

MINDAX LIMITED
ACN 106 866 442

Employee and Consultant Option Scheme

TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these Terms and conditions, the following words and expressions have the meanings indicated unless the contrary intention appears:

“**Associate**” of an Employee or Consultant means:

- (a) a spouse, parent, brother, sister or child of the Employee or Consultant (“**Relative**”);
- (b) a body corporate that is effectively controlled by one or more of:
 - (i) the Employee and the relatives of the Employee; or
 - (ii) the Consultant and the Relatives of the Consultant; or
- (c) the trustee of a trust that is effectively controlled by one or more of:
 - (i) the Employee and the Relatives of the Employee; or
 - (ii) the Consultant and the Relatives of the Consultant.

“**ASX**” means Australian Stock Exchange Limited.

“**Board**” means the board of directors of the Company.

“**Consultant**” means a person or entity who provides consulting services to the Company.

“**Director**” means all or some of the Directors acting as a board.

“**Company**” means Mindax Limited.

“**Employee**” means:

- (a) a full-time or part-time employee of the Company; or
- (b) a director of the Company.

“**Listing Rules**” means the Official Listing Rules of ASX.

“Market Value” of a Share means:

- (a) the weighted average price of all on market share sales over the 30 days preceding the date the offer of Options is made to the Participant; or
- (b) if the Board adopts another method for determining the market value – the value determined under that method.

“Option” means an option to subscribe for Shares issued under the Scheme.

“Participant” means:

- (a) an Employee or Consultant who personally holds an Option issued under the Scheme; or
- (b) an Employee or Consultant whose nominated Associate holds an Option issued under the Scheme;

“record date” has the same meaning as in the Listing Rules;

“Redundancy” means any situation where the requirements of the Company for an Employee to carry out a particular kind of work (given his or her particular skills) or to carry out certain work in a particular place, have ceased or diminished (or are likely to do so), but does not extend to the dismissal of an Employee for personal or disciplinary reasons, including for reasons of misconduct or unsatisfactory performance, or where an Employee leaves of his or her own accord.

“Retirement” means retirement by the Participant from employment with the Company at age 55 or over;

“Scheme” means the Mindax Limited Employee and Consultant Option Scheme constituted by these Terms and Conditions.

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

“Total and Permanent Disablement” means that the participant has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

- 1.2 Words imparting the singular include the plural and vice versa and words denoting a gender include all other genders.

2. ISSUE OF OPTIONS

Eligibility

- 2.1 The Board may offer Options to an Employee or a Consultant having regard to:
- (a) The potential contribution of the Employee or Consultant to the Company; and
 - (b) Any other matters the Board considers relevant.

Nomination of Associate

- 2.2 Upon receipt of an offer of Options an Employee or Consultant may nominate an Associate to be the person issued with those Options. The Board may, in its absolute discretion, resolve not to issue Options to a nominated Associate without giving any reason.

Acceptance of offers

- 2.3 An Employee, Consultant or nominated Associate may accept an offer of Options within the time specified in the offer document. No payment is required to accept the offer.

Issue of Options

- 2.4 Options must be issued in accordance with these Terms and Conditions and each Participant and, where relevant, Associate will be taken to have agreed to be bound by these Terms and Conditions on the issue of any Options.
- 2.5 The Company must issue each Participant or nominated Associate with an Option certificate indicating the number of Options issued and the exercise price of the Options.
- 2.6 The Board retains the right to withdraw an offer of Options at any time prior to issuing the Options.

3. MAXIMUM NUMBER OF OPTIONS

The Board may not offer Options under this Scheme if the total number of Shares the subject of the Options, when aggregated with:

- (a) the number of Shares in the same class which would be issued if each outstanding offer or invitation or option to acquire unissued shares in the Company, being an offer or invitation made or option acquired pursuant to this Scheme or any other employee or executive share scheme, was accepted or exercised; and
- (b) the number of Shares in the same class issued during the previous five years pursuant to this or any other employer or executive share scheme,

(disregarding any offer or invitation made, or option acquired or share issued following the making of an offer or invitation, to a person situated at the time of receipt of the offer or invitation outside Australia or by way of excluded offer or invitation within the meaning of the Corporations Act), would exceed 5% of the total number of issued Shares of the Company as at the time of the proposed offer.

4. ENTITLEMENT

- 4.1 Subject to clauses 8 and 9, each Option entitles the holder to subscribe for and be allotted, credited as fully paid, one Share at the exercise price per Share as defined in clause 4.2.
- 4.2 The exercise price per Share is the greater of:
- (a) 120% of the Market Value of Shares on the day the Option is issued;
 - (b) 25 cents; or
 - (c) any greater exercise price determined by the Board and advised to the Employee or Consultant when Options are offered to the Employee or Consultant.
- 4.3 Subject to these Terms and Conditions, the Company must allot Shares on exercise of an Option in accordance with the Listing Rules.
- 4.4 Shares issued on the exercise of Options will rank equally with all existing Shares in the capital of the Company from the date of issue.

5. EXERCISE OF OPTIONS

- 5.1 An Option is exercisable by the holder lodging a notice to exercise the Option and application for Shares in a form approved by the Company, together with payment of the exercise price of each Share to be issued and the relevant Option certificate, with the Company Secretary.
- 5.2 Options must be exercised in multiples of 100, unless the holder exercises all Options able to be exercised at that time. The exercise of some Options only does not affect the holder's right to exercise other Options at a later time. If the holder exercises less than all Options represented by a certificate then the Company will cancel the certificate and issue a new certificate for the balance.
- 5.3 Subject to clauses 5.4 to 5.7 inclusive, an Option that has not lapsed may be exercised at any time prior to the date which is 3 years after the date the Option is issued.

- 5.4 If a Participant ceases to be an Employee or a Consultant;
- (a) 2 years or more after Options are issued in relation to the Participant; or
 - (b) because of Retirement, Total and Permanent Disablement, Redundancy, death or any other circumstances approved by the Board,

the options may be exercised within 30 days (or 3 months, in the case of death) after ceasing to be an Employee or a Consultant or any longer period permitted by the Board. If not exercised within that period, the Options lapse.

- 5.5 If a Participant ceases to be an Employee or a Consultant and clause 5.4 does not apply, Options issued in relation to the Participant lapse.

- 5.6 If the Board determines that:

- (a) a Participant has acted fraudulently, dishonestly or in breach of the Participant's obligations to the Company; and

- (b) Options issued in relation to the Participant are to be forfeited,

the Options will immediately lapse.

- 5.7 Notwithstanding any other clause, any Option not exercised will lapse on the expiry of 3 years after the date the Option was issued.

6. TRANSFER

Options may only be transferred with the approval of the Board. Options will not be quoted on ASX.

7. QUOTATION OF SHARES

The Company will make application to ASX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

8. PARTICIPATION IN FUTURE ISSUES

- 8.1 If the Options are exercised before the record date of an entitlement, the Option Holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the Option Holder of the proposed issue at least nine (9) business days before the record date. Option Holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.

- 8.2 In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

- 8.3 The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.
- 8.4 In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N+1}$$

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities in the Company into which one option is exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro rata issue.

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

N = the number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.

The terms used in this sub-clause and in particular the terms "pro rata issue", "underlying securities" and "market price" shall have the same meanings as in the Listing Rules.

- 8.5 The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of the Options. The effect will be that upon exercise of the Options the number of Shares received by the Option Holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.
- 8.6 The Company shall notify each Option Holder and ASX within one (1) month after the record date for a pro-rata bonus or cash issue of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the exercise price.

9. ADVICE

The Company must give notice to each Participant or his nominated Associate of any adjustment to the number of Shares which the holder is entitled to subscribe for or be issued on exercise of an Option, or any adjustment to the exercise price per Share, in accordance with the Listing Rules.

10. NOTICES

Notices may be given by the Company to the holder or the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modification to notices to holders or Participants.

11. RIGHT TO ACCOUNTS

Holders will be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members but will not have any right to attend or vote at those meetings.

12. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding any Terms and Conditions or the terms of any Option, Options may only be issued or exercised within the limitations imposed by the Corporations Act and the Listing Rules.

13. ADMINISTRATION OF THE SCHEME

13.1 The Scheme will be administered by the Board in accordance with these Terms and Conditions. The Board may make regulations for the operation of the Scheme which are consistent with these Terms and Conditions.

13.2 Any power or discretion which is conferred on the Board by these Terms and Conditions may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

13.3 Any power or discretion which is conferred on the Board by these Terms and Conditions may be delegated by the Board to a committee consisting of such Directors as the Board thinks fit.

13.4 The decision of the Board as to the interpretation, effect or application of these Terms and Conditions will be final and conclusive.

14. AMENDMENTS

These Terms and Conditions may only be amended, subject to the Listing Rules, by special resolution of the Company in general meeting.

15. RIGHTS OF PARTICIPANTS

Nothing in these Terms and Conditions:

- (a) confers on any Employee, Consultant or Associate the right to receive any Options;
- (b) confers on any Participant the right to continue as an Employee or a Consultant;
- (c) affects any rights which the Company or a subsidiary may have to terminate the employment of any Employee or any contract with any Consultant; or
- (d) may be used to increase damages in any action brought against the Company or a subsidiary in respect of any such termination.

16. QUOTATION OF OPTIONS

The Company will not seek quotation on ASX of Options issued pursuant to the Scheme.

17. TAX LIABILITY

The Company shall have no liability for any tax imposed on any Employee, Consultant or Associate as a result of any issue of Options pursuant to the Scheme.

18. GOVERNING LAW

The rights and obligations pursuant to this Scheme shall be construed in accordance with the laws of Western Australia.

19. GRIEVANCE PROCEDURES

19.1 If any grievance arises between the Company and any Participant, it must be dealt with in the following manner:

- (a) The matter must first be discussed with the Managing Director and the Participant;
- (b) If the matter is not resolved, the parties shall submit the matter to an agreed mediator for the purposes of conciliation and mediation in which case costs shall be borne equally between the Company and the Participant;
- (c) If the matter is not resolved to the satisfaction of both parties in accordance with clause 19.1(b), the Company and the Participant shall submit the dispute to arbitration in accordance with clause 19.2.

- (d) The Company and the Participant shall ensure that the procedures to be followed pursuant to this clause are carried out expeditiously and in any event within 30 days of any grievance arising.

19.2 If agreement cannot be reached in accordance with the procedures outlined in clause 19.1, then the dispute shall be determined by an arbitrator determined by agreement of the parties and if agreement cannot be reached, by an arbitrator appointed by the President of the Law Society of Western Australia. The arbitration shall be carried out in accordance with the provisions of the Commercial Arbitration Act 1985 (Western Australia) and the determination of the arbitrator shall be final and binding.



ANGELO FRANCESCA
COMPANY SECRETARY