

# **Gibb River Diamonds Limited**

**(ACN 129 158 550)**

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## **EMPLOYEE INCENTIVE PLAN**

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## 1. DEFINITIONS AND INTERPRETATIONS

1.1 These Rules will be known as the "*Gibb River Diamonds Employee Incentive Plan*".

1.2 In these Rules, unless the context otherwise requires:

"**Applicant**" has the meaning given in rule 9.1.

"**Application**" means an application in the form set out in Annexure 1 or in such other form as the Board may from time to time prescribe, accepting an invitation from the Board to apply for Specified Securities under these Rules.

"**ASIC**" means Australian Securities and Investments Commission.

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

"**Associated Body Corporate**" means in relation to the Company:

- (a) a body corporate that is a Related Body Corporate of the Company;
- (b) a body corporate that has voting power in the Company of not less than 20% ;  
or
- (c) a body corporate in which the Company has voting power of not less than 20%.

"**ASX**" means ASX Limited (ABN 98 008 624 691).

"**Board**" means the Directors acting as the Board of the Company.

"**Business Day**" means a day that is not a Saturday, a Sunday or a public holiday in Perth, Western Australia.

"**Casual Employee**" means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company.

"**Company**" means Gibb River Diamonds Limited (ACN 129 158 550).

"**Contractor**" means:

- (a) an individual with whom the Group Company has entered into a contract for the provision of services under which the individual performs work for the Group Company; or
- (b) a company with whom the Group Company has entered into a contract for the provision of services under which an individual who is a director of the company or their spouse, performs work for the Group Company,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the Group Company.

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

"**Director**" means a director of the Company.

"**Eligible Participant**" means a person who is:

- (a) a full or part-time employee of a Group Company (including an executive director);
- (b) a non-executive director of a Group Company;
- (c) a Contractor;
- (d) a Casual Employee; or
- (e) a Prospective Participant,

or a Nominee of such a person.

"**Exercise Price**" means, in respect of an Option, or a Series of Options, the subscription price per Share, determined by the Board in accordance with rule 7 payable by a Holder on exercise of the Options.

"**Expiry Date**" means, in relation to an Option or Series of Options, the expiry date determined by the Board prior to the offer of the relevant Options.

"**Grant Date**" means the date on which the Board resolves to grant the Option.

"**Group Company**" means the Company and each Associated Body Corporate.

"**Holder**" has the meaning given in rule 10.1.

"**Holding Lock**" has the meaning given to that term in section 2 of the ASX Settlement Operating Rules or any subsequent replacement of these rules.

"**Listing Rules**" means the ASX Listing Rules, as amended from time to time.

"**Market Value**" means, at any given date, the volume weighted average price per Share traded on ASX over the 5 trading days immediately preceding that given date.

"**Nominee**" means:

- (a) an immediate family member of the Eligible Participant;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the participant; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*), where the Eligible Participant is a director of the trustee.

"**Notice of Reliance**" means a written notice in a form approved in writing by ASIC.

"**Offer Document**" means a document which includes, or is accompanied by, the following information, statements and explanations worded and presented in a clear, concise and effective manner:

- (a) prominent statements to the effect that:

- (i) any advice given by the Company in relation to the Specified Security offered under the Plan does not take into account an Eligible Participant's objectives, financial situation and needs; and
  - (ii) Eligible Participants should consider obtaining their own financial product advice from a person who is licensed by ASIC to give such advice;
- (b) either:
- (i) a copy of the terms of the Plan; or
  - (ii) a summary of the terms of the Plan together with a statement that, on request and at no charge and within a reasonable time, the Company will provide an Eligible Participant with a copy of the terms of the Plan;
- (c) general information about the risks of acquiring and holding a Specified Security being offered under the Plan;
- (d) the acquisition price of the Specified Security in Australian dollars or, where the acquisition price is to be worked out in the future under a formula, an explanation of how an Eligible Participant could calculate the acquisition price of the Specified Security in Australian dollars were that formula applied at the date of the offer; and
- (e) an explanation of how an Eligible Participant could, from time to time, ascertain the market price of the Shares in Australian dollars.

**"Option"** means an option granted under the Plan to subscribe for one Share.

**"Option Exercise Notice"** means a notice for exercise of Options in accordance with these Rules in the form set out in Annexure 2 or in such other form as the Board may from time to time prescribe.

**"Performance Criteria"** means performance criteria determined by the Board in its absolute discretion in accordance with rule 6.1 and which must be satisfied before a Holder is permitted to exercise an Option or before a Performance Right is converted at the election of the Holder.

**"Performance Right"** means a conditional right issued under the Plan to acquire one Share upon conversion.

**"Permanent Disablement"** means:

- (a) the illness or incapacity of the Eligible Participant necessitating the permanent withdrawal of the Eligible Participant from the workforce, as accepted to the satisfaction of the Board; or
- (b) any other circumstances which the Board considers should be treated as Permanent Disablement for the purposes of the Plan.

**"Plan"** means the "Employee Incentive Plan" established in accordance with these Rules.

**"Prospective Participant"** means in relation to an offer of a Specified Security under this Plan, a person to whom the offer is made but who can only accept the offer if an

arrangement has been entered into that will result in the person being covered by one of paragraphs (a) to (d) of an Eligible Participant.

**"Related Body Corporate"** has the same meaning as given to that term in the Corporations Act.

**"Restriction Period"** means the period from the issue of the Options or Performance Rights until the earlier of:

- (a) the 5<sup>th</sup> anniversary of the issue date or such other date as may be determined by the Board in its discretion;
- (b) the date on which the Holder or representative of the Holder (where the Holder is a Nominee), ceases employment or, if a Director, ceases being a Director;
- (c) the date of exercise of the Options or conversion of the Performance Rights, unless the Holder agrees to an extension of the restriction in respect of the Shares issued on exercise or conversion (as the case may be); and
- (d) the date that the Board otherwise approves in writing a release request from the Holder including, without limitation, in the event of a Takeover Event.

**"Rules"** means these rules, as amended from time to time.

**"Series"** in relation to Options, means Options with a common Grant Date.

**"Shares"** means ordinary fully paid shares in the capital of the Company.

**"Specified Security"** means an Option or Performance Right offered under this Plan.

**"Takeover Event"** means a takeover bid for the Company pursuant to Chapter 6 of the Corporations Act where at least 50% of the holders of ordinary shares accept the bid and such bid is free of conditions or a court grants an order approving a compromise or scheme where the ordinary shares are either cancelled or transferred to a third party (not being a scheme of arrangement simply for the purposes of a corporate restructure).

1.3 Words importing:

- (a) a gender will include all other genders; and
- (b) the singular shall include the plural and vice versa.

## 2. PURPOSE

2.1 The Company is listed on ASX and its Shares are quoted securities.

2.2 The purpose of the Plan is to provide an incentive for the Eligible Participants to participate in the future growth of the Company and to offer Specified Securities to assist with reward, retention, motivation and recruitment of Eligible Participants.

2.3 The Company when offering and granting or issuing Specified Securities intends to comply with the ASIC Class Order so as to take advantage of relief under the ASIC Class Order including disclosure document and on-sale provisions relief.

**3. ESTABLISHMENT AND TERMINATION OF THE PLAN**

- 3.1 The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules.
- 3.2 The Board may terminate the Plan at any time that it considers appropriate in its absolute discretion.
- 3.3 Where the Board terminates the Plan, the Board cannot grant or issue any further Specified Securities under the Plan, but all Specified Securities already granted or issued remain in existence and, notwithstanding the termination, the Plan continues to have effect in relation to those Specified Securities until the last of them lapses.

**4. ENTITLEMENT TO PARTICIPATE**

- 4.1 The Board may from time to time and in its absolute discretion determine that an Eligible Participant may participate in the Plan and the extent of that participation. In making that determination, the Board may consider:
- (a) the seniority of the Eligible Participant and the position the Eligible Participant occupies with the relevant Group Company;
  - (b) the length of service of the Eligible Participant with the Group Company;
  - (c) the record of employment of the Eligible Participant with the Group Company;
  - (d) the potential contribution of the Eligible Participant to the growth and profitability of the Group Company;
  - (e) the extent (if any) of the existing participation of the Eligible Participant in the Plan; and
  - (f) any other matters which the Board considers relevant.
- 4.2 The Board may exercise its powers in relation to the participation of any Eligible Participant on any number of occasions.
- 4.3 The Company must obtain shareholder approval under the Listing Rules and/or Corporations Act before the participation under the Plan of any Eligible Participant who is a Director of or otherwise a related party of the Company.

**5. ISSUE OF INVITATIONS**

- 5.1 Subject to the Corporations Act and the Listing Rules, the Board may at such times as it determines, issue invitations (in such form as the Board decides from time to time) to Eligible Participants, or any one or more of them, inviting Applications for a grant or issue of Specified Securities and specifying an acceptance period.
- 5.2 The number of Specified Securities will be determined by the Board in its absolute discretion.
- 5.3 Specified Securities granted or issued under the Plan will be granted or issued free of charge.
- 5.4 The Board may impose Performance Criteria in accordance with rule 6.1.

## 6. PERFORMANCE CRITERIA

- 6.1 Subject to rule 6.2, the Board may in its absolute discretion impose Performance Criteria that must be satisfied before a Holder is permitted to exercise an Option or before a Performance Right is converted at the election of the Holder.
- 6.2 The Holder may not exercise any of the Options or convert the Performance Rights until the Board notifies the Holder that the Performance Criteria (if any) has been satisfied.

## 7. EXERCISE PRICE AND EXPIRY DATE OF OPTIONS

Subject to any restrictions in the Corporations Act or the Listing Rules, the Exercise Price and Expiry Date of the Options will be determined by the Board in its discretion.

## 8. OVERRIDING RESTRICTION ON ISSUE AND EXERCISE OF OPTIONS OR CONVERSION OF PERFORMANCE RIGHTS

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

## 9. APPLICATIONS

- 9.1 Following receipt of an invitation, the Eligible Participant ("**Applicant**") may apply for the full number of Specified Securities or part of them by sending to the secretary of the Company an Application.
- 9.2 The Application must be received by the Company within the acceptance period specified in the invitation.
- 9.3 The Board is entitled to receive from the Applicant any information that the Board considers necessary concerning the Applicant and the Applicant's entitlement to lodge an Application.
- 9.4 The Board may reject any Application.

## 10. ACCEPTANCE OF APPLICATION

Upon acceptance of a duly signed and completed Application for Specified Securities, the Company may grant the Options or issue the Performance Rights applied for to the Applicant (the "**Holder**"). The Company will issue a certificate or holding statement to each Holder in respect of Specified Securities granted or issued to them.

## 11. TERMS RELEVANT TO OPTIONS

### 11.1 Terms

Unless otherwise determined by the Board when it resolves to grant the Option, each Option is granted on the following terms:



**Exercise of Options**

- (a) If any Performance Criteria are imposed on a Holder, that Holder may only exercise their Options upon satisfaction of the Performance Criteria and prior to the Expiry Date.
- (b) Notwithstanding paragraph (a) above, all Options may be exercised:
  - (i) where a Takeover Event occurs; or
  - (ii) in the Board's absolute discretion, in the event of the death or Permanent Disablement of an Eligible Participant.
- (c) If, in the reasonable opinion of the Board, an Eligible Participant acts fraudulently or dishonestly in any material respect or is in material breach of his or her obligations to any Group Company, then, notwithstanding any other provision in these Rules, the Board may deem any unexercised Options of the Eligible Participant to have lapsed.

**Notice of Exercise**

- (d) Options may only be exercised by delivering an Option Exercise Notice as executed by the Holder to the principal place of business of the Company. The Option Exercise Notice must specify the number of Options being exercised and contain an election as to whether the Holder wishes to utilise the cashless exercise facility in rule 11.2. Where the Holder does not utilise the cashless exercise facility, the Option Exercise Notice must be accompanied by the Exercise Price for the number of Options specified in the Option Exercise Notice and the Option Exercise Notice only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options in cleared funds.

Where the Holder elects to utilise the cashless exercise facility, rule 11.2 will apply.

**Issue of Certificates**

- (e) Subject to paragraphs (a) and (d) above, the Holder having complied with the terms of the Options and subject to any necessary consents or approvals required to be obtained by the Company, within 10 Business Days of the Option Exercise Notice referred to in paragraph (d) above becoming effective, the Board must:
  - (i) allot and issue the number of Shares specified in the Option Exercise Notice to the Holder;
  - (ii) cancel the certificate for the Options exercised; and
  - (iii) if applicable, issue a new certificate for any remaining unexercised Options covered by the certificate accompanying the Option Exercise Notice.

### Issue of Shares

- (f) Subject to these Rules (including restrictions on dealing in rule 16), all Shares issued upon the exercise of Options will be of the same class and rank equally in all respects with other Shares in the Company, and, in particular, entitle their holders to participate fully in:
- (i) dividends cleared by the Company after the date of issue; and
  - (ii) all issues of securities offered to holders of Shares where entitlements to participate in those issues are determined by reference to a record date after the date of issue of Shares upon the exercise of Options.

### Official Quotation

- (g) If the Company's Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of issue or any shorter period prescribed by the Listing Rules. The Company does not intend to apply to have the Options granted under the Plan quoted on ASX.

### New Issues

- (h) In the event of a pro rata issue (except a bonus issue) to the holders of Shares, the Exercise Price of an Option may be reduced using the formula:

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

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of shares into which one Option is exercisable.
- P = the average market price per share (weighted by reference to volume) of the Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a share under the pro rata issue.
- D = the dividend due but not yet paid on the existing Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

### Bonus issues

- (i) If, prior to the expiry of any Options, the Company makes a bonus share issue to the holders of Shares on a pro rata basis, by way of capitalisation of profits or reserves (other than an issue in lieu of dividends) (a "**Bonus Issue**"), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the date the Shares the subject of the Bonus Issue had been

duly allotted and issued ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

### **Reconstruction of capital**

- (j) In the event that, prior to the expiry of any Options, there is a reconstruction (including consolidation, subdivision, reduction, return or pro-rata cancellation) of the issued capital of the Company, then the number of Options to which each Holder is entitled or the Exercise Price or both will be reconstructed in the manner required by the Listing Rules.

### **Advice**

- (k) The Company must give notice to each Holder of any adjustment to the number of Shares for which the Holder is entitled to subscribe or to the Exercise Price pursuant to the provisions of paragraphs (h), (i) or (j) above.

### **No Dividends**

- (l) A Holder will not be entitled to dividends in respect of the Options.

## **11.2 Cashless exercise of Options**

- (a) The Holder may elect not to be required to provide payment of the Exercise Price for the Options specified in an Option Exercise Notice, but that on exercise of those Options, the Company will issue to the Holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).
- (b) For the avoidance of doubt, the issue of Shares pursuant to the process described in rule 11.2(a) will be in full and final satisfaction of the Company's obligations in respect of the Options so exercised.
- (c) By way of example of the cashless exercise facility:
- A Holder holds 50 Options, with an Exercise Price of \$1 each.
  - If that Holder elected to exercise those Options, the Holder would be required to pay \$50, and they would receive 50 Shares.
  - However, if the Holder elected a "*cashless exercise*", and the Market Value of the Shares at the time of exercise was \$1.50, the Holder would pay no cash and receive 16 Shares, based on the following:

$$S = \frac{O(MV-EP)}{MV}$$

Where:

S = number of Shares to be issued on exercise of the Options

O = number of Options being exercised

MV – Market Value of the Shares at the time of exercise

EP = Exercise Price

That is, using our example:

$$S = \frac{50(\$1.50 - \$1.00)}{\$1.50}$$

$$S = 16.67,$$

which is rounded down to 16 Shares. The issue of these 16 Shares is in full and final satisfaction of the 50 Options.

## 12. TERMS RELEVANT TO PERFORMANCE RIGHTS

Unless otherwise determined by the Board when it resolves to issue the Performance Rights, each Performance Right is issued on the following terms (being in addition to Performance Criteria imposed):

### Conversion

- (a) Upon satisfaction of the relevant Performance Criteria or where a Takeover Event occurs, each Performance Right will, at the election of the holder, vest and convert into one Share. Further, at the Board's absolute discretion, each Performance Right may vest and convert into one Share in the event of the death or Permanent Disablement of an Eligible Participant.

### No Consideration payable

- (b) No consideration will be payable upon the vesting and conversion of the Performance Rights.

### No Voting rights

- (c) A Performance Right does not entitle a holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.

### No dividend rights

- (d) A Performance Right does not entitle a holder to any dividends.

### No rights on winding up

- (e) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

### Reconstruction of capital

- (f) If there is a reorganisation (including consolidation, sub-division, reduction or return or pro-rata cancellation) of the issued capital of the Company, the rights of a holder will be reconstructed in accordance with the Listing Rules.

**Quotation of Shares on conversion**

- (g) An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules. The Company will not apply for quotation of the Performance Rights on ASX.

**No participation in entitlements and bonus issues**

- (h) A Performance Right does not entitle a holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.

**No other rights**

- (i) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

**Lapse**

- (j) If the Performance Criteria relevant to a Performance Right has not been satisfied by the relevant expiry date, then the Performance Rights will automatically lapse. Further, if, in the reasonable opinion of the Board, an Eligible Participant acts fraudulently or dishonestly in any material respect or is in material breach of his or her obligations to any Group Company, then, notwithstanding any other provision in these Rules, the Board may deem any unconverted Performance Rights of the Eligible Participant to have lapsed.

**13. LIMIT ON NUMBER OF SPECIFIED SECURITIES**

An invitation or offer of Specified Securities may only be made under the Plan if the number of Shares that have been or may be acquired or issued on exercise of the Options or conversion of the Performance Rights when aggregated with:

- (a) the number of Shares which would be issued if each outstanding offer with respect to Options or Performance Rights, being an offer made during the previous 3 years pursuant to the Plan or any other employee incentive scheme was to be accepted or exercised or converted; and
- (b) the number of Shares issued during the previous 3 years pursuant to the Plan or any other employee incentive scheme,

but disregarding any offer made, or Option or Performance Right acquired or issued, by way of or as a result of:

- (c) an offer to a person situated outside of Australia at the time of receipt of the offer;
- (d) an offer did not require disclosure to investors because of section 708 of the Corporations Act; or
- (e) an offer made under a disclosure document (within the meaning of the Corporations Act),

does not exceed 5% of the total number of issued Shares of the Company as at the time of the invitation or offer.

**14. CEASING TO BE AN ELIGIBLE PARTICIPANT**

- 14.1 If at any time before the exercise of an Option or conversion of a Performance Right, a Holder or the representative of a Holder (where the Holder is a Nominee) ceases to be an Eligible Participant, all Options or Performance Rights held by the Eligible Participant will automatically lapse unless the Board otherwise determines within 30 days of the Holder or the relevant representative ceasing to be an Eligible Participant.
- 14.2 If a Holder or the representative of a Holder (where the Holder is a Nominee) ceases to be an Eligible Participant at any time before the exercise of an Option or conversion of a Performance Right, the Holder (or the relevant representative) may, subject to these Rules, during the period of 30 days after the date on which the Holder (or the relevant representative) ceases to be an Eligible Participant, exercise any Option or convert any Performance Right which the Holder (or the relevant representative) would have otherwise been entitled to exercise. Any Options or Performance Rights held by the Holder (or the relevant representative) which are unexercised or unconverted at the expiry of such 30 day period will automatically lapse.

**15. TRANSFER OF OPTIONS OR PERFORMANCE RIGHTS**

- 15.1 Subject to the Listing Rules, Options or Performance Rights issued under the Plan are not transferable except with the prior written approval of the Board. Any instrument of transfer must be in writing, signed by both parties, duly stamped (if required) and otherwise in such form as the Board may from time to time prescribe. The Board will not register any transfer of an Option or Performance Right made otherwise than in accordance with this rule.
- 15.2 In addition to the transfer limitation in rule 15.1, the Holder may agree to a Restriction Period in respect of the relevant securities as set out in rule 16.

**16. RESTRICTION ON DEALING ON OPTIONS, PERFORMANCE RIGHTS OR SHARES****16.1 Restriction**

In respect of all Options and Performance Rights issued under this Plan and, where relevant, Shares issued upon the exercise of Options or the conversion of Performance Rights, the Holder acknowledges that it may agree to a Restriction Period during which the Holder will undertake and agree not to do any of the following:

- (a) dispose of, or agree to offer to dispose of, the relevant securities;
- (b) create, or agree or offer to create, any security interest in the relevant securities;  
or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the relevant securities.

**16.2 Holding Lock**

During any Restriction Period, the relevant securities will be the subject of a Holding Lock by the Company's share registry. The Company may further refuse to register a paper-based transfer document in respect of the relevant securities.

### 16.3 Deferred Taxation provisions apply

Subdivision 83A-C (Deferred inclusion of gain in assessable income) of the *Income Tax Assessment Act 1997 (Cth)* will apply to this Plan.

## 17. COMPLIANCE WITH ASIC CLASS ORDER

The Company when offering and granting or issuing Specified Securities under the Plan will do so in accordance with the ASIC Class Order (to the extent it applies) including:

- (a) ensuring an offer or invitation under the Plan is made in, or accompanied by, an Offer Document; and
- (b) giving ASIC a one-off Notice of Reliance in accordance with the ASIC Class Order.

## 18. AMENDMENTS TO THE RULES

18.1 Subject to rule 18.2, the Board may alter, delete or add to the Plan or Rules at any time, but for so long as the Company remains on the official list of ASX such alteration, deletion or addition has no effect unless the relevant requirements of the Listing Rules have been complied with.

18.2 No amendment to the provisions of the Plan, or to any restrictions or other conditions relating to any Specified Security granted or issued pursuant to the Plan, may be made which reduces the rights of Holders in respect of Specified Securities granted or issued to them prior to the date of the amendment, other than any amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State 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 take into consideration possible adverse taxation implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to taxation legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of taxation legislation by a Court of competent jurisdiction.

18.3 As soon as is reasonably practicable after making any amendment under rule 18.1, the Board will give notice in writing of the amendment to any Eligible Participant affected by the amendment.

## 19. POWERS OF THE BOARD

The Plan will be administered by the Board which has the power to determine procedures from time to time for administration of the Plan consistent with these Rules and resolve conclusively all questions of fact or interpretation arising in connection with the Plan.

## 20. NO INCORPORATION INTO TERMS OF EMPLOYMENT OR ENGAGEMENT

The rights and obligations of an Eligible Participant under the terms of his/her office or employment with any Group Company are not affected by his/her participation in the

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Plan and these Rules do not form part of and are not incorporated into any contract of engagement or employment of any individual or entity with a Group Company and do not confer directly or indirectly on an individual or entity any legal or equitable right whatsoever against a Group Company. No Eligible Participant has any rights of compensation or damages in consequence of the termination of his/her engagement or employment for any reason whatsoever in so far as those rights arise or may arise from his/her ceasing to have rights under the Plan as a result of such termination.

## **21. GOVERNING LAW**

The Plan and these Rules shall in all respects be governed by and shall be construed in accordance with the laws of Western Australia.

## **22. SEVERANCE**

If any provision in these Rules is void, voidable by any party or illegal, it shall be read down so as to be valid and enforceable or, if it cannot be so read down, the provision (or where possible, the offending words) shall be severed from these Rules without affecting the validity, legality or enforceability of the remaining provisions (or parts of those provisions) of these Rules which shall continue in full force and effect.



ANNEXURE 1

GIBB RIVER DIAMONDS LIMITED  
ACN 129 158 550

Gibb River Diamonds Employee Incentive Plan

**Application for [Options/Performance Rights]**

I \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_

hereby apply for \_\_\_\_\_ [Options/Performance Rights] in the capital of Gibb River Diamonds Limited (the "**Company**") and I agree that upon issue of those [Options/Performance Rights] I shall hold those [Options/Performance Rights] and deal with them only in accordance with the terms and conditions of the Gibb River Diamonds Employee Incentive Plan of the Company (a copy of which is attached) and subject to and in accordance with the Constitution of the Company.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ (\*).

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

**ANNEXURE 2**

**GIBB RIVER DIAMONDS LIMITED  
ACN 129 158 550**

Gibb River Diamonds Employee Incentive Plan

**Option Exercise Notice**

To: The Directors  
Gibb River Diamonds Limited (the "**Company**")

I/We

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of

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hereby exercise my/our Options to subscribe for:

\_\_\_\_\_ Shares (fully paid ordinary) in the capital of the Company at an exercise price of \$\_\_\_\_\_ per Share and enclose payment in full of \$\_\_\_\_\_ [*or I/We elect to utilise the cashless exercise facility in accordance with the Employee Incentive Plan*].

I/We request you allot to me/us and I/we agree to accept the Shares subject to the Constitution of the Company.

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Signature of the Applicant

Dated this \_\_\_\_\_ day of \_\_\_\_\_ (\*).