

Atlantic Lithium Limited (formerly IronRidge Resources Limited)

A11 Employee and Executive Share Option Loan Plan

Plan Rules

Employee and Executive Share Option Loan Plan - Plan Rules

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1. Agreed Terms

1.1 Name of Plan

The Plan is called the **A11 Employee and Executive Share Option Loan Plan**.

1.2 Objectives of Plan

The objectives of the Plan are to:

- (a) provide an incentive for Participants to engage or remain in their employment or consulting arrangement or to agree to be appointed or to remain as executive directors of entities within the Group;
- (b) recognise the ongoing ability and expected efforts of Participants and their contribution to the financial performance and future success of the Group;
- (c) provide a means by which Participants may acquire Shares in the Group in accordance with these Rules, including by a limited recourse loan; and
- (d) establish a Plan Committee to administer the Plan according to these Rules.

2. Definitions and Interpretation

2.1 Definitions

Acceptance Form means a duly completed and executed document for acceptance of an Offer substantially in the form of Schedule 1 or in a form approved by the Plan Committee.

Affiliated Shareholder means a Trust or other Entity that the Plan Committee and a Participant agree, or failing such agreement as may be determined by the Board that may be issued Shares that may otherwise be offered by the Plan Committee to that Participant under the Plan.

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

- (a) the Corporations Act;
- (b) the Corporations Regulations;
- (c) the Listing Rules;
- (d) any other applicable securities or financial services laws;
- (e) any class order, declaration, guideline, policy or procedure pursuant to the provisions of which either ASIC or the Exchange is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the above statutes, regulations, rules, deeds or agreements or any conduct or proposed conduct of any person under any of the above statutes, regulations, rules, deeds or agreements;
- (f) any other legislation regulating or applying to the activities of the Company including without limitation United Kingdom or Commonwealth income tax and fringe benefits tax legislation and any associated legislation where applicable; and
- (g) the Constitution.

ASIC means the Australian Securities & Investments Commission.

Board means the board of directors of the Company.

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Company or **A11** means Atlantic Lithium Limited (formerly IronRidge Resources Limited ACN 127 215 132).

Constitution means the Company's constitution.

Consulting Entity means an Entity providing professional, technical or other services to any Entity in the Group.

Corporate Control Event means the earliest of the following events to occur:

- (a) the Board recommends that the Company's shareholders:
 - (1) accept a takeover bid for the Company; or
 - (2) approve or vote in favour of a scheme of arrangement for the takeover of the Company;
- (b) a person acquires voting power (within the meaning of section 610 of the Corporations Act) in more than 50% of the Shares in the Company as a result of a takeover bid;
- (c) a person acquires voting power (within the meaning of section 610 of the Corporations Act) in more than 50% of the Shares in the Company through a scheme of arrangement;
- (d) a person becomes a legal or beneficial owner of more than 50% of the Shares in the Company;
- (e) a person becomes entitled to acquire, or has an equitable interest in, more than 50% of the Shares in the Company;
- (f) any event (including a merger of the Company with another company or a private treaty or trade sale other than by way of a sale of the Shares) whether specified above or not and whether at a different percentage to that specified above or not, which the Board determines, in its absolute discretion, to be a Corporate Control Event.

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

Corporations Regulations means any and all regulations made under the Corporations Act.

Date of Acquisition means, with respect to Shares or Options, the date on which the Shares or Options are issued to or transferred to, and registered in the name of, the Participant or its Affiliated Shareholder.

Disclosure Document has the meaning give to that term in the Corporations Act.

Distribution has the meaning given in the Loan Terms.

Entity means an entity as this term is defined within the Corporations Act.

Exchange means the AIM market of the London Stock Exchange plc or Australian Securities Exchange, as applicable.

Executive Director means a director who holds a salaried employment with, or office of, a body corporate.

Exercise means an exercise of Options effected under clause 9 and **Exercised** has a corresponding meaning.

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Exercise Notice means a duly completed and executed document for acceptance of an Offer substantially in the form of Schedule 3 or in a form approved by the Plan Committee.

Exercise Price means the relevant exercise price to be paid in Australian dollars for the exercise of the Options.

Group means the Company and each Subsidiary (if any) and **Group Member** means any one of them.

GST means Australian goods and services tax.

Holding Lock means a mechanism arranged or approved by the Plan Committee and administered by the Company (including through its share registry) that prevents Options acquired under the Plan being disposed of by a Participant or its Affiliated Shareholder until the Options have been exercised or ownership of the Options has been forfeited under the Loan Terms.

Listing Rules means the AIM Rules for Companies or ASX Listing Rules published by the Exchange, as amended from time to time.

Loan Amount has the meaning given in the Loan Terms.

Loan Facility means the limited recourse loan facility between the Company (as lender) and the Participant or its Affiliated Shareholder (as borrower) substantially in form set out in Schedule 4 or other form approved by the Plan Committee.

Loan Period has the meaning given in the Loan Terms.

Loan Shares means Shares acquired with a Loan Facility that has not been repaid in full in respect of that Loan Share.

Loan Terms means the loan terms set out in Schedule 5 to these Rules and such other terms and variations to these terms as may be considered reasonably required or deemed necessary by the Plan Committee due to any Applicable Law or proposed changes or modifications to any Applicable Law from time to time that are designed to achieve the objects of the Plan set out in Rule 1.2 provided that these other terms or variations do not materially reduce the economic benefits and incentives intended to be provided by the Plan.

Offer means an offer to acquire and exercise Options under the Plan made to a Participant or its Affiliated Shareholder pursuant to Rule 4.1, or both, substantially in the form of Schedule 1 or such other form as approved by the Plan Committee and may include an offer of a Loan Facility to fund the Exercise Price of Options.

Option means an option to acquire a Share, which for completeness includes an Option on issue as at the date of adoption of the Plan.

Participant means:

- (a) an individual whom the Plan Committee determines to be in the full-time or part-time employment of, or in a consulting arrangement with, an Entity in the Group (including any employee or consultant on parental leave, long service leave or other special leave as approved by the Plan Committee); or
- (b) a Executive Director of a body corporate in the Group; or
- (c) an individual who is otherwise in the employment of or under a consulting arrangement with a body corporate in the Group whom the Plan Committee determines to be an employee and/or consultant for the purposes of the Plan; and

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- (d) a Consulting Entity in a consulting arrangement with an Entity in the Group.
- (e) a person whom the Plan Committee determines can only accept an Offer if an arrangement has been entered into that will result in the person being covered by any of (a) to (d) immediately above.

Person means a natural person together with any other Entity.

Plan means the A11 Employee and Executive Share and Option Loan Plan, governed by these Rules.

Plan Committee means the remuneration committee or any other committee of the Board to which power to administer the Plan (on behalf of the Company) has been delegated or if there has been no such delegation:

- (a) the Chairman; or
- (b) to the extent a matter involves a determination in respect of the Chairman, the Board.

PPS Law means:

- (c) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended); and
- (d) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

PPS Regulations means the Personal Property Securities Regulations 2010 (Cth).

PPSA means the Personal Property Securities Act 2009 (Cth).

Rules means the rules governing the operation of the Plan as set out in this document (including Loan Terms in Schedule 5) and the Offer.

Security Interest means any:

- (a) security interest as defined in the PPS Law;
- (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge (whether fixed or floating), lien, pledge, hypothecation, encumbrance, trust, power or title retention arrangement, finance lease, right of set off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); and
- (c) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset, and includes any agreement to create any of them or allow them to exist.

Share means a fully paid ordinary share in the Company.

Special Circumstances means with respect to a Participant who is a natural person:

- (a) the Total and Permanent Disability of the Participant;
- (b) the death of the Participant; or
- (c) such other circumstances as the Plan Committee may at any time determine (whether in relation to the Participant, a class of Participants, particular circumstances, or a class of circumstances).

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Subsidiary means a body corporate of which the Company is a holding company within the meaning of Division 6 of Part 1.2 of the Corporations Act and which the Plan Committee has approved for participation in the Plan.

Tax includes any tax, levy, impost, GST, VAT, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the above.

Termination Date means the date on which a Participant is no longer an Executive Director, employee or consultant to the Group for any reason (including Special Circumstances).

Total and Permanent Disability means, in relation to a Participant who is a natural person, that the Participant has, in the reasonable opinion of the Plan Committee, become permanently incapacitated to such an extent as to render the Participant unlikely to engage in the Participant's usual occupation again.

Trust means a trust under which the Shares are held by a trustee as trustee for a Participant whether alone or together with other beneficiaries under the trust and whether or not the Participant is absolutely entitled and has a vested and indefeasible interest in the Shares.

Unvested Options means Options that are not Vested Options.

VAT means United Kingdom value added tax.

Vesting Conditions means, in relation to an Option, the conditions (if any) determined by the Plan Committee and specified in the Offer relating to those Options that are required to be satisfied, reached or met before that Option becomes a Vested Option.

Vesting Date means, in relation to any Options acquired by a Participant or its Affiliated Shareholder, the date on which an Option becomes a Vested Option if the relevant Vesting Conditions are satisfied in accordance with the terms set out in the relevant Offer.

Vested Shares means Options which have vested in accordance with Rule 7 and Options which are not subject to any Vesting Conditions.

VWAP means the volume weighted average price of the Shares traded in the ordinary course of business on the Exchange, excluding crossings executed outside the open session state, special crossings, overseas trades and trades pursuant to exercise of Options.

2.2 Interpretation

In the interpretation of these Rules and the Loan Terms, unless the context otherwise requires:

- (a) words denoting the singular include the plural and vice versa;
- (b) a reference to any legislation or proposed legislation or any provision of any legislation or proposed legislation includes any modification, renumbering or re-enactment of the legislation or proposed legislation or any legislative provision substituted for, and all legislation and statutory instruments and regulations issued under, the legislation or provision;
- (c) headings are inserted for convenience only and do not affect the interpretation of these Rules;

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- (d) the meaning of general words is not limited by specific examples introduced by *including, for example* or similar expressions;
- (e) a reference to any document or agreement includes reference to that document or agreement as amended, novated, supplemented, varied or replaced;
- (f) where any word or phrase is given a defined meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (g) where any act or thing must be done on a particular day or within a particular period, that act or thing must be done before, and that period will end at, 5.00pm Brisbane time on the relevant day;
- (h) a reference to a Rule or a Schedule is a reference to a Rule of, or a Schedule to, these Rules, or the corresponding Rule of, or Schedule to, the Plan as amended;
- (i) a reference to Vesting Conditions applicable to Shares is a reference to the Vesting Conditions (if any) specified in an Offer in relation to the Shares the subject of that Offer;
- (j) a reference to the Loan Amount in respect of Shares is a reference to the Loan Amount referable to a particular parcel of Shares acquired in the name of a Participant or its Affiliated Shareholder under Rule 6 in accordance with a particular Offer (whether or not a Participant or its Affiliated Shareholder has borrowed more than one Loan Amount from the Company for the purposes of accepting one or more other Offers); and
- (k) to grant a security interest includes to charge, mortgage, pledge, encumber, assign by way of security and transfer by way of security.

2.3 Primary instruments

These Rules are to be interpreted subject to the Applicable Laws. Where there is a conflict between these Rules and the Constitution then the Constitution prevails to the extent of any inconsistency.

3. Principal conditions

3.1 Form of remuneration

The Plan Committee may in its absolute discretion make an Offer to a Participant of Options under the Plan, so as to provide that Participant with performance-based remuneration and align their interests with those of the Group.

3.2 Overriding restrictions

- (a) No Offer may be made to a Participant or its Affiliated Shareholder and no Options may be granted or exercised under the Plan if to do so would contravene the Corporations Act, the Listing Rules or any other Applicable Law, including the insider trading provisions of Division 3 of Part 7.10 of the Corporations Act and the Group's securities trading policy.
- (b) The Plan Committee may only make an Offer under the Plan:
 - (1) if the Company has issued a Disclosure Document in relation to the Options the subject of the Offer; or

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- (2) if the Company is otherwise authorised or permitted to do so pursuant to section 708 of the Corporations Act or an applicable regulatory instrument issued by ASIC (**ASIC Instrument**) and the Offer is in accordance with the Corporations Act or the applicable ASIC Instrument.

4. Participation

4.1 Issue of Offers

- (a) Subject to:
 - (1) these Rules; and
 - (2) any contract or arrangement entered into by the Group with a Participant, whether made before or after the adoption of the Plan, providing for the provision of incentives to a Participant

the Plan Committee may in its absolute discretion issue Offers to a Participant or its Affiliated Shareholder at such times and on such terms as the Plan Committee considers appropriate.

4.2 Requirements for Offers

An Offer will:

- (a) be in writing (which includes email);
- (b) state the name and address (which may be an email address) of the Participant or its Affiliated Shareholder to whom the Offer is made
- (c) state the date of the Offer;
- (d) state the time period for accepting an Offer;
- (e) state the total number of Options under the Offer, or the manner in which the total number of Options is to be determined;
- (f) state the issue price for the Options, which unless determined otherwise by the Plan Committee shall be nil;
- (g) if the Plan Committee has determined that a Loan Facility is to be offered, state:
 - (1) the Loan Amount and the name of the Participant or its Affiliated Shareholder who will be liable for the Loan Amount; and
 - (2) the Loan Period,
- (h) state the Exercise Price for the Options, or the manner in which the Exercise Price is to be determined;
- (i) state the legal name of the holder of the Options; and
- (j) state any Vesting Conditions that the Plan Committee determines shall apply to the Options,
- (k) include a copy of these Rules, Acceptance Form, Loan Facility, Exercise Form and any other explanatory material which the Group wishes to distribute and other documents and information as may be required by the Applicable Laws, if applicable; and

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- (l) specify any other terms and conditions that the Plan Committee determines.

4.3 **Acceptance of an Offer**

An Offer for Options under the Plan can be accepted by the Participant or its Affiliated Shareholder as the case may be by providing an Acceptance Form and (if applicable) Loan Facility to the Plan Committee within the time specified in the Offer or in any other way the Plan Committee determines.

4.4 **Consequences of acceptance of an Offer**

On acceptance of an Offer for Options under the Plan, a Participant or its Affiliated Shareholder as the case may be:

- (a) becomes bound by these Rules;
- (b) if a Loan is part of the Offer, becomes a Borrower and is bound by the Loan Terms;
- (c) irrevocably applies to acquire Options under the Plan on and subject to the terms and conditions specified in the Offer and in the Acceptance Form; and
- (d) agrees to become a member of the Company and be bound by the Constitution.

4.5 **Offers Personal**

An Offer under the Plan is personal to the Participant, or its Affiliated Shareholder if any, to whom it is made and is not assignable.

5. **Operation of the Plan**

5.1 **Binding nature of Rules**

The Plan will operate in accordance with these Rules (including the Offer and the Loan Terms) which bind the Company and each Participant and any Affiliated Shareholder.

5.2 **Administration of the Plan**

The Plan will be administered by the Plan Committee as, and to the extent, provided for in these Rules.

5.3 **Trust arrangement**

If the Plan Committee determines to issue Options to an Affiliated Shareholder of a Participant that is a Trust, these Rules will be taken to be modified as necessary to enable the Affiliated Shareholder as the trustee of the Trust to be the registered holder of the Options and any Loan Shares issued on exercise of Options.

6. **Acquisition of Options and Shares**

6.1 **Acquisition of Options**

Subject to this Rule 6, on the acceptance of an Offer by the relevant Participant (or its Affiliated Shareholder as the case may be) the Company must arrange for the allotment and issue of the Options the Participant (or its Affiliated Shareholder), having regard to any Group securities trading policy.

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6.2 Registration and control of Options

Options issued under the Plan will be registered in the name of the Participant or the Affiliated Shareholder as the case may be.

6.3 Shares to rank equally

Unless otherwise provided in an Offer and subject to the Applicable Laws, any Shares issued to a Participant or its Affiliated Shareholder on exercise of Options issued under the Plan will rank equally with all then existing Shares on and from the date of issue or transfer (as applicable) in respect of all voting rights and rights issues, bonus security issues and dividends or distributions which have a record date for determining entitlements on or after the date of issue of the Shares, and are held subject to the rights and restrictions set out in the Constitution and the Plan.

6.4 Quotation

If the Options or Shares issued under the plan are listed on the Exchange, then as soon as practicable after the date of the allotment of those Options or Shares, the Company will apply for official quotation of such Options or Shares on the Exchange.

6.5 Certificates

- (a) Certificates for Options (where issued) will be dispatched within 10 Business Days after the issue of the relevant Options.
- (b) The Company is not required to issue Option certificates, and is entitled to retain custody of any Option certificates that have been issued, provided that those Options are Unvested Options.

7. Loan Facility

7.1 Advance of Loan Amount

- (a) Subject to these Rules, when making an Offer or at any time before the Exercise Date of Options held by a participant (whether issued under the Plan or not), the Plan Committee may extend a Loan Facility to the relevant Participant (or its Affiliated Shareholder) which at the direction of the Participant (or its Affiliated Shareholder as the case may be) may be used to fund the payment of the Exercise Price for those Options under the Loan Terms.
- (b) No Loan Facility shall be made available to persons other than Participants or their Affiliated Shareholder (where relevant).

8. Vesting and Exercise of Options

- (a) Unless the terms upon which the Options have been offered provide otherwise, Options will vest on satisfaction of, and in accordance with, the Vesting Conditions specified in the relevant Offer.
- (b) The Vesting Conditions that apply to any Options may be varied or waived from time to time and such variation or waiver must be made with the consent of the relevant Participant or Affiliated Shareholder (such consent not to be unreasonably withheld) if the variation or waiver would adversely affect the rights of that Participant or Affiliated Shareholder in respect of the Options.
- (c) If the terms upon which the Options are offered do not include Vesting Conditions, the Options are issued as Vested Options unless the Plan Committee determines otherwise.

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9. Exercise of Options

9.1 Manner of Exercise

- (a) No Option can be Exercised until it has vested under the Vesting Conditions (in any applicable to the Option in accordance with Rule 8(a).
- (b) Once an Option is able to be Exercised in accordance with Rule 9.1(a), it entitles the Participant or Affiliated Shareholder to subscribe for and be allotted 1 Share at the Exercise Price.
- (c) The Board may determine that in any appropriate case that the Expiry Date of Options granted to a Participant under this Plan be extended provided that any such extension does not materially adversely affect the existing rights of the Participant or their Affiliated Shareholders.

9.2 Exercised

An Option is Exercised by:

- (a) the Participant lodging with the Company an Exercise Notice;
- (b) the receipt by the Company of a payment by or on behalf of the Participant in immediately available funds of the Exercise Price for the number of Options nominated in the Exercise Notice (whether directly or through a Loan Facility offered pursuant to these Rules); and
- (c) the Participant lodging with the Company the Certificate for those Options, for cancellation by the Company.
- (d) Notwithstanding these Rules, if the Options are listed on a stock exchange the Company must allot and issue Shares upon the Exercise of an Option in accordance with the Applicable Laws.

9.3 Minimum exercise

A participant may Exercise any number of Options provided the minimum number of Options exercised is no less than 1,000. Holders of less than 1,000 Options may Exercise those Options in full, but not in Part.

9.4 Issue of Shares

Subject to these rules, on the Exercise of an Option the Company must:

- (a) issue and allot a Share; or
 - (b) procure the transfer of a Share,
- to the Participant or its Affiliated Shareholder (where relevant).

10. Corporate Control Event

- (a) If a Corporate Control Event occurs the Plan Committee may determine that any Unvested Options become Vested Options.
- (b) The Offer may specify additional terms in relation to the happening of a Corporate Control Event.

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11. Restriction on disposal of Options and Loan Shares

11.1 No disposal

Subject to the terms of the Offer, from the Date of Acquisition until the earlier of the date on which the Participant has complied with all of its obligations under the Loan Terms, the date on which ownership of the Options or Loan Shares has been forfeited under the Loan Terms or such earlier date as specified in clause 9 of the Loan Terms), the Participant or Affiliated Shareholder:

- (a) must not dispose of or otherwise deal with or grant a Security Interest over (other than under the Loan Terms), or
- (b) purport to dispose of or deal with or grant a Security Interest over (other than under the Loan Terms),

any Options or Loan Shares acquired by a Participant or its Affiliated Shareholder under the Plan or any interest in any Options or Loan Shares acquired by a Participant or its Affiliated Shareholder under the Plan.

11.2 Death of Participant

Any Options granted to a Participant shall upon the death of a Participant be transferable to the Executor of such Participant.

11.3 Enforcement of restriction

The Plan Committee may implement any procedure it considers appropriate to restrict a Participant or its Affiliated Shareholder from dealing with any Options acquired by a Participant or its Affiliated Shareholder under the Plan.

11.4 Refusal to register transfer

The Company must refuse to register a paper based transfer, and must apply or cause to be applied a Holding Lock to prevent a transfer of any Options acquired by a Participant or its Affiliated Shareholder under the Plan.

11.5 Compliance with Applicable Laws

Without limitation to clauses 11.1, 11.2 and 11.4 above, a Participant or its Affiliated Shareholder must comply with any Applicable Laws when dealing with any securities acquired by the Participant or its Affiliated Shareholder under or in connection with the Plan, including, without limitation, sub-sections 707(3) and 707(4) of the Corporations Act (as those sub-sections are modified, if applicable, under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 or any variation of such regulatory instrument or any further regulatory instrument issued by ASIC relating to such regulatory instrument) and all other provisions of the Corporations Act in respect of any subsequent resale of such securities.

12. Rights in relation to Options

12.1 Rights issues

- (a) A Participant or its Affiliated Shareholder may only participate in any pro rata rights issues of Shares made by the Company in respect of any Options registered in the Participant or Affiliated Shareholder's name if the Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue.

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12.2 Bonus issues

These Rules and the Loan Terms will apply to any bonus Shares that the Company issues to the Participant or its Affiliated Shareholder in relation to Options under the Plan and during the Loan Period.

13. Administration of the Plan

13.1 Powers of the Plan Committee and the Board

The Plan Committee has the power to:

- (a) administer the Plan in accordance with these Rules as, and to the extent, provided in these Rules;
- (b) determine the terms of or any other conditions attaching to an Offer;
- (c) form policies, determine appropriate procedures and make regulations and guidelines for the administration and operation of the Plan which are not inconsistent with these Rules;
- (d) exercise all powers and discretions vested in it under these Rules;
- (e) resolve conclusively all questions of fact or interpretation arising from or in connection with these Rules; and
- (f) take and rely on independent professional or expert advice in, or in relation to, the exercise of any of its powers or discretions under these Rules.

13.2 Discretion

Subject to these Rules and any contractual agreement or arrangement between the Group and the relevant Participant, where these Rules permit the Plan Committee to exercise any power or discretion or to make a determination, decision, approval or opinion, the discretion or power may be exercised, and a determination, decision, approval or opinion may be made or given, by the Plan Committee in their absolute discretion in the interests, or for the benefit, of the Group.

13.3 Decision final

In the absence of manifest error, any determination (including as to materiality), decision, approval or opinion of the Plan Committee, the Chairman or the Board (as the case may be) as to the interpretation, effect or application of these Rules will be final.

13.4 Delegation by the Plan Committee

The Plan Committee may delegate its functions and powers under these Rules as it may consider appropriate for the efficient administration of the Plan to any subcommittee of the Plan Committee or other person or persons who it reasonably believes to be capable of performing those functions and exercising those powers.

13.5 Corporate actions

Nothing in these Rules in anyway affects the ability of the Plan Committee to take any corporate action with respect to the Shares including without limitation any issue, buy back, reduction, reorganisation or restructure.

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13.6 **Costs, expenses and Taxes**

- (a) Subject to these Rules, the Company must pay all expenses, costs and charges incurred in the administration of the Plan.
- (b) The Company is not responsible for any Tax which may become payable by a Participant or its Affiliated Shareholder in connection with the issue, acquisition or disposal of Shares acquired under the Plan, or any other dealing by a Participant or its Affiliated Shareholder with the Shares.

14. **Amendment to Rules**

14.1 **Power of the Board to amend Rules**

- (a) Subject to these Rules, the Board may at any time amend any of these Rules (including an Offer), or waive or modify the application of any of these Rules (including an Offer) in relation to any Participant or its Affiliated Shareholder, provided that:
 - (1) any amendment does not materially adversely affect the existing rights of Participants or their Affiliated Shareholders (in which case the written consent of the relevant Participants or their Affiliated Shareholders that would be materially adversely affected is required); and
 - (2) such amendment is not prohibited by any contractual agreement or arrangement between the Group and the relevant Participant.
- (b) The Board may make sub rules or any additions, variations or modifications to the Rules, in relation to the implementation of the Plan and the specific application of the Rules to Participants residing outside Australia.

14.2 **Permitted affecting of rights**

Notwithstanding Rule 14.1 and subject to Rule 14.3, the Board may at any time amend any of these Rules (including an Offer), or waive or modify the application of any of these Rules (including an Offer) in relation to a Participant or its Affiliated Shareholder where the amendment is introduced primarily:

- (a) for the purpose of complying or conforming to any applicable present or future United Kingdom, 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; or
- (c) to enable the Company to comply with any Applicable Law or any requirement or policy of ASIC, the Exchange or other applicable regulatory body.

14.3 **Compliance with Listing Rules**

At any time while Options are listed on the Exchange, no amendment may be made to these Rules except in accordance with the Listing Rules (or any waiver).

15. **Rights of Participants**

15.1 **General**

These Rules:

Employee and Executive Share Option Loan Plan - Plan Rules

- (a) do not confer on any Participant or its Affiliated Shareholder any right or entitlement if that right or entitlement could only be provided with approval of the members of the Company;
- (b) subject to any contractual agreement or arrangement between the Group and the relevant Participant unless such right is precluded by any Applicable Law, do not confer on any Participant or its Affiliated Shareholder the right to be offered any Shares;
- (c) do not confer on any Participant the right to continue as an employee, consultant or Executive Director of a Group Member;
- (d) do not affect any rights which the Group or Group Member may have to remove the Participant from employment, consulting arrangement or directorship as an employee, consultant or Executive Director; and
- (e) may not be used to increase damages in any action brought against the Group or any Group Member in respect of the termination of employment, consulting arrangement or directorship of the employee, consultant or Executive Director.

15.2 Terms of employment, consulting arrangement or appointment not affected

- (a) Unless otherwise agreed by the Group and the relevant Participant, the Rules do not:
 - (1) form part of any contract of employment, consulting arrangement or letter of appointment in respect of any employment, consulting arrangement or director appointment, between an employee, consultant, Executive Director and a Group Member; or
 - (2) constitute a related condition or collateral arrangement to any contract of employment, consulting arrangement, directorship or letter of appointment,and participation in the Plan does not in any way affect the rights and obligations of an employee, consultant or Executive Director under the terms of their contract of employment, consulting arrangement, directorship or letter of appointment.
- (b) Unless otherwise agreed by the Group and the relevant Participant, the terms of a Participant's employment, consulting arrangement, directorship or letter of appointment with a Group Member do not in any way affect the rights and obligations of the Participant or its Affiliated Shareholder under the Plan.
- (c) A Participant has no right to compensation or damages from any Group Member in respect of any loss or future rights under the Plan, as a consequence of termination of the Participant's employment or consulting arrangement, directorship or other appointment.

15.3 Other schemes

- (a) Participation in the Plan does not affect, and is not affected by, participation in any other security, option incentive or other equity-type scheme operated by the Group unless the terms of the other scheme provide otherwise.
- (b) Neither the adoption of the Plan nor any provision of the Plan will be construed as creating any limitations on the power of the Plan Committee, the Chairman or the Board to adopt these additional remuneration arrangements as they may deem desirable, including the granting of securities, security options and bonuses otherwise than under the Plan, and these arrangements may be either generally applicable or applicable only in specific cases.

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15.4 Termination of suspension of Plan

The Plan Committee may terminate or suspend the Plan at any time without the consent of any Participant or its Affiliated Shareholder, provided that any termination or suspension does not materially affect or materially prejudice the rights of Participants or their Affiliated Shareholders at that time.

16. 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, in the case of a company to its registered office, and in the case of an individual to the individual's last notified address, or, where a Participant is an Executive Director or employee or consultant of the Group, either to the Participant's last known address, email 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 or employment, consultancy or director arrangement.
- (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 or email, it is deemed to have been received when the sender's facsimile machine or computer reports that the message has been sent to the recipients number or email (as applicable).

17. Governing Law

The Rules will be governed by and construed in accordance with the laws of the State of Queensland.

18. Jurisdiction

Each party irrevocably submits to and accepts, generally and unconditionally, the non-exclusive jurisdiction of the courts and appellate courts of the State of Queensland with respect to any legal action or proceedings which may be brought at any time relating in any way to the Rules.

19. Advice

Participants and Affiliated Shareholders should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to their participation in the Plan and in connection with the financing and acquisition of Shares under the Plan.

20. No representation as to tax consequences

Neither the Group nor any adviser to the Group nor the Board represent or warrant that the Plan will have any particular taxation or financial consequences or that any Participant or its Affiliated Shareholder will gain any taxation or financial advantage by participating in the Plan and they are not liable for, or as a consequence of, any Taxes imposed on or duties assessed against a Participant or its Affiliated Shareholder.

Employee and Executive Share Option Loan Plan - Plan Rules

Schedule 1 –Offer of Shares

To: [Insert name of Participant or its Affiliated Shareholder]
[Insert address of Participant or its Affiliated Shareholder]

Date: [Insert date]

Dear [Insert name]

Offer of Options under the A11 Employee and Executive Share Option Loan Plan

On behalf of the board of directors of Atlantic Lithium Limited ACN 127 215 132 (**Company**) I am pleased to offer you Options under the A11 Employee and Executive Share Option Loan Plan (**Plan**).

A copy of the Plan is enclosed. Please read the Plan carefully. Any capitalised terms not defined in this letter (**Offer**) have the meaning given in the Plan.

Terms of issue

The terms of issue which apply to the Options are as follows:

1. The Company offers to provide (by way of issue, transfer or any other means) [xx]
the following total number of Option to you:
2. [Delete if not applicable] The Company has decided to offer a Loan Facility to fund the exercise of the Options, and the Loan Amount will be: \$[xx]
3. The Exercise Price of each Option is: \$[xx]*
4. The Exercise Date of the Options is [xx]

**Note: the Exercise Price of each Option will be determined by the Board and will be equal to the 5 day VWAP of the Company's Options at the time of the Making of the Offer. The intention is that the Plan Options are offered for nil consideration but with an exercise price at market price at the time of offer and are not offered at a discount to that market price.*

The grant of Options to you is subject to the following Vesting Conditions: [Note: Strike out if there are no Vesting Conditions or otherwise insert as relevant]

How to accept this offer

If you wish to accept this offer for Options [and a Loan Facility] under the terms of the Plan, you need to execute the enclosed Acceptance Form [and Loan Facility] and return each of these documents to us before ___[Insert date by which offer must be accepted]___.

An Acceptance Form submitted by you constitutes your acceptance of the offer to subscribe for Options, at which time an agreement is formed between you and the Company and you become a Participant or an Affiliated Shareholder (as the case may be) as those terms are defined in the Plan.

The Board may, in its absolute discretion, increase the number of Options specified in this Offer to take into account your individual circumstances.

You can give to the Company an Option Exercise Form (as per Schedule 3 of the Plan) at any time before the Exercise Date to exercise the Options.

Employee and Executive Share Option Loan Plan - Plan Rules

Acknowledgment and disclaimer

Before accepting this offer and before making a decision to invest, you should obtain your own independent professional taxation, financial and legal advice. Any advice given by the Company in relation to the Plan does not take into account your objectives, financial situation and needs, so it is important that you obtain this advice.

If you decide to sign and return an Acceptance Form, you will be required in that form to confirm and acknowledge that you have taken that advice, and to confirm that none of the Company, its officers, agents or advisers, or any of its other shareholders, has given any representation, warranty or recommendation to you in relation to your proposed investment.

Further information

If you have any questions in relation to the Plan please contact the Company Secretary on +61 7 3303 0610.

Yours sincerely

Neil Herbert, Executive Chairman
For and on behalf of Atlantic Lithium Limited

Employee and Executive Share Option Loan Plan - Plan Rules

Schedule 2 – Acceptance Form

Application for Options under the A11 Employee and Executive Share Option Loan Plan (Plan)

To: **Atlantic Lithium Limited ACN 127 215 132 (Company)**

Name of Participant or Affiliated Shareholder (as applicable): _____
_____ (collectively, the Participant for the purposes of this Application for Shares under the Plan)

of address:

Tax File Number or Exemption of the Participant is/are:

1. The Participant has received an offer (**Offer**) to participate in the Plan.
2. Terms used in this Acceptance Form which are defined in the Plan and the Offer have the meanings given in those documents and in the case of conflict the meanings in the Plan prevail.
3. The Participant applies to be issued the number of Options as set out in the Offer or such lesser number as may be nominated by the Participant in accordance with this Acceptance Form.
4. The Participant agrees to be bound by the terms and conditions of the Plan.
5. The Participant acknowledges that any Options issued to the Participant under the Plan will be subject to the provisions of the Constitution.
6. [Select as relevant]:
 - a. The Participant has not at this time been offered a Loan Facility for the Exercise of the Options.
Or
The Participant requests a draw down under the Loan Facility to exercise the Options, the particulars of which are set out below:
 - i. the Loan Amount \$ _____;
 - ii. the Participant irrevocably authorises the Company to apply the Loan Amount on behalf of the Participant by way of payment of the Exercise Price for the Options to be acquired under the Offer when the Participant provides the Company with an Exercise Notice.
7. By executing and returning this Acceptance Form the Participant acknowledges and agrees that:
 - a. the Acceptance Form constitutes acceptance of the Offer to subscribe for Options; and
 - b. unless otherwise specified in the Offer the Options are fully vested from the date of issue.

The Participant confirms and acknowledges that they have taken their own independent professional advice in relation to the proposed investment and its taxation and other economic consequences, and that none of the Company, its officers, agents or advisers, or any of its other shareholders, has given any representation, warranty or recommendation to the Participant in relation to their proposed investment.

Employee and Executive Share Option Loan Plan - Plan Rules

Executed as a deed poll

Dated:

Signature of witness

Name of witness (print)

Signed seal and delivered by
[name of Participant]

In the presence of

Signature of the Participant

OR

Executed as a deed poll

Dated:

Signature of witness

Name of witness (print)

Signed seal and delivered by
[name of Affiliated Shareholder]

In the presence of

Signature of the Affiliated Shareholder

Employee and Executive Share Option Loan Plan - Plan Rules

Schedule 3 – Option Exercise Form

Notice of Exercise of Options under the A11 Employee and Executive Share Option Loan Plan (Plan)

To: **Atlantic Lithium Limited ACN 127 215 132 (Company)**

Name of Participant or Affiliated Shareholder (as applicable): _____
_____ (collectively, the Participant for the purposes of this Application for Shares under the Plan)

of address:

Tax File Number or Exemption of the Participant is/are:

1. The Participant has previously accepted an offer (**Offer**) to participate in the Plan.
2. Terms used in this Exercise Form which are defined in the Plan and the Offer have the meanings given in those documents and in the case of conflict the meanings in the Plan prevail.
3. The Participant (or Affiliated Shareholder as the case may be) gives notice to the Company that it wishes to exercise _____ Options.
4. The Participant acknowledges that it continues to be bound by the terms and conditions of the Plan.
5. The Participant acknowledges that any Options issued to the Participant under the Plan will be subject to the provisions of the Constitution.
6. **[Select as relevant]:**
 - a. The Participant was not been offered, or does not require a Loan Facility for the Exercise of the Options.
Or
 - b. The Participant confirms its instructions that the Company is to draw down under the Loan Facility an amount to exercise the Options, the particulars of which are set out below:
 - i. the Loan Amount \$ _____; and
 - ii. the Participant irrevocably authorises the Company to apply the Loan Amount on behalf of the Participant by way of payment of the Exercise Price for the Options to be acquired under the Offer when the Participant provides the Company with an Exercise Notice.

The Participant confirms and acknowledges that they have taken their own independent professional advice in relation to the proposed investment and its taxation and other economic consequences, and that none of the Company, its officers, agents or advisers, or any of its other shareholders, has given any representation, warranty or recommendation to the Participant in relation to their proposed investment.

Employee and Executive Share Option Loan Plan - Plan Rules

Executed as a deed poll

Dated:

Signature of witness

Name of witness (print)

Signed seal and delivered by
[name of Participant]

In the presence of

Signature of the Participant

OR

Executed as a deed poll

Dated:

Signature of witness

Name of witness (print)

Signed seal and delivered by
[name of Affiliated Shareholder]

In the presence of

Signature of the Affiliated Shareholder

Employee and Executive Share Option Loan Plan - Plan Rules

Schedule 4 – Loan Facility

A11 Employee and Executive Share Option Loan Plan - Loan Facility

We refer to the offer (**Offer**) from Atlantic Lithium Limited ACN 127 215 132 (**Company**) to you dated _____ under which you were offered up to _____ options to acquire ordinary shares in the share capital of the Company (**Options**), on the terms set out in the plan (**Plan**) and the Offer, and the notice of exercise you have given to the Company dated _____ for _____ Options.

A copy of the Plan is enclosed. Please read the Plan carefully. Any capitalised terms not defined in this document have the meaning given in the Plan.

The Company offers to make available to you a loan facility (**Loan Facility**) on the terms set out in the attached Loan Terms for the purpose of funding the Exercise Price for _____ Options (**Options**).

By signing below, you (**Borrower**) accept the Offer and agree to be bound by the terms of the Loan Facility and Loan Terms.

This agreement may consist of a number of copies, each signed by one or more parties to this agreement. If so, the signed copies are treated as making up the one document.

This agreement is governed by the law in force in Queensland, Australia. The Borrower and the Company submit to the non exclusive jurisdiction of the courts of that place.

EXECUTED as an agreement

**Executed by Atlantic Lithium Limited
ACN 127 215 132**

in accordance with Section 127 of the
Corporations Act 2001 (Cth)

Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

Executed by _____ **(Borrower)**
in the presence of

Signature of witness

Name of witness (print)

Employee and Executive Share Option Loan Plan - Plan Rules

Schedule 5 – Loan Terms

1. Interpretation

Words and expressions defined in Rule 2.1 of the Rules have the same meanings when used in these Loan Terms. Other words and expressions have the meaning given in paragraph 25 of these Loan Terms.

2. Loan Terms

On and subject to these Loan Terms and the Offer, the Company will lend the Borrower the Loan Amount on the Drawdown Date.

3. Purpose of Loan Facility

- a. The Borrower may only use the Loan Facility to pay the Exercise Price for:
 - a. Options acquired by the Borrower under Rule 6 of the Rules; or
 - b. Options on issue prior to the Commencement of the Plan.
- b. No proceeds of a Loan Facility may be applied towards exercising Options other than under the Plan, or for any other purpose.

4. Conditions precedent to advance

The Company is not obliged to advance the Loan Amount until the Company has received a properly completed Acceptance Form, Loan Facility and Exercise Form duly executed by the Borrower.

5. Exercise Notice

An Exercise Notice is effective on receipt in legible form by the Company and is irrevocable.

6. Effect of Exercise Notice

By completing, executing and lodging an Exercise Notice with the Company, the Borrower:

- a. requests to borrow an amount equal to the Loan Amount (or some lesser amount as nominated in the Exercise Notice) from the Company;
- b. agrees that, should the Company agree to the Borrower's request by complying with the direction in paragraph 6(d), a Loan Facility will be established between the Company and the Borrower on the terms of these Loan Terms;
- c. agrees to be bound by the Loan Facility; and
- d. irrevocably directs the Company to apply the Loan Amount to fund the Borrower's exercise of Options at the Exercise Price referable to the Loan Amount in accordance with these Loan Terms.

7. Security

- a. Subject to Applicable Laws and to the extent not prohibited by Applicable Laws, to secure payment or delivery of the Loan Amount and for performance of the Borrower's obligations under the Loan Facility, the Borrower grants a Security Interest in the Secured Property to the Company.
- b. Subject to paragraph 9 of these Loan Terms, the Security Interest granted under these Loan Terms is a continuing security until the Company releases all Secured Property from the Security Interest, despite any intermediate payment, discharge, settlement, release or other matter.

Employee and Executive Share Option Loan Plan - Plan Rules

- c. Where a Security Interest is granted pursuant to these Loan Terms, the Company is entitled to retain the certificates (if any) in respect of the Shares acquired with the Loan Facility.
- d. To the extent that the Company determines that anything in the Loan Facility creates a Security Interest under the PPSA in favour of the Company, the Borrower consents to the Company registering a financing statement in respect of that Security Interest in accordance with the PPSA and will do all things necessary to enable the Company to perfect that Security Interest.

8. Holding Lock

The Company shall apply a Holding Lock to the Loan Shares issued pursuant to the Plan from the Date of Acquisition until the earlier of the date on which the Participant has complied with all of its obligations under the Loan Terms, the date on which ownership of the Loan Shares has been forfeited under the Loan Terms or such earlier date as specified in clause 9 of the Loan Terms.

9. Release of Secured Property and Holding Lock

The Borrower may require the Company to release some or all of the Secured Property from these Loan Terms or any Security Interest created under it or release some or all of the Options from the Holding Lock if the Company is reasonably satisfied that:

- a. the Loan Amount in respect of the relevant part of the Secured Property or Options the subject of the Holding Lock has been or will be (on a disposal of some or all of the Secured Property or Options the subject of the Holding Lock and the application of the proceeds of sale in repayment of that part of the Loan Amount under 14(b)) irrevocably paid in full and all commitments which might give rise to a Loan Facility have terminated; and
- b. the Borrower has complied with all of its obligations under the Loan Facility.

10. Further assurances

The Borrower must do (and must procure that anyone else who has an interest in the Secured Property or who claims under or in trust for the Borrower does) whatever the Company requires to perfect, preserve, maintain, protect, or otherwise give full effect to the Secured Property, these Loan Terms or each Security Interest intended to be created under the Plan and these Loan Terms, and the priority of that Security Interest required by the Company.

11. Interest

No interest will be charged on the Loan Amount.

12. Distributions

If the Borrower is entitled to any distribution in respect of the Shares, whether of an income or capital nature (including any dividend, distribution, interest, distribution on a winding up, capital reduction, redemption, security buy back, proceeds from sale or otherwise) (**Distribution**), the Borrower must direct:

- a. the After Tax Amount Reduced by Any Franking Credit Tax Offset of any dividend component of any Distribution is to be applied in repayment or reduction of the Loan Amount while any part of the Loan Amount is outstanding;
- b. the After Tax Amount of any assessable income component of any Distribution other than any dividend component is to be applied in repayment or reduction of the Loan Amount while any part of the Loan Amount is outstanding; and
- c. any non-assessable capital component of the Distribution is to be applied in repayment or reduction of the Loan Amount while any part of the Loan Amount is outstanding.

Employee and Executive Share Option Loan Plan - Plan Rules

13. Repayment & limited recourse

End of Loan Period

- a. In respect of Loan Shares, at the end of the Loan Period:
 - i. the Borrower must repay within 30 days of the end of the Loan Period the lesser of:
 - (A) the outstanding balance of the Loan Amount; and
 - (B) the market value of the Loan Shares acquired with the Loan Facility at the end of the Loan Period.

Cessation of employment consulting arrangements or directorships

- b. If the Participant ceases their employment, consulting arrangement or directorships with the Group prior to the end of the Loan Period, then in respect of any Loan Shares, unless otherwise determined by the Board, the Borrower must repay within 36 months of the Termination Date the lesser of:
 - i. the outstanding balance of the Loan Amount; and
 - ii. the market value of the Loan Shares acquired with the Loan Facility.

Forfeited Loan Shares

- c. Where the amount to be repaid by the Borrower under this paragraph 13 is an amount equal to the market value of the Shares acquired with the Loan Facility at a particular time because of the operation of subparagraphs 13(a)(i)(B) or 13(b)(ii) or where the Borrower elects in writing to the Company for Shares acquired with the Loan Facility held by it to be forfeited, those Shares become Forfeited Shares at the time immediately prior to the time of repayment and paragraphs 16 and 17 will apply to those Forfeited Shares.
- d. Where the Borrower's Loan Shares acquired with the Loan Facility become Forfeited Shares:
 - i. the Borrower will be taken to have repaid the Loan Facility in full and is discharged from any further liability or obligation in respect of the Loan Facility;
 - ii. no further amount will be repayable by the Borrower to the Company under the Loan Facility in respect of the Loan Shares; and
 - iii. no further amount will at any time be recoverable by the Company from the Borrower in respect of the Loan Facility.

Acknowledgement

- e. The parties acknowledge that the Borrower's repayment obligations in relation to the outstanding balance of the Loan Amount will be equal to the lesser of the outstanding balance of the Loan Amount and the market value of the Loan Shares on the relevant date.

Release from Holding Lock

- f. At the end of the Loan Period any Loan Shares which are not Forfeited Shares or which have not previously been released from Holding Lock will be released from Holding Lock.

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Market Value

- g. For the purposes of this clause 13, market value will be determined by calculating the 5 day VWAP for the period ending immediately prior to the date the relevant payment falls due or such other date as agreed by the Company and the Borrower.

14. Repayments or prepayments

- a. Subject to paragraph 14(b), the Borrower may repay or prepay the whole or any part of the outstanding balance of the Loan Amount at any time.
- b. Where the Borrower disposes of any Loan Shares (other than where the Shares are Forfeited Shares), the Borrower must apply the proceeds of sale in repayment of the Loan Amount while any part of the Loan Amount is outstanding.
- c. The Borrower may at any time request the Company in writing to sell any number of their Loan Shares and apply the proceeds to repay the whole or any part of the outstanding balance of the Loan Amount.

15. Power of Attorney

- a. At all times while the Loan Amount (or any part of it) is outstanding, the Borrower irrevocably appoints the Company and any person nominated by the Company (each an **Attorney**) severally, as the Borrower's attorney, to:
 - i. do any act, matter or thing which in the opinion of the Company:
 - (A) is necessary, desirable or expedient to give effect to any right, power or remedy conferred on the Group; or
 - (B) is necessary, desirable or expedient to ensure that the terms of the Plan and these Loan Terms are adhered to, including but not limited to selling, transferring or disposing of the Shares acquired with the Loan Amount;
 - ii. sign or enter into (or both) all assurances, documents, deeds, agreements and instruments which in the opinion of the Company or that Attorney are necessary, desirable or expedient that the Borrower sign or enter into under the Plan and these Loan Terms or make any alteration or addition whatsoever which the Company or that Attorney may think fit in compliance with the Plan and these Loan Terms; and
 - iii. exercise all of the powers of the Borrower in relation to sale, transfer or disposal (including sale as directed under paragraph 14 or forfeiture under paragraphs 16 and 17) of the Loan Shares in compliance with the Plan and these Loan Terms.
- b. The Borrower will confirm and ratify everything which an Attorney may do pursuant to any power set out in paragraph 15(a) and no person dealing with the Attorney shall be bound or concerned to enquire as to the occasion for or the regularity of the exercise of any such power.
- c. The Borrower will indemnify and keep indemnified the Attorney against all losses, liabilities, costs, expenses, proceedings, claims, actions, demands, and damages in consequence of or arising out of the exercise by the Attorney of any of the powers granted under this paragraph 15.

16. Forfeiture of Shares

- a. Subject to paragraph 16(c), a Loan Share will be forfeited on the earlier to occur of:
 - i. the Borrower's failure to repay the outstanding balance of the Loan Amount required under paragraph 13(a)(i)((A)) or 13(b)(i); and
 - ii. the Loan Share being forfeited in accordance with paragraph 13(c).

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- b. Where a Loan Share held by a Borrower is forfeited in accordance with this paragraph 16, the Borrower's rights in the Forfeited Share will be extinguished and paragraph 17 will apply.
- c. The Company may determine, at any time and in its sole discretion that the provisions of this paragraph 16 do not apply to a Borrower in whole or in part (**Determination**). The Company need not treat each Borrower equally, equitably or similarly in making any determination under this paragraph 16(c).
- d. If the Company makes a Determination in accordance with paragraph 16(c), in respect of any Unvested Shares, those Unvested Shares held by the Borrower automatically Vest on the date of the Determination and, for the avoidance of doubt, clauses 13(a) or 13(b) (as applicable) will apply to those Loan Shares.

17. Buy back and sale of Forfeited Shares

- a. As soon as reasonably practicable after any Loan Shares become Forfeited Shares and subject to the Applicable Law, the Company must:
 - i. sell those Forfeited Shares;
 - ii. buy back and cancel the Forfeited Shares; or
 - iii. deal with the Forfeited Shares in any other manner determined by the Company.
- b. No consideration or compensation will be payable to a Borrower for or in relation to the forfeiture by the Borrower of ownership of Shares acquired with the Loan Amount.
- c. In making any determination as to the forfeiture or otherwise of the ownership of Loan Shares or other entitlements under paragraphs 16 and 17, the Company may impose any conditions that it thinks fit.

18. Representations

The Borrower represents to the Company as at the date of the Loan Facility that:

- a. it has the power to execute and deliver and to perform its obligations under the Loan Facility;
- b. the Loan Facility constitutes as against them valid and binding obligations and is enforceable in accordance with its terms;
- c. save as otherwise disclosed, it has entered into the Loan Facility as principal and not otherwise;
- d. save as otherwise disclosed, it does not enter into the Loan Facility in the capacity of a trustee of any trust or settlement; and
- e. the Borrower is not bankrupt or the subject of an insolvency event.

19. Certificate of the Company

A certificate in writing signed by an officer of the Company certifying the amount payable by the Borrower under the Loan Facility to the Company or stating any other act, matter or thing relating to the Loan Facility will be conclusive and binding on the Borrower in the absence of manifest error.

20. Severability

Any part of these Loan Terms which is illegal, void or unenforceable will be ineffective to the extent only of the illegality, voidness or unenforceability, without invalidating the remaining parts of the Loan Terms.

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21. Waiver

A failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, remedy, power or privilege under the Loan Facility by the Company will not in any way preclude or operate as a waiver of any further exercise or enforcement or the exercise or enforcement of any other right, remedy, power or privilege under the Loan Facility or provided by law.

22. Time of Essence

Time is of the essence in respect of the obligations of the Borrower under the Loan Facility.

23. Assignment

The rights of the Borrower under the Loan Facility are incapable of being assigned (whether at law, in equity or otherwise) or made the subject of any encumbrance, trust or fiduciary obligation without the prior written consent of the Company. Any action which purports to do any of these things is void.

24. PPSA

Without limiting any other provision of these Loan Terms or any other document, the Borrower waives its right to receive any verification statement (or notice of any verification statement) in respect of any financing statement or financing change statement relating to any Security Interest created under these Loan Terms or any other document.

25. Glossary

Unless the context otherwise requires, in these Loan Terms:

After Tax Amount means in respect of a financial year the assessable income amount other than any dividend component paid in cash or property by the Company multiplied by the rate that will be calculated as 1 minus the top marginal income tax rate for individuals for that year.

After Tax Amount Reduced by Any Franking Credit Tax Offset means in respect of a financial year the dividend amount paid in cash or property by the Company multiplied by the rate that will be calculated as 1 minus the top marginal income tax rate for individuals for that year reduced by any tax offset available to the Borrower in respect of franking credits attached to the dividend.

Borrower means an employee, consultant, Consulting Entity, Executive Director and/or Affiliated Shareholder who has been offered a Loan Facility pursuant to the Plan and has lodged a duly completed and executed Exercise Notice with the Company.

Distribution has the meaning given in paragraph 12 of these Loan Terms.

Drawdown Date means the date on which the Loan Amount is advanced in order to pay the Exercise Price for Options in accordance with a Borrower's direction under paragraph 6(d) of these Loan Terms.

Exercise Price means the relevant exercise price to be paid in Australian dollars for the exercise of the Options.

Forfeited Shares means Shares the ownership of which has been or is required to be forfeited under paragraph 16(a).

Loan Amount means an amount equal to the Acquisition Price for the Shares.

Loan Period means the period nominated by the Plan Committee pursuant to Rule 4.2.

Loan Terms means the terms and conditions of the loan as set out in this Schedule 5.

Employee and Executive Share Option Loan Plan - Plan Rules

Proceeds mean all money (in whatever currency) and amounts payable to the Borrower or to which the Borrower is entitled now or in the future (whether alone or with any other person) on any account or in any way whatsoever under, or as holder of, any Loan Shares, including:

- a. distributions, dividends, bonuses, profits, return of capital, interest and all proceeds of sale (within the ordinary meaning of those words), redemption or disposal; and
- b. all proceeds (as defined in section 31 of the PPSA), including all proceeds identified in sections 31(1)(a) to 31(1)(c) of the PPSA.

Rights means:

- a. rights to acquire Shares, including due to any allotment, offer, substitution, conversion, consolidation, reclassification, redemption, reconstruction, amalgamation, subdivision, reduction of capital, liquidation or scheme of arrangement in relation to any Shares; and
- b. any other rights of the Borrower of any kind in connection with the Loan Shares, including in relation to any Proceeds.

Secured Property means, to the extent that a Security Interest is granted pursuant to the Loan Terms, all present and future Loan Shares acquired by a Borrower under the Plan or any interest in any Loan Shares acquired by a Borrower under the Plan, any Rights and Proceeds and any certificate, registration, title or other evidence of ownership of, or rights to, any of those things.