



# Rules of the Blue Energy Limited Incentive Rights Plan

## Version 2

Amended Version approved and adopted by the Board 19 June 2018.

John Ellice-Flint  
Chairman

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## 1 Purpose

This Blue Energy Limited Incentive Rights Plan (the Plan) is governed by the rules contained in this document (the Rules or Plan Rules).

The purposes of the Plan include to:

- ensure that employees have commonly shared goals related to producing relatively high returns for shareholders,
- assist employees to become shareholders in Blue Energy Limited (Blue Energy),
- provide a component of remuneration to enable Blue Energy to compete effectively for the calibre of talent required for it to be successful, and
- help retain employees, thereby minimising turnover and stabilising the workforce.

The Plan has been designed to deliver a combination of cash and Shares based on achievement of service and performance criteria.

## 2 Dictionary

Explanations of terms and abbreviations used in these Rules are contained in Schedules A and B.

## 3 Administration

This Plan will be administered by the Board of Blue Energy, but it may delegate responsibility to a committee of the Board in relation to all Participants or to the Managing Director in relation to Participants other than the Managing Director. The Board is authorised, subject to the provisions of these Rules, to establish such guidelines for the administration of the Plan as are deemed appropriate, and to make determinations under the Plan as may be deemed necessary or advisable from time to time. Such determinations shall be conclusive and binding on all Participants.

## 4 Eligibility

All members of the Board, including executive and non-executive directors, and all full-time and permanent part-time employees of Blue Energy and its subsidiary companies are eligible to become Participants in the Plan.

Casual employees and independent contractors are not eligible to participate.

## 5 Offers

The Plan will operate through a series of Offers of Incentive Rights. The Board will in its absolute discretion determine in respect of each Offer those Eligible Employees to whom Offers will be made.

Each Offer may contain terms and conditions that vary between Offers. The terms and conditions that apply to an Offer are to be determined by the Board and once determined are deemed to form part of Schedule B to these Rules.

## 6 Participants

Eligible Employees who are offered and accept Incentive Rights will be referred to as Participants in the Plan. They will remain Participants until all Incentive Rights they have been granted have either lapsed or been paid out after vesting.

Being made an Offer or Offers under the Plan does not guarantee nor confer any entitlement to receive any other Offer under the Plan.

The form of the Offer of Incentive Rights to selected employees shall be determined by the Board in its discretion from time to time.

## 7 Incentive Rights

Two types of Incentive Rights may be offered to Participants being:

- Retention Rights which vest based on completion of a period of service, and
- Performance Rights which vest based on achievement of specified performance objectives.

## 8 Offer of Retention Rights

When Offers are made to selected Eligible Employees they will be advised of the number of Retention Rights, if any, that they are offered. The number of Retention Rights offered to a Participant will be calculated by applying the following formula unless otherwise determined by the Board:

$$\text{Number of Retention Rights} = \text{Participant's Base} \times \text{Target Retention LTI\%} \div \text{Right Value}$$

For example: for a Participant in a Executive Team member with a Target Retention LTI% of 10% and a Right Value of \$0.20 (see later example calculations) the number of Retention Rights would be calculated as follows and would be rounded to the nearest 1,000 unless otherwise determined by the Board:

$$\begin{aligned} \text{Number of Retention Rights} &= \text{Participant's Base} \times \text{Target Retention LTI\%} \div \text{Right Value} \\ &= \$300,000 \times 10\% \div \$0.20 \end{aligned}$$

$$= \$30,000 \div \$0.20$$

$$= 150,000$$

Target Retention LTI% for categories of Eligible Employees are specified in Schedule B in relation to each Offer.

## 9 Offers of Performance Rights

When Offers are made to selected Eligible Employees they will be advised of the number of Performance Rights, if any, that they are offered. The number of Performance Rights offered to a Participant will be calculated as follows and would be rounded to the nearest 1,000 unless otherwise determined by the Board:

$$\text{Number of Performance Rights} = \text{Participant's Base} \times \text{Target Performance LTI\%} \div \text{Adjusted Right Value}$$

For example: for a Participant in a Direct Report role with a Base of \$300,000, a LTI% of 40% and an Adjusted Right Value of \$0.10 (see later example calculations) the number of Performance Rights would be calculated as follows:

$$\begin{aligned} \text{Number of Performance Rights} &= \text{Participant's Base} \times \text{Target Performance LTI\%} \div \text{Adjusted Right Value} \\ &= \$300,000 \times 40\% \div \$0.10 \\ &= \$120,000 \div \$0.10 \\ &= 1,200,000 \end{aligned}$$

If the Target Performance LTI% is divided into multiple tranches of Performance Rights then the Target Performance LTI% will be adjusted for each tranche to reflect the portion of the Target Performance LTI% to be provided in that tranche.

Target Performance LTI% for categories of Eligible Employees are specified in Schedule B in relation to each Offer.

## 10 Right Value and Adjusted Right Value

For purposes of determining the number of Incentive Rights to be allocated under the Plan the Right Value and Adjusted Right Value will be calculated as indicated below.

The Right Value will be taken as the Offer Share Price reduced by the expected dividends over the minimum vesting period under the Offer. Unless otherwise determined by the Board, the minimum expected dividends will be calculated by multiplying the most recent annual amount of dividends by the minimum term, expressed in years, of the Measurement Period.

Thus, if the Offer Share Price was \$0.20, annual dividends were nil cents p.a. and the minimum vesting period were 3 years then the Right Value would be \$0.20 calculated as follows:

$$\begin{aligned}\text{Right Value} &= \text{Offer Share Price} - (\text{Annual Dividend} \times \text{Minimum Vesting Period}) \\ &= \$0.20 - (\$0.00 \times 3) \\ &= \$0.20 - \$0.00 \\ &= \$0.20\end{aligned}$$

The Adjusted Right Value will be determined by multiplying the Right Value by the probability of vesting as determined by the Board having regard to the vesting conditions attached to the Performance Rights. Unless otherwise determined by the Board the probability of vesting will be 50%. The Adjusted Right Value would be calculated as follows:

$$\begin{aligned}\text{Adjusted Right Value} &= \text{Right Value} \times \text{Probability of Vesting} \\ &= \$0.20 \times 50\% \\ &= \$0.10\end{aligned}$$

## 11 Withdrawal of Offers

The Board may at its absolute discretion withdraw an offer at any time including after it has been accepted by a Eligible Employee provided that the Company has not granted the Incentive Rights that were the subject of the Offer.

Situations in which such withdrawals may occur include when the Board becomes aware that the employment of an Eligible Employee will cease in the near term.

## 12 Acceptance of Offers of Incentive Rights

The form in which Offers may be accepted shall be determined by the Board in its discretion from time to time. In accepting an Offer the Participant will be agreeing to be bound by these Rules.

Offers may be accepted or rejected but may not be partially accepted.

### **13 Incentive Rights May Not Be Transferred or Encumbered**

An Incentive Right may not be transferred or otherwise dealt with (including for purposes of this Rule, be disposed of, encumbered, made subject to any interest in favour of any other person) and lapses immediately on purported transfer or dealing unless the Board, in its absolute discretion, approves the transfer or dealing or the transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.

### **14 Granting of Incentive Rights**

The Company will use reasonable endeavours to grant the Incentive Rights subject to an offer and acceptance, unless otherwise withdrawn in accordance with clause 11, within 1 month of the offer been accepted.

### **15 Measurement Periods**

The Measurement Period applicable to each tranche in each Offer will be specified in Schedule B. The Measurement Periods will relate to periods where service and performance conditions must be satisfied for Retention Rights and Performance Rights, respectively, to vest.

### **16 Performance Measures**

Performance Measures are service and/or performance conditions that need to be satisfied for Incentive Rights to vest. They are specified in Schedule B, along with the relationship between various potential levels of performance and levels of vesting that may occur. Performance conditions will be determined for each tranche of each Offer by the Board and may vary between Offers.

## 17 Vesting of Incentive Rights

Following the end of the Measurement Period, the Board will determine for each tranche of Incentive Rights to which the Measurement Period applies, the extent to which they vest. The steps involved are as follows:

Step	Process
1	Determine actual performance in relation to the Performance Measure.
2	Determine the vesting percentage from the Vesting Scale relevant to the tranche of Incentive Rights. For example: if Blue Energy's TSR were 20% per annum compound then the vesting percentage would be 37.5% (see Schedule B 31.1, Item 4 table 1).
3	If vesting occurs in relation to a tranche then a cash award of \$1,000 (pre PAYG tax) will be payable to the Participant in relation to that tranche. It will be paid via Payroll with PAYG tax deducted. For example, if vesting occurs in relation to 2 tranches then the Participant would receive a \$2,000 cash award.
4	Determine the number of Incentive Rights of each type that are held in relation to the Offer after taking into account Rules 17 and 19.
5	Determine the number of Incentive Rights of each type to vest by multiplying the vesting percentage by the number of Incentive Rights of each type held.
6	Calculate the Vested Rights Value for each tranche by multiplying the relevant number of vested rights in the tranche by the relevant Vesting Share Price.
7	If the Vested Rights Value for a tranche is more than \$1,000 then the Participant will be entitled to Restricted Shares. The number of Restricted Shares will be determined by dividing the excess of the Vested Rights Value for the tranche over \$1,000 by the relevant Vesting Share Price.

## 18 Lapsing of Incentive Rights

If Incentive Rights in a tranche have not vested and there is no opportunity for those Incentive Rights to vest at a later date then they lapse. Typically this will be following testing of Incentive Rights if they fail to vest.



## 19 Restricted Shares

The Company will either issue Restricted Shares to Participants or arrange for them to be acquired for the Participant's benefit by the trustee of the Blue Energy EST. When Shares are to be acquired by the Blue Energy EST, the Participant's employer or Blue Energy will contribute the then market value of the Shares to be acquired to the trustee of the Blue Energy EST and the trustee shall apply those funds to acquire Shares by on-market purchase or subscription to a new issue as directed by the Board of Blue Energy.

Restricted Shares means that they may not be sold or otherwise disposed of by Participants until first advised by the Company, which the Company shall do at the first opportunity to do so, when Shares may be sold without breaching the insider trading provisions of the Corporations Act or the Company's share trading policy.

## 20 Bonus Issues, Rights Issues and Capital Reorganisation

In cases of bonus share issues by the Company the number of Incentive Rights held by a participant shall be increased by the same number as the number of bonus shares that would have been received by the Participants had the Incentive Rights been fully paid ordinary shares in Blue Energy.

In the case of general rights issues (other than Incentive Rights) to Blue Energy shareholders there will be no adjustment to the Incentive Rights. However, the Board may consider issuing options:

- a) of a number up to the number of shares to which the Participant would have been entitled had the Incentive Rights been fully paid ordinary shares in Blue Energy, and
- b) the exercise price of such options will be equal to the amount payable by Blue Energy' shareholders to exercise a right to acquire a share.

In the case of an issue of rights to other than Blue Energy' shareholders there will be no adjustment to the Incentive Rights.

In the case of other capital reconstructions the Board may make such adjustments to the Incentive Rights as it considers appropriate with a view to ensuring that holders of Incentive Rights are neither advantaged nor disadvantaged.

## 21 Termination of Employment

The following table indicates the treatment of unvested Incentive Rights at the date of termination of employment.

Termination Circumstance	Unvested Retention Rights	Unvested Performance Rights
Dismissal (termination for cause)	All are forfeited.	All are forfeited.
Resignation (includes resignation of a director*)	All are forfeited unless and to the extent otherwise determined by the Board.	All are forfeited unless and to the extent otherwise determined by the Board.
Death	Retention Rights granted in the financial year of termination of employment are forfeited in the same proportion as the remainder of the financial year bears to the full financial year.	Performance Rights granted in the financial year of termination of employment are forfeited in the same proportion as the remainder of the financial year bears to the full financial year.
Total Permanent Disablement (termination for illness)	Retention Rights granted in the financial year of termination of employment are forfeited in the same proportion as the remainder of the financial year bears to the full financial year.	Performance Rights granted in the financial year of termination of employment are forfeited in the same proportion as the remainder of the financial year bears to the full financial year.
Retirement (includes retirement of a director*) with the approval of the Board	Retention Rights that do not lapse at the termination of employment will continue to be held by Participants with a view to testing for vesting at the end of the Measurement Period.	Performance Rights that were granted in a year prior to the year of termination of employment and were first test for vesting not later than the date of termination of employment, will be forfeited.
Company initiated termination without cause e.g. retrenchment and redundancy	<p>If the share price at the date of testing is less than the share price at the date of termination of employment then all unvested Retention Rights lapse.</p> <p>If the share price at the date of testing is not less than the share price at the date of termination of employment then Retention Rights granted in</p>	<p>Performance Rights that do not lapse at the termination of employment will continue to be held by Participants with a view to testing for vesting at the end of the Measurement Period.</p> <p>If the share price at the date of testing is less than the share price at the date of termination of employment then all unvested Performance Rights lapse.</p> <p>If the share price at the date of testing is not less than the share price at the date of termination of employment then Performance Rights granted in the financial year of termination and prior years that have not been forfeited will be tested once for vesting at the end of</p>

Termination Circumstance	Unvested Retention Rights	Unvested Performance Rights
	<p>the financial year of termination and prior years that have not been forfeited will vest.</p> <p>Retention Rights vesting will be dealt with pursuant to Rules 16 and 18.</p>	<p>the Measurement Period. If they do not vest at that time then they will be forfeited.</p> <p>Performance Rights vesting will be dealt with pursuant to Rules 16 and 18.</p>
<p>*For clarity a Director will not for the purposes of this Plan be treated as either having Resigned or Retired simply as a consequence of the operation of article 6.3(b) of the Company's Constitution or the requirement of the ASX Listing Rules that Directors must by rotation put themselves up for re-election no less than every three years and provided that Director is re-elected.</p> <p>Where a Director is not re-elected as a part of that process they will be treated as having retired with the approval of the Board.</p>		

## 22 Cash Payout After Termination of Employment

In the event that a Participant forfeits Incentive Rights because the share price at the testing date was less than the share price at the date of termination of employment then the Board may, in its absolute discretion, determine to pay a cash bonus through payroll with PAYG tax deducted. The amount of any such bonus shall not exceed the amount determined by multiplying the number of Incentive Rights that would otherwise have vested by the share price at the testing date for the tranche.

## 23 Change-In-Control Including Takeover

In the event of a change-in-control including a takeover the vesting conditions attached to the tranche at the time of the Offer will cease to apply and the following approach will apply to determining the extent, if any, of vesting.

In the event of a change-in-control including a takeover, unvested Incentive Rights will vest in the proportion that the Company's share price has grown since the date of grant of the Incentive Rights or such greater proportion as determined in the discretion of the Board. Maximum vesting is 100%. The vesting share price will be determined by the highest twenty (20) Day VWAP trading period from the start of the measurement period to the date of the change-in-control.

In determining whether the Share Price has increased the current Blue Energy Share Price (offer price in the case of a takeover offer) is to be compared to the Offer Share Price for that tranche.

For example, if the Offer Share Price for a tranche were \$0.12 and the successful takeover offer were at \$0.18 then 50%  $[(\$0.18 - \$0.12) \div \$0.12]$  would be the percentage of the unvested Incentive Rights to vest. Any Incentive Rights that do not vest would lapse.

## 24 Fraud, Gross Misconduct etc

In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to Blue Energy, the Participant will forfeit all unvested Incentive Rights.

## 25. Plan Limits

In the case of an offer of new Shares for issue, the number of Shares, the subject of the offer when aggregated with:

- a) the number of Shares in the same class which would be issued were each outstanding offer with respect to the Shares, units of Shares and options to acquire unissued Shares under any employee incentive scheme to be accepted or exercised (as the case may be); and
- b) the number of Shares in the same class issued during the previous 5 years pursuant to the Plan or any other employee incentive scheme extended only to Employees or directors of a Group Company,

but disregarding any offer made, or option acquired or Share issued by way of or as a result of:

- c) an offer to a person situated at the time of the receipt of the offer outside Australia; or
- d) an offer that was an excluded offer or Invitation within the meaning of the Corporations Act as it stood prior to the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act 1999; or
- e) an offer that did not need disclosure to investors because of Section 708 of the Corporations Act;
- f) or an offer that did not require the giving of a Product Disclosure Statement because of Section 1012D of the Corporations Act; or
- g) an offer made under a disclosure document or Product Disclosure Statement,

must not exceed 5% of the total number of issued Shares in that class of the Company at the time of the offer.

## 26 Board Determinations and Amendment of the Plan

A determination by the Board or a Committee or a delegate of the Board may be evidenced by minutes of a meeting of the Board or Committee or a record of a determination by the delegate (as applicable). Any such minute or determination shall be prima facie evidence of the determination in the absence of manifest error.

The Board may at any time by written instrument, or by resolution of the Board, amend or repeal all or any of the provisions of the Rules, including this rule.

No amendment to or repeal of the Rules is to reduce the existing rights of any Participant in respect of any Offers that had commenced prior to the date of the amendment or repeal, other than with the consent of the Participant or where the amendment is introduced primarily:

- for the purpose of complying with or conforming to a present or future State, Territory or Commonwealth legal requirement governing, regulating or effecting the maintenance or operation of the Plan or like plans;
- to correct any manifest error or mistake;
- to address possible adverse tax implications for Participants generally or Blue Energy arising from:
  - a ruling of any relevant taxation authority;
  - a change to tax legislation or the application or termination of the legislation or any other statute or law (including an official announcement by any relevant taxation or government authority);
  - a change in interpretation of tax legislation by a court of competent jurisdiction or by any relevant taxation authority; or
  - to enable Blue Energy to comply with the Corporations Act, Companies Act or the Listing Rules.

## **26 Not Exclusive Method of Incentive**

This Plan shall not be an exclusive method of providing incentive compensation for employees of Blue Energy, nor shall it preclude Blue Energy from authorising or approving other forms of incentive compensation.

## **27 No Right to Continued Employment**

Neither the establishment of the Plan nor receipt of an Offer nor the payment of an award nor the vesting of Rights or any other action under the Plan shall be held to confer upon any Participant the right to continue in the employment of Blue Energy or affect any rights Blue Energy may have to terminate the employment of the Participant.

## **28 Relationship to Other Plans**

Participation in the Plan shall not affect or be affected by participation in or payment under any other plan of Blue Energy, except as otherwise determined by the Board.

## **29 Governing law**

These Rules are governed by the laws of Queensland, Australia.

### 30 SCHEDULE A – DICTIONARY

The terms and abbreviations used in these Rules have the following meanings.

ASX	ASX Limited ACN 008 624 691 (aka Australian Securities Exchange).
Base or Base Package	In relation to an employee means the annualised value of salary, superannuation, other benefits and fringe benefits tax comprising the fixed remuneration, as determined by the Board.
Blue Energy	Blue Energy Limited ACN 054 800 378.
Blue Energy EST	Blue Energy employee share trust.
Board	The Board of Blue Energy.
Company	Blue Energy
Change in control	When 50% or more of the ordinary shares are held by a person or group of associated persons or 50% or more of the votes that may be cast at a general meeting are under the control of a person or group of associated persons.
Corporations Act	Corporations Act 2001 (Cth).
Current Share Price	Blue Energy' market share price at the relevant time, as determined by the Board.
Eligible Employees	Those employees of Blue Energy who are eligible to become Participants under Rule 4.
Incentive Rights	Includes both Retention Rights and Performance Rights.
Listing Rules	The Listing Rules of ASX.
Managing Director	The Managing Director for the time being of Blue Energy.
Measurement Period	In relation to Offers of Incentive Rights means the period or periods specified in Schedule B in relation to the Offer.
Offer	An offer of Incentive Rights under the Plan.

Offer Share Price	The volume weighted average share price at which Blue Energy's shares were traded on the ASX over the twenty (20) trading days prior to and including the 30 June preceding the Offer or such other date determined by the Board.
Participant	See rule 6.
PAYG	Pay As You Go tax instalment system.
Performance Measure	One or more types of performance measurement, as determined by the Board.
Performance Rights	These are Performance Rights where vesting is based on satisfaction of performance criteria.
Plan	Blue Energy Limited Incentive Rights Plan.
Rules or Plan Rules	These rules that govern the Plan.
Tranche	Refers to a portion of a grant of Incentive Rights that relates to a specific Performance Measure, as determined by the Board.
TSR	Total shareholder return being the percentage change over a period in shareholder value due to share price movement and dividends assuming that they are reinvested into Blue Energy shares as determined by the Board.
Shares	Means fully paid ordinary shares in Blue Energy.
Schedule	These are the schedules attached to and forming part of these Plan Rules.
Vesting Share Price	The volume weighted average share price at which Blue Energy's shares were traded on the ASX over the twenty (20) trading days prior to and including the last day of the measurement period.
\$	Australian Dollars.

## 31 SCHEDULE B – OFFER CONDITIONS

### 31.1 2017 Financial Year Offers

1.	Measurement Periods	<ul style="list-style-type: none"> <li>• Retention Rights: 1 July 2016 to 30 June 2019</li> <li>• Performance Rights:               <ul style="list-style-type: none"> <li>a. First test: 1 July 2016 to 30 June 2019,</li> <li>b. Retest: 1 July 2019 to 30 June 20120</li> </ul> </li> </ul> <p>NB: Retest only applies if nil vesting occurs at the first test.</p>															
2.	LTI% Tranches	<table border="1" data-bbox="678 758 1430 1035"> <thead> <tr> <th rowspan="2">Incentive Rights</th> <th colspan="3">Target</th> </tr> <tr> <th>Managing Director</th> <th>Executive Team</th> <th>Key Management</th> </tr> </thead> <tbody> <tr> <td>Retention LTI%</td> <td>10%</td> <td>10%</td> <td>10%</td> </tr> <tr> <td>Performance LTI%</td> <td>60%</td> <td>40%</td> <td>20%</td> </tr> </tbody> </table>	Incentive Rights	Target			Managing Director	Executive Team	Key Management	Retention LTI%	10%	10%	10%	Performance LTI%	60%	40%	20%
Incentive Rights	Target																
	Managing Director	Executive Team	Key Management														
Retention LTI%	10%	10%	10%														
Performance LTI%	60%	40%	20%														
3.	Vesting Scale for Retention Rights	<p>Service Vesting Scale is as follows:</p> <table border="1" data-bbox="695 1220 1414 1514"> <thead> <tr> <th>Performance Level</th> <th>Period of Service</th> <th>Vesting%</th> </tr> </thead> <tbody> <tr> <td>&lt; Target</td> <td>Employment ceases before 30 June 2019</td> <td>0%</td> </tr> <tr> <td>Target</td> <td>Employment ceases on or after 30 June 2019</td> <td>100%</td> </tr> </tbody> </table> <p>If Retention Rights have not been forfeited on termination of employment under Rule 21 then for purposes of the above vesting scale, employment will be deemed to cease on 30 June 2019.</p>	Performance Level	Period of Service	Vesting%	< Target	Employment ceases before 30 June 2019	0%	Target	Employment ceases on or after 30 June 2019	100%						
Performance Level	Period of Service	Vesting%															
< Target	Employment ceases before 30 June 2019	0%															
Target	Employment ceases on or after 30 June 2019	100%															



4	Absolute TSR Vesting Scale	<p>At the end of the first test Measurement Period the following vesting scale will be applied to Performance Rights based on the TSR achieved by the Company during the Measurement Period. The TSR is based on the Share price during the Measurement Period and is only required to be achieved once on a twenty (20) day VWAP trading period during the Measurement Period.</p> <table border="1" data-bbox="678 510 1427 1041"> <thead> <tr> <th data-bbox="678 510 883 663">Performance Level</th> <th data-bbox="883 510 1240 663">Compound Annual Rate of the Company's TSR Over the Measurement Period</th> <th data-bbox="1240 510 1427 663">Vesting%</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 663 883 716">&lt;Threshold</td> <td data-bbox="883 663 1240 716">&lt;15%</td> <td data-bbox="1240 663 1427 716">0%</td> </tr> <tr> <td data-bbox="678 716 883 768">Threshold</td> <td data-bbox="883 716 1240 768">15%</td> <td data-bbox="1240 716 1427 768">25%</td> </tr> <tr> <td data-bbox="678 768 883 856">&gt;Threshold &amp; &lt;Target</td> <td data-bbox="883 768 1240 856">&gt;15% &amp; &lt;25%</td> <td data-bbox="1240 768 1427 856">Pro rata</td> </tr> <tr> <td data-bbox="678 856 883 909">Target</td> <td data-bbox="883 856 1240 909">25%</td> <td data-bbox="1240 856 1427 909">50%</td> </tr> <tr> <td data-bbox="678 909 883 997">&gt;Target &amp; &lt;Stretch</td> <td data-bbox="883 909 1240 997">&gt;25% &amp; &lt;50%</td> <td data-bbox="1240 909 1427 997">Pro rata</td> </tr> <tr> <td data-bbox="678 997 883 1041">Stretch</td> <td data-bbox="883 997 1240 1041">≥50%</td> <td data-bbox="1240 997 1427 1041">100%</td> </tr> </tbody> </table> <p>At the retest date the foregoing scale will also apply.</p>	Performance Level	Compound Annual Rate of the Company's TSR Over the Measurement Period	Vesting%	<Threshold	<15%	0%	Threshold	15%	25%	>Threshold & <Target	>15% & <25%	Pro rata	Target	25%	50%	>Target & <Stretch	>25% & <50%	Pro rata	Stretch	≥50%	100%
Performance Level	Compound Annual Rate of the Company's TSR Over the Measurement Period	Vesting%																					
<Threshold	<15%	0%																					
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>Target & <Stretch	>25% & <50%	Pro rata																					
Stretch	≥50%	100%																					

### 2018 Financial Year Offers

1.	Measurement Periods	<ul style="list-style-type: none"> <li>• Retention Rights: 1 July 2017 to 30 June 2020</li> <li>• Performance Rights: <ul style="list-style-type: none"> <li>a. First test: 1 July 2017 to 30 June 2020,</li> <li>b. Retest: 1 July 2020 to 30 June 2021</li> </ul> </li> </ul> <p>NB: Retest only applies if nil vesting occurs at the first test.</p>											
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		Retention LTI%	10%	10%	10%
		Performance LTI%	60%	60%	20%
3.	Vesting Scale for Retention Rights	Service Vesting Scale is as follows:			
		<b>Performance Level</b>	<b>Period of Service</b>	<b>Vesting%</b>	
		< Target	Employment ceases before 30 June 2020	0%	
		Target	Employment ceases on or after 30 June 2020	100%	
		If Retention Rights have not been forfeited on termination of employment under Rule 21 then for purposes of the above vesting scale, employment will be deemed to cease on 30 June 2020.			
4	Absolute TSR Vesting Scale	At the end of the first test Measurement Period the following vesting scale will be applied to Performance Rights based on the TSR achieved by the Company during the Measurement Period. The TSR is based on the Share price during the Measurement Period and is only required to be achieved <u>once on a twenty (20) day VWAP trading period during the Measurement Period.</u>			
		<b>Performance Level</b>	<b>Compound Annual Rate of the Company's TSR Over the Measurement Period</b>	<b>Vesting%</b>	
		<Threshold	<15%	0%	
		Threshold	15%	25%	
		>Threshold & <Target	>15% & <25%	Pro rata	

		Target	25%	50%
		>Target & <Stretch	>25% & <50%	Pro rata
		Stretch	≥50%	100%
At the retest date the foregoing scale will also apply.				

### 2019 Financial Year Offers

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