Application Form.

2. ACCEPTANCE OF THE INVITATION

The Invitation is personal to you and may only be accepted by you. Other than as specifically provided in this Invitation you may not in whole or in part assign, transfer or in any other manner, deal with the Invitation.

Under the Plan, you may give the Board a written notice nominating a permitted nominee in whose favour you wish to renounce the Invitation, subject to the

Board's approval. Please discuss this with the Company Secretary if you have any queries.

This Invitation remains open for acceptance by you until **5pm ACST** on **[Insert] 2022 (Closing Date)** at which time this Invitation will close and lapse.

You may apply for all or a lesser number of the Plan Shares by filling out the Application Form below and returning to the Company Secretary before the Closing Date.

By signing the Application Form you acknowledge that no grant of Plan Shares will be made to you to the extent that it would contravene the Company's Constitution, Listing Rules, the Corporations Act 2001 (Cth) or any other applicable law.

Upon receipt of a signed copy of the Application Form, and its acceptance by the Company and receipt of any necessary Shareholder approval/s, the Company will grant the Plan Shares to you (or your permitted nominee) together with a certificate for the Plan Shares.

3. DISCLAIMER

This letter is for your exclusive use and is considered to be a personal offer to you. It is not to be copied or circulated to any other person by you other than your professional adviser(s).

This letter is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission.

The information contained in this letter is being provided on a confidential basis to you solely for the purpose of evaluating the Invitation.

No assurance can be given by the Company as to the accuracy or completeness of the information in this Invitation.

No responsibility or liability (including in negligence) is assumed by the Company for such information or for updating any such information or to inform you of any new information of which the Company may become aware.

The provision of this Invitation is not and should not be considered as a recommendation in relation to an investment in the Company, or that an investment in the Company is a suitable investment for you.

4. ADVICE

This Invitation 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 Invitation 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 Invitation (including your investment objectives, financial situation, and particular needs), and you should seek all necessary financial, legal, tax and investment advice.

5. RISK

You should be aware that the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks

can impact on the value of an investment in the securities of the Company, including Plan Shares and Shares issued on exercise of the Plan Shares.

As with any investment in shares 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.

Please refer to the Plan and the Company's Constitution with regards to your voting and dividend rights as the holder of Shares.

6. RESTRICTION CONDITIONS

Subject to the terms of the Plan, the Plan Shares issued to you cannot be sold, transferred, assigned, charged or otherwise encumbered until the following Restriction Conditions are satisfied (unless waived by the Board):

- (a) [you must remain employed by the Company or an Associated Body Corporate for two (2) years after the date the Plan Shares are issued to you];
- (b) [insert]
- (c) [insert]

7. MARKET PRICE OF SHARES

From the date this Offer is made to the Closing Date, the Company undertakes to provide you, within a reasonable period of you so requesting, the current market price of the Company's Shares and, where (as here) the Issue Price is determined by a formula, the issue price in Australian Dollars of the Plan Shares. The Company will provide this information to you, unless you agree otherwise, by contacting you at the address to which this Offer is sent.

8. SALE OF SHARES

You should be aware that there are restrictions imposed by general law and the Corporations Act on dealing in shares by persons who possess material information likely to affect the value of the shares and which is not generally available. These laws may restrict the acquisition or disposal of shares by you during the time you have such information.

Any Plan Shares which are issued to you shall be subject to the terms of the relevant provisions of the Listing Rules, Corporations Act, Plan Rules and Constitution.

Please confirm your (or your Nominee's) acceptance of the Offer set out in this letter by completing the Application Form below and returning it to the Company **by no later than [insert]**.

Yours faithfully

[insert name]

Director
For and on behalf of
CORE LITHIUM LTD

Encl.

SCHEDULE 5 – PLAN SHARE – APPLICATION FORM

Core Lithium Ltd (ACN 146 287 809) (**Company**) has invited you (or your Nominee), by an invitation dated [insert] (**Offer**), to apply for the grant under its Incentive Plan (**Plan**) of certain Plan Shares.

The entity below hereby applies for the Plan Shares under the terms of the Offer, this Application Form and the Plan.

Full Name of Eligible Participant:			
ACN of Eligible Participant (if applicable):			
Full Name of Nominated Party (if any):			
ACN of Nominated Party (if any):			
Trust name of Nominated Party (if any):			
Address:			
Ph:		Email:	

Tax file number(s) or exemption: _____

CHESS HIN (where applicable): _____

Name: _____

Address: _____

Ph: _____ Email: _____

In applying for the grant of Plan Shares under the Offer, the entity below acknowledges and agrees:

- (a) that, in accordance with Rule 5.2 of the Plan, the Board may, in its absolute discretion, reject this Application Form and not grant the Plan Shares;
- (b) to be entered on the register of performance rights holders of the Company as the holder of the Plan Shares applied for;
- (c) to be bound by the terms of the Constitution of the Company;
- (d) to be bound by the terms and conditions of the Plan;
- (e) to be bound by the terms and conditions of the Offer;

- (f) a copy of the full terms of the Plan has been provided to it;
- (g) that, by completing this Application Form, it agrees to appoint the Company Secretary as its attorney to complete and execute any documents and do all acts on its behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan and the Offer;
- (h) to the extent required by the terms of the Plan and the Listing Rules, to enter into any necessary restriction agreement in relation to any Plan Shares and to the placing of a Holding Lock on those Plan Shares;
- (i) that it has been offered the opportunity to obtain share price information in relation to Shares in the Company; and
- (j) any tax liability arising from the Company accepting my acceptance of Plan Shares under the Plan is entity responsibility and not that of the Company.

Where an individual:

SIGNED by **[INSERT NAME OF INDIVIDUAL]** in the presence of:)
)

 Signature of witness

 Signature

 Name of witness

Where an Australian company

EXECUTED by **[INSERT COMPANY NAME]**)
ACN [INSERT ACN])
 in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

 Signature of director

 Signature of director/company secretary*

 Name of director

 Name of director/company secretary*

**please delete as applicable*

SCHEDULE 6 – CASH BONUS (SHORT TERM INCENTIVE) – OFFER DOCUMENT

[insert date]

[Name and address of Eligible Participant]

Dear [insert]

CORE LITHIUM LTD – GRANT OF SHORT TERM INCENTIVE

On behalf of the board of Core Lithium Ltd (ACN 146 287 809) (**Company**), I am pleased to inform you that the Company has determined that, in addition to your fixed remuneration, you are entitled to a short term incentive bonus granted under the Company's Incentive Plan (**Plan**) on the terms of this offer letter (**Offer**). Terms used in this Offer have the same meaning as used in the Plan.

The Company is pleased to advise you of the following:

- (a) this Offer is subject to the terms and conditions of the Plan, a copy of which is attached to this Offer;
- (b) the Company is willing to offer you the following Cash Bonus under the Plan subject to the following terms:
 - (i) the Company proposes to pay you a Cash Bonus of \$[insert] (inclusive of statutory superannuation);
 - (ii) [insert other terms of Cash Bonus if applicable]
- (c) the grant of the Cash Bonus is subject to the terms of the Plan, including you remaining an Eligible Participant at the time the Cash Bonus is to be granted;
- (d) this Offer remains open for acceptance by you until **5pm WST** on [insert date] **2022 (Closing Date)** at which time the Offer will close and lapse;
- (e) you may apply for the Cash Bonus by filling out Application Form below and returning to the Company Secretary before the Closing Date. In accordance with Rule 5.2 of the Plan, the Board may, in its absolute discretion, reject your Application Form and not grant the Cash Bonus;
- (f) you may apply for the Cash Bonus to be registered in your name, or in a Nominee's name. Examples of acceptable Nominees are set out in the Plan. Please discuss this with the Company Secretary if you have any queries;
- (g) unless the Plan provides otherwise, the Cash Bonus will be issued to you as soon as practicable;

Any advice given by the Company in relation to the Cash Bonus under the Plan, does not take into account your objectives, financial situation and needs (including financial or taxation issues).

This Offer and all other documents provided to you at the time of this Offer contain general advice only and you should consider obtaining your own financial product advice from

an independent person who is licensed by the Australian Securities and Investments Commission to give such advice. You are advised to seek independent professional advice regarding the Australian tax consequences of the grant of the Cash Bonus under the Plan according to your own particular circumstances.

Please confirm your (or your Nominee's) acceptance of the Offer set out in this letter by completing the Application Form below and returning it to the Company **by no later than [insert]**.

Yours faithfully

[insert name]
Director
For and on behalf of
CORE LITHIUM LTD

Encl.

SCHEDULE 7 – CASH BONUS (SHORT TERM INCENTIVE) – APPLICATION FORM

Core Lithium Ltd (ACN 146 287 809) (**Company**) has invited you (or your Nominee), by an invitation dated [insert] (**Offer**), to apply for the grant under its Incentive Plan (**Plan**) of a Cash Bonus.

The entity below hereby applies for the Cash Bonus under the terms of the Offer, this Application Form and the Plan.

Full Name of Eligible Participant :			
ACN of Eligible Participant (if applicable):			
Full Name of Nominated Party (if any):			
ACN of Nominated Party (if any):			
Trust name of Nominated Party (if any):			
Address:			
Ph:		Email:	

Tax file number(s) or exemption: _____

CHESS HIN (where applicable): _____
 Nominated bank account

Account Name:	
BSB:	
Account No.:	
Bank:	

In applying for the grant of the Cash Bonus under the Offer, the entity below acknowledges and agrees:

- (k) that, in accordance with Rule 5.2 of the Plan, the Board may, in its absolute discretion, reject this Application Form and not grant the Cash Bonus;
- (l) to be bound by the terms of the Constitution of the Company;

- (m) to be bound by the terms and conditions of the Plan;
- (n) to be bound by the terms and conditions of the Offer;
- (o) a copy of the full terms of the Plan has been provided to it;
- (p) that, by completing this Application Form, it agrees to appoint the Company Secretary as its attorney to complete and execute any documents and do all acts on its behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan and the Offer; and
- (q) that any tax liability arising from the Company accepting its application for a Cash Bonus under the Plan or the issue or transfer of Shares is its responsibility and not that of the Company.

Where an individual

SIGNED by [INSERT NAME OF INDIVIDUAL] in the presence of:)
)

 Signature of witness

 Signature

 Name of witness

Where an Australian company

EXECUTED by [INSERT COMPANY NAME])
 ACN [INSERT ACN])
 in accordance with section 127 of the)
 Corporations Act 2001 (Cth):)

 Signature of director

 Signature of director/company secretary*

 Name of director

 Name of director/company secretary*

*please delete as applicable