Qualitas Limited

(ACN 655 057 588)

Employee Equity Plan

Adopted by the Board on 23 November 2021

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General Terms

1 Purpose

The Board of the Company may grant or allocate Awards, in its absolute discretion, to Eligible Employees under the Plan which may contain one or more of the following:

(a) Options or Rights – refer to Schedule 1; and

(b) Shares – refer to Schedule 2.

2 Defined terms and interpretation

2.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

(a) which is defined in the Dictionary in Schedule 3 (**Dictionary**), has the meaning given to it in the Dictionary; and

(b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

2.2 Interpretation

The interpretation clause in the Dictionary sets out rules of interpretation for these Rules.

2.3 Application of General Terms

The rules contained in the General Terms of these Rules will apply to the Schedules to these Rules unless they are modified or are otherwise inconsistent with the rules contained in those Schedules.

3 Introduction

3.1 Governing Rules

(a) The Plan operates according to these Rules which bind the Company and each Participant.

(b) These Rules should be read in conjunction with the relevant Invitation, the Trust Deed (if applicable), the Constitution, Trading Policy and Clawback Policy (if applicable). In the event of any inconsistency between these documents, the following order of priority shall apply:

(i) the Constitution;

(ii) the Trading Policy;

(iii) the Clawback Policy (if applicable);

(iv) the relevant Invitation;

(v) these Rules; and

(vi) the Trust Deed (if applicable).

3.2 Title to Awards

Unless the Board determines otherwise, Awards may not be registered in any name other than that of the Participant.

4 Invitation

4.1 Eligibility

(a) The Board from time to time in its absolute discretion may determine the Eligible Employees who are eligible to participate in the Plan. For the avoidance of doubt, an Eligible Employee is not eligible to participate in the Plan unless and until the Board makes such a determination.

(b) An Eligible Employee is only eligible to apply for participation in the Plan and to receive Awards under the Plan, including, without limitation:

(i) to purchase (or have purchased on his or her behalf) existing Shares (whether on ASX or otherwise); or

(ii) be issued with new Shares; or

(iii) be granted Options or Rights; or

(iv) to receive a cash payment determined by reference to the value of a Share, Option or Right (at the election of the Board),

under the Plan, if he or she has satisfied criteria the Board from time to time decides for participation in the Plan, as specified in an Invitation (which may include, without limitation, that he or she continues to be an Eligible Employee at the relevant time).

4.2 Board discretion to make Invitations

(a) The Board may, from time to time, in its absolute discretion make Invitations to Eligible Employees to participate in the Plan, which may:

(i) be in any form;

(ii) relate to a specified number or specified value of Awards (which, without limitation, may be expressed as a monetary amount or percentage of fixed remuneration); and

(iii) be upon the terms set out in these Rules and upon such additional terms and Conditions (if any) as determined by the Board.

(b) The Board is not obliged to make Invitations of any or the same number of Awards to all Eligible Employees and may make Invitations on a differential basis to Eligible Employees.

(c) If the Invitation consists of an offer which is a salary sacrifice arrangement in accordance with the provisions in Subdivision 83A-C of the Tax Act, then Subdivision 83A-C of the Tax Act applies to that offer.

4.3 Invitation

(a) Without in any way limiting the Board's discretion, an Invitation may provide the following information in relation to Awards:

(i) the form or forms of the Award the Eligible Employee is being offered;

(ii) the number of Awards or value of the Award (or the manner of determining the number of Awards or value of the Award) that the Eligible Employee may be entitled to receive;

(iii) the acquisition price (if any) or method of determining the acquisition price (if any) of the Awards the subject of the Invitation;

(iv) the details of any applicable Conditions attaching to an Award;

(v) the details of any applicable Performance Period attaching to an Award;

(vi) in respect of an Award in the form of Options or Rights:

(A) the Exercise Price (if any) or the manner of determining the Exercise Price (if any) of the Options or Rights;

(B) details of the manner in which the Options or Rights may be exercised;

(C) the Expiry Date (if any);

(vii) any Dealing restrictions attaching to Awards following their grant, or to Shares allocated in respect of Awards, which may be in addition to these Rules (including any applicable Restriction Period(s));

(viii) the method and form of acceptance of the Invitation;

(ix) any other specific terms and conditions applicable to the Invitation, including without limitation:

(A) that the Eligible Employee agrees to sacrifice an amount of their pre-tax fees, salary or bonus or other amount in return for the acquisition of Awards;

(B) that the Eligible Employee agrees to apply an amount of their post-tax fees, salary or bonus or other amount in relation to the acquisition of Awards;

(x) any other terms, conditions or information required by any Applicable Law.

4.4 Invitation personal

An Invitation made under the Plan is personal to the Eligible Employee to whom it is made and, accordingly, the offer constituted by an Invitation may only be accepted by, and Awards may only be made to, the Eligible Employee to whom the Invitation is made, unless otherwise determined by the Board.

4.5 Application and acceptance

(a) An application to participate in the Plan must be made in accordance with the instructions included in, or which accompany, the Invitation or in any other way the Board decides (including the adoption of a deemed acceptance or opt out process).

(b) The Board may accept or reject any application in its discretion.

(c) Nothing limits the Board's ability to treat the conduct of an Eligible Employee as valid acceptance of an offer made under the Plan.

(d) Each Participant, by accepting an Invitation, agrees to:

(i) participate in the Plan and be bound by these Rules and the terms of the Invitation;

(ii) become a member of the Company and be bound by the Constitution upon the Participant receiving Shares; and

(iii) comply with the Trading Policy, Clawback Policy (if applicable) and any other relevant Group or Company policies.

4.6 Legal constraints

Despite any other rule, a person may not:

(a) acquire Shares; or

(b) be granted Options or Rights; or

(c) receive a cash payment determined by reference to the value of an Award (at the election of the Board),

under the Plan if it appears to the Board that doing so would contravene these Rules, the Constitution, the ASX Listing Rules or any law of a jurisdiction in which the person resides or, in the Board's opinion, would give rise to unreasonable cost or regulatory requirements for the Company.

5 Variation and waiver of Conditions

The Board may, at its discretion, by notice to the relevant Participant, amend, reduce or waive any Conditions applicable to an Award in whole or in part or add one or more Conditions to an Award at any time and in any particular case, subject to any requirements under Applicable Law (including shareholder approval).

6 Cessation of employment

(a) The Board has discretion to determine, subject to compliance with Applicable Law, the treatment of an Award the subject of an Invitation if a Participant ceases to be employed within the Group prior to the vesting or exercise of an Award, or an Award ceasing to be subject to any Dealing restrictions and/or Restriction Period, as a term of the Invitation or at the time of cessation.

(b) For the purposes of these Rules (and any Invitation), an Eligible Employee who is a Participant "ceases to be employed within the Group" if and when the Eligible

Employee is no longer employed or engaged by, and no longer holds any other office with, any Group Company.

7 Clawback and malus

7.1 Clawback and malus circumstances

Unless otherwise specified in the Invitation, where, in the opinion of the Board:

(a) a Participant at any time:

(i) acts, or has acted, fraudulently or dishonestly or made a material misstatement on behalf of any Group Company;

(ii) has engaged in serious misconduct or gross negligence (including recklessness or wilful indifference);

(iii) is responsible for material financial losses (to the extent these occur as a result of the Participant acting outside the Group's agreed risk appetite);

(iv) acts, or fails to act, in a way that could reasonably be regarded to have contributed to, or is likely to contribute to, material reputational damage to any Group Company;

(v) is in breach of any of his or her duties or obligations to any Group Company (including acting in breach of the terms of his or her employment or any restrictive covenant); or

(vi) is convicted of an offence or has a judgment entered against them in connection with the affairs of any Group Company;

(b) a Participant has retained an Award, or a Participant's Award has been treated in a particular manner, upon the Participant ceasing to be employed within the Group, and the Board subsequently becomes aware of circumstances in existence at the time that the Participant's employment within the Group ceased which, had the circumstances been know at that time would, in the opinion of the Board, have resulted in the Award being forfeited or the Award being treated in a different manner;

(c) there is a material misstatement in, or omission from, the Company's financial statements, or a misstatement concerning the satisfaction of a Condition applicable to an Award (in each case whether intentional or inadvertent), which results in a Participant obtaining an Award, an Award vesting or a Dealing restriction in relation to an Award granted under the Plan being lifted, where, in the opinion of the Board, such Award would not have been obtained or vested, or such restriction would not have been lifted (as applicable) but for that misstatement or omission;

(d) all or part of the initial Award is no longer justified having regard to information or circumstances which have come to light after a grant of an Award under the Plan was made; or

(e) any other circumstance specified in the Invitation as a circumstance that may warrant the Board making a determination under rule 7.2 has occurred or arisen,

the Board may make a determination under rule 7.2 if it determines, acting in good faith, that such action is warranted to ensure no unfair benefit is derived by the Participant.

7.2 Board's powers

In the circumstances set out in rule 7.1, the Board may, at its discretion, and subject to Applicable Law, determine any treatment in relation to an Award (whether unvested, vested but subject to Dealing restrictions, or fully vested, but except for an Exempt Share Award or Salary Sacrifice Award), including, without limitation, to:

(a) reduce or extinguish a Participant's entitlement to an Award;

(b) deem all or some Awards held by the Participant to have lapsed or been forfeited (as applicable) or else remain on foot but subject to conditions;

(c) adjust the Conditions applicable to the assessment of an Award;

(d) amend the terms or conditions applicable to an Award;

(e) determine that the Dealing restrictions and/or Restriction Period applicable to Shares acquired under the Plan be extended;

(f) require that the Participant repay to the Company as a debt:

(i) the value of all or some of an Award received under the Plan;

(ii) all or part of the net proceeds of sale where Shares acquired under the Plan have been sold; and/or

(iii) any dividends (or dividend equivalent payments) received in respect of Awards acquired under the Plan; and/or

(g) adjust the Participant's incentive entitlements or participation in this Plan in the current year or any future year.

8 Change of Control

8.1 Change of Control Event

(a) If a Change of Control Event occurs prior to the vesting and exercise (as applicable) of an Award, or an Award ceasing to be subject to any Dealing restrictions and/or Restriction Period, the Board may determine in its absolute discretion, whether some or all of the Awards:

(i) vest (whether subject to further Conditions or not, and whether subject to any Disposal restrictions or not);

(ii) lapse or are forfeited;

(iii) remain on foot subject to the applicable Conditions, Dealing restrictions and/or Restriction Period;

(iv) remain on foot subject to substitute or varied Conditions, Dealing restrictions and/or Restriction Period; or

(v) may only be exercised within a specific period and will otherwise lapse or be forfeited,

having regard to any matter the Board considers relevant, including, without limitation, the circumstances of the Change of Control Event, the extent to which the applicable Conditions have been satisfied and/or the proportion of any applicable Performance Period and/or Restriction Period that has elapsed at that time.

(b) Where the Board does not exercise its discretion pursuant to rule 8.1(a) and a Change of Control Event occurs then, unless the Board determines otherwise:

(i) any unvested Award will vest on a pro-rata basis to time, based on the proportion of the Performance Period that has elapsed at the time of the Change of Control Event;

(ii) an Award which is subject to any Dealing restrictions and/or Restriction Period at the time of the Change of Control Event, will no longer be subject to Dealing or other restrictions; and

(iii) where the Change of Control Event occurs during the period an Award is exercisable, the Award may only be exercised during the period specified by the Board, which can be a period that is shorter or ends earlier than the Expiry Date.

(c) Notwithstanding the default treatment set out in these Rules, the Board may specify in the Invitation to the Participant a particular treatment that will apply to unvested or unexercised Awards in the context of a Change of Control Event.

8.2 Acquisition of securities in another Company

If a company (**Acquiring Company**) obtains control of the Company and the Acquiring Company and the Company agree, a Participant may be provided with awards or securities in the Acquiring Company (or its parent or its subsidiary) in substitution for the Awards, on substantially the same terms and conditions as the Awards, but with appropriate adjustments as to the number and kind of awards or securities.

9 Business divestments

Where the Company divests, or disposes of, a business or asset designated by the Board for this purpose as 'material', the Board may make special rules that apply to Participants in relation to the Awards, or Shares allocated in respect of Awards, held under the Plan (and any other entitlements that may arise in relation to those Awards or Shares). Without limiting the Board's discretion, such rules may include:

(a) varying the Conditions, Dealing restrictions and/or Restriction Period applying to the Participant's Awards to take into account the divestment of the business or asset (if applicable); and/or

(b) deeming the Participant to remain an Eligible Employee of the Group for a specific period.

10 Participation rights of Shares

10.1 Equal rank

Unless the Board determines otherwise, all Shares allotted and issued or transferred under the Plan (including Shares allocated in respect of Awards) will rank equally in all respects

with other Shares already on issue on the date of issue or transfer of the Share, except for entitlements which had a record date before the date of issue or transfer of the Share.

10.2 Voting rights and dividends

Unless otherwise specified in the Invitation, a Participant is entitled to:

(a) receive notice of a meeting of the shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to Shares allotted and issued or transferred to the Participant under the Plan (including Shares allocated in respect of Awards) regardless of whether or not they are Restricted Shares; and

(b) all dividends declared or paid on Shares allotted and issued or transferred to the Participant under the Plan (including Shares allocated in respect of Awards) regardless of whether or not they are Restricted Shares.

10.3 Quotation of Shares

The Company will apply to the ASX to have Shares allotted and issued pursuant to the Plan (including Shares allocated in respect of Awards) quoted as soon as practicable after they are issued, if the Company's Shares are quoted on ASX at that time.

11 Appointment of Trustee

(a) The Board may at any time:

(i) appoint a trustee (**Trustee**) on any terms and conditions which it considers appropriate to do all such things and perform all such functions as it considers appropriate to operate the Plan, including to acquire and hold Awards, Shares allocated in respect of Awards or otherwise under the Plan or other securities of the Company, on behalf of Participants, for transfer to future Participants or otherwise for the purposes of the Plan; and

(ii) establish a trust (**Trust**) governed by a trust deed (**Trust Deed**) for the purposes set out in rule 11(a)(i).

(b) The Board may determine that Shares allocated to or on behalf of or for the benefit of, a Participant under the Plan are to be held by the Trustee on behalf of the Participant in accordance with these Rules.

(c) Each Participant has a beneficial interest in the Shares allocated to him or her and is at all times absolutely entitled to those Shares (or a cash payment equal in value to a Share, at the election of the Board) as against the Trustee upon the terms set out in these Rules, except that any Dealing with the Shares by the Participant will be restricted as provided in these Rules.

12 Administration

(a) The Plan will be administered by the Board in accordance with these Rules.

(b) The Board may make further provisions for the operation of the Plan which are consistent with these Rules.

(c) Subject to the general purpose, terms and conditions of this Plan, the Board will have full power and authority to implement and carry out this Plan including the power and authority to:

(i) delegate some or all of the administration of the Plan to any person or persons or committee or sub-committee, for any period and on any terms and conditions it decides, to exercise any of its powers or discretions under the Plan;

(ii) decide on appropriate procedures for administering the Plan, including the forms and notices to be issued under the Plan;

(iii) construe, interpret and resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan;

(iv) amend (in accordance with rule 13), add to or waive any provision of the Plan (including this rule) in relation to any or all Participants;

(v) correct any defect, supply any omission or reconcile any inconsistency in this Plan;

(vi) determine that any decision made, or permission given, under the Plan, is subject to further conditions decided by the Company;

(vii) make all other determinations which the Board considers necessary or desirable for the administration of this Plan;

(viii) take and rely upon independent professional or expert advice in or in relation to the exercise of any of its powers or discretions under these Rules; and

(ix) appoint or engage specialist service providers for the operation and administration of the Plan.

(d) Subject to the requirements of these Rules, the Company and the Board each have absolute and unfettered discretion:

(i) to act or refrain from acting under these Rules or concerning the Plan; and

(ii) in exercising any power or discretion concerning the Plan or any rights under the Plan.

(e) Any power or discretion which is conferred on the Board by these Rules must be exercised in the interests, or for the benefit, of the Company. The Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

(f) The decisions of the Board as to the interpretation, effect or application of these Rules and all determinations made by the Board under these Rules are final, conclusive and binding the Participants and any person with any interest in any Awards.

(g) The Board may from time to time require a Participant to complete and return any documents that are required by law to be completed by the Participant and any other documents which the Company considers should, for legal or taxation reasons, be completed by the Participant.

(h) Any calculations or adjustments which are required to be made in connection with any Awards under the Plan will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Participant.

(i) Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of a Share, the fraction will be eliminated by rounding down to the nearest whole number.

13 Amendments

13.1 Power to make amendments

Subject to rule 13.2, the Board may at any time:

(a) amend, vary, add to, delete or modify all or any of the provisions of these Rules, including this rule 13.1;

(b) amend, reduce or waive the application of any of these Rules in relation to a Participant; or

(c) amend the terms of an Invitation.

13.2 Rights of Participants

Any amendment under rule 13.1 that materially reduces any Participant's rights in respect of their Awards granted before the date of the amendment requires the written consent of the Participant, other than an amendment introduced primarily:

(a) for the purposes of rule 9;

(b) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;

(c) to correct any manifest error or mistake;

(d) to allow the implementation of a trust arrangement in relation to the holding of Shares granted under the Plan;

(e) to amend, reduce or waive any Conditions, Dealing restrictions and/or Restriction Period applicable to an Award made in accordance with Rules;

(f) for the purpose of complying with Applicable Law; and/or

(g) to take into consideration possible adverse taxation implications (including, without limitation, on account of fringe benefits tax) for the Company in respect of the Plan or the Awards granted, including as a result of a changes to applicable taxation legislation or the interpretation of that legislation by any taxation authority or a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

13.3 Amendment by addendum

Subject to these Rules, the Board may from time to time amend the terms of this Plan as they will apply in particular jurisdictions or circumstances by means of an addendum to these Rules.

13.4 Effect

(a) Subject to any shareholder approval (if required), the Board may determine that any amendment to these Rules or the terms of an Invitation made pursuant to rule 13.1 be given retrospective effect.

(b) Amendment of these Rules or the terms of an Invitation by the Board will be of immediate effect unless otherwise determined by the Board.

13.5 Notice of amendment

As soon as reasonably practicable after making any amendment under rule 13.1, the Company must give notice in writing of that amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

14 Termination or suspension

The Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks appropriate.

15 Rights and obligations of Participants

(a) Except as expressly provided in these Rules, nothing in these Rules confers on any Eligible Employee any rights other than the rights conferred under an Award made to the Participant the subject of an Invitation.

(b) By participating in the Plan each Participant acknowledges that:

(i) participation in the Plan does not create any contractual or other right to future participation in the Plan, or benefits in lieu of participation in the Plan, even if participation is offered repeatedly; and

(ii) all decisions with respect to future participation in the Plan, if any, will be at the sole discretion of the Company.

16 General provisions

16.1 Power of Attorney

(a) In consideration of the issue or transfer of the Awards, each Participant irrevocably appoints each current director and current secretary, from time to time, of the Company as his or her attorney, to do all acts and things and to complete and execute any documents, including share transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules (including to effect the lapse or forfeiture of Awards in accordance with this Plan).

(b) A Participant (or after his or her death, his or her legal personal representative) will be deemed to ratify and confirm any act or thing done pursuant to the power under this rule 16.1 and to indemnify the attorney in respect of doing so.

16.2 Notices

(a) A notice or other communication under or concerning the Plan is validly given:

(i) to the Company, if delivered or sent by ordinary prepaid post addressed to the Company secretary at the Company's registered office or emailed to the email address specified in the Invitation for these purposes (unless the Board specifies another person or address or a particular purpose); or

(ii) to any other person, if it is handed to the person concerned, posted by ordinary prepaid post to the person's last known address or emailed to the email address specified by that person for these purposes.

(b) A notice or other communication given in accordance with 16.2(a) will be taken to be received:

(i) if sent by post, two Business Days (where the addressee is located in Australia) or seven Business Days (where the addressee is located outside of Australia) after it was put into the post correctly addressed and stamped; or

(ii) if sent by email:

(A) when the sender receives an automated messaged confirming delivery; or

(B) 1 hour after the time sent (as recorded on the device which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

16.3 Costs

Except as provided in these Rules, the Company will meet the ongoing administration expenses of the Plan.

16.4 Withholding

(a) No Group Company is responsible for any Taxes which may become payable by a Participant in connection with the issue or transfer of Awards or any other Dealing by a Participant with such Awards including the payment of any cash amount. Participants are solely responsible for all such amounts.

(b) Where any Taxes referred to paragraph (a) are required to be withheld and remitted to the relevant taxation authority by a Group Company, the Company may either:

(i) require the Participant to reimburse the Group Company for any Taxes which the Group Company is required to withhold;

(ii) sell on behalf of the Participant that number of Awards, or Shares which would otherwise have been issued to the Participant on the exercise of

Awards, required to provide the funds required to be withheld on account of Taxes; or

(iii) raise the amount required to be withheld on account of Taxes through any combination of the methods in paragraphs (i) and (ii),

and by participating in the Plan, each Participant authorises the relevant Group Company to make any such deduction or withholding through any combination of the above methods.

16.5 Data protection

By accepting an Invitation, and agreeing to become a Participant and be bound by these Rules, each Participant consents to:

(a) the collection, holding, use, processing and disclosure of personal data provided by the Participant to the Company and any Group Company for all purposes relating to the operation of the Plan (including, but not limited to, providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan and providing information to future purchasers of the Company or the business in which the Participant works); and

(b) the disclosure of information about the Plan and themselves to the Australian Taxation Office (or relevant tax authority in any other jurisdiction) which is required to be provided in accordance with the Company's reporting obligation under Australian tax legislation or relevant tax legislation in any other jurisdiction.

16.6 Entire Agreement

These Rules, the Invitation, the Constitution, the Trading Policy, the Clawback Policy (if applicable), the terms of the relevant Eligible Employee's employment, engagement or office with a Group Company and the Trust Deed (if applicable) constitute the entire agreement between the Company and the relevant Participant about their subject matter.

16.7 Enforcement

If the whole or any part of a provision of this Plan or an Invitation is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remaining provisions have full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This rule has no effect if the severance alters the basic nature of this Plan, or is contrary to public policy.

16.8 Rights reserved

(a) The Company may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this Plan expressly states otherwise.

(b) If the Company does not exercise a right or remedy fully or at a given time, the Company may still exercise it later.

(c) The Company is not liable for costs or loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this Plan.

16.9 Waiver

A provision of this Plan or the Invitation, or a right created under any of them, may not be waived or varied except in writing, signed by the party or parties to be bound.

16.10 Governing law

These Rules, all Invitations and any Awards granted under this Plan are governed by and are to be construed in accordance with the laws of Victoria, Australia. Each of the Company and each Participant submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

Schedule 1 - Additional rules which only apply to Awards of Options or Rights

The General Terms and this Schedule 1 apply to Invitations to acquire Options or Rights under the Plan.

1 Rights and restrictions attached to Options or Rights

1.1 Interest in Shares

A Participant has no right or interest in a Share the subject of an Option or Right held by the Participant unless and until an Option or Right vests and is exercised and a Share is issued or transferred. Nor does the holder of an Option or Right have any rights to dividends, rights to vote or rights to the capital of the Company as a shareholder as a result of holding an Option or Right. Subject to Applicable Law, a Participant will not, as a holder of an Option or Right, have any right to attend a vote at general meetings of holders of Shares.

1.2 Dividend equivalent rights

Notwithstanding clause 1.1, the Board may determine that Participant is entitled to receive a Dividend Equivalent Payment in respect of all or some of the Options or Rights that they hold, the terms of which may be specified in the Invitation relating to those Options or Rights. For the avoidance of doubt, any entitlement to receive a Dividend Equivalent Payment in respect of Options or Rights does not represent an entitlement to actual dividends or distributions on the underlying Shares over which the Options are exercisable, by reason of the Participant not being the holder of the Shares at that time.

1.3 Listing of Options or Rights

Options and Rights will not be listed on ASX.

1.4 No Dealing

Subject to the terms of the relevant Invitation, a Participant must not Deal with any Options or Rights issued under the Plan unless:

(a) the Board determines otherwise; or

(b) the Dealing is required by law (including on death or bankruptcy of a Participant) and the Participant has provided evidence satisfactory to the Board of that fact.

2 Participation rights in issues and reorganisations of capital

2.1 New issues

Participants holding Options or Rights are not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless:

(a) they have become entitled to exercise their Options or Rights under the Plan; and

(b) they exercise their Options or Rights and receive Shares before the record date for the determination of entitlements to the new issue of securities and participate as a holder of Shares.

2.2 Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option or Right before the record date for determining entitlements to the pro rata issue, then:

(a) in the case of an Option or Right with an Exercise Price, the Exercise Price of the Option or Right will be reduced according to the formula specified in the ASX Listing Rules at the time of the pro-rata issue, and there will be no change to the number of Shares to which the relevant Participant is entitled on exercise of the Option or Right;

(b) in the case of an Option or Right in respect of which no Exercise Price is payable on the exercise of the Option or Right, the Board may determine, in its discretion, whether any adjustment will be made to the terms of the Option or Right (including whether or not there will be any resulting increase in the number of Shares which the relevant Participant will be entitled on the exercise of the Option or Right and the manner in which any such increase will be calculated).

2.3 Bonus issues

If the Company makes a bonus issue of Shares to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option or Right before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Option or Right is exercisable will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Option or Right before such record date.

2.4 Reorganisation of capital

In the event of any reorganisation (including consolidation, sub-division, reduction, buy back or cancellation) of the issued share capital of the Company, the rights of a Participant (including the number of Options or Rights to which each Participant is entitled and the Exercise Price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

2.5 Notice of adjustments

Whenever the number of Shares underlying an Option or Right or the Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant in accordance with rule 16.2.

2.6 Accumulation of adjustments

Effect will be given to this clause 2 in such manner that the effect of the successive application of this clause 2 will be cumulative, with the intention being that the adjustments that it progressively effects will reflect previous adjustments.

3 Vesting and exercise of Options and Rights

3.1 Vesting

Subject to these Rules, an Option or Right which has not lapsed shall vest if and when any Conditions applicable to the Option or Right have been satisfied, or waived by the Board at its discretion.

3.2 Exercise

(a) A vested Option or Right may only be exercised by a Participant once the Board has notified the Participant that the Conditions have been satisfied.

(b) The exercise of any vested Option or Right must be effected in the form and manner specified in the Invitation.

(c) Without limiting the Board's discretion, the terms of exercise specified in an Invitation may:

(i) allow for the cashless exercise of some or all of a Participant's Options or Rights in respect of which an Exercise Price is payable; and/or

(ii) provide for the automatic exercise of vested Options or Rights.

3.3 Cash or equity settlement

(a) Following the exercise of an Option or Right, the Company must either, at the election of the Board:

(i) allocate to, or procure the transfer to or for the benefit of, the Participant (or his or her personal representative) the number of Shares that relate to each vested Right or Option exercised; or

(ii) make a cash payment of an amount equivalent to the "Market Value" of a Share in full satisfaction of the vested Option or Right (less any Exercise Price in respect of Option or Right),

at which time the Option or Right will automatically lapse.

(b) For the purposes of clause 3.3(a)(ii), the "Market Value" of a Share will be determined by the Board at its discretion.

(c) The amount in clause 3.3(a)(ii), will be paid in cleared funds to or on behalf of the Participant less any Tax required to be withheld and inclusive of any Super Amount.

(d) The Board may make a decision for the purposes of clause 3.3(a), by notice to the relevant Participant, upon or in advance of any exercise of Options or Rights, and in relation to some or all of the Options or Rights which may vest from time to time or within a specified period (and, for the avoidance of doubt, on a per Option or Right basis).

3.4 Fractions of Shares

If Options and/or Rights are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled

to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

3.5 Dealing restrictions

(a) The Board may, in its discretion, determine for the purposes of any Invitation in relation to Options or Rights under this Plan that:

(i) some or all of the Shares allocated or transferred on exercise of an Option or Right are Restricted Shares; and/or

(ii) different Restriction Periods will apply to some or all of the Shares allocated or transferred on exercise of an Option or Right, such that Dealing restrictions (if any) on those Shares will cease at different times,

in which case clause 2 of Schedule 2 applies, subject to clause 3.5(b) of this Schedule 1.

(b) Unless the Board determines otherwise or as otherwise specified in an Invitation, the Dealing restrictions apply from the date of the allocation of the Restricted Shares until the earlier of:

(i) if the Participant ceases to be an employee of a Group Company and the Conditions (if any) are satisfied, that date;

(ii) the Board determining that the Shares should be released having regard to the existence of special circumstances that the Board considers warrant such a release;

(iii) the end of the relevant Restriction Period; and

(iv) the fifteenth anniversary of the date of grant of the Options or Rights.

3.6 Settlement of Restricted Shares

Settlement of Restricted Shares allocated on exercise of an Option or Right is subject to clause 5 of Schedule 2.

4 Lapse of Options or Rights

4.1 Lapse of Options or Rights

Unless the Board determines otherwise, an Option or Right will lapse on the earliest of:

(a) the date that the Board determines that any Condition in respect of the Option or Right cannot be satisfied;

(b) the Expiry Date;

(c) the Option or Right lapsing in accordance with rule 6 of the General Terms (Cessation of employment);

(d) the Option or Right lapsing in accordance with rule 7 of the General Terms (Clawback and malus) or the Clawback Policy (if applicable);

(e) the Option or Right lapsing in accordance with rule 8 of the General Terms (Change of Control); or

(f) the Participant purporting to Deal or enter into any arrangement in respect of the Option or Right in breach of clause 1.4 (Rights and restrictions attached to Options or Rights).

4.2 On lapsing

Where a Participant's Options or Rights have lapsed under clause 4.1:

(a) all rights of a Participant under the Plan in respect of those Options or Rights are forfeited;

(b) in the case of a Salary Sacrifice Award, the Company will repay the Participant the price actually paid for the grant (if any) of the Option or Right as at the date of lapse; and

(c) the Company will:

(i) cancel the Options or Rights; and

(ii) unless the Board determines otherwise, not be liable for any consideration, compensation, damages or other amounts to the Participant in respect of the Options or Rights.

Schedule 2 - Additional rules which only apply to Awards of Shares

The General Terms and this Schedule 2 apply to Invitations to acquire Shares under the Plan.

1 Vesting of Shares

Subject to these Rules, a Share which has not been forfeited shall vest if and when any Conditions applicable to the Share have been satisfied, or waived by the Board at its discretion, although a vested Share may remain subject to Dealing restrictions pursuant to clause 2.

2 Rights and restrictions on Dealing

(a) Subject to clauses 2(b) and 2(d), the Invitation will specify any Dealing restrictions attaching to some or all Shares that may be allotted and issued or transferred on the grant of an Award (or Shares allocated in respect of an Award) including any Restriction Period applicable to the Shares. For the avoidance of doubt, unless otherwise specified in an Invitation, the Dealing restrictions and Restriction Period applicable to the Shares may continue after the Shares have vested or after a Participant ceases employment within the Group.

(b) If the Invitation consists of an offer of Shares which is intended to satisfy applicable exemption conditions under Subdivision 83A-C of the Tax Act (**Exempt Share Award**), a Share allocated to or on behalf of a Participant will have a Restriction Period until the earlier of:

(i) the end of 3 years after the date of allocation; and

(ii) the time when the Participant ceases to be employed by a Group Company,

or such other period or event required by the Tax Act.

(c) Subject to these Rules, for so long as a Share allotted and issued or transferred to a Participant on the grant of an Award (or in respect of an Award) is subject to any such Dealing restrictions, the Share will be a Restricted Share for the purposes of the Plan and subject to the forfeiture provisions applicable to Restricted Shares set out in clause 6 unless the Board determines otherwise.

(d) The Board may, at its discretion, by notice to the relevant Participant, amend, reduce, lift or waive the Dealing restrictions attaching to Restricted Shares and/or the Restriction Period applying to Restricted Shares in whole or in part at any time and in any particular case, subject to any requirements under Applicable Law (including shareholder approval).

(e) Subject to the terms of the relevant Invitation, a Participant must not Deal with a Restricted Share for so long as it remains a Restricted Share unless:

(i) the Board determines otherwise; or

(ii) the Dealing is required by law (including on death or bankruptcy of a Participant) and the Participant has provided evidence satisfactory to the Board of that fact.

(f) The Board may implement any procedure it considers necessary or appropriate, and each Participant irrevocably authorises the Board on behalf of the Company to implement any such procedure, to enforce and give effect to any Dealing restrictions applying to Restricted Shares (including shares issued to a Participant under a bonus or rights issue pursuant to clause 3) including, without limitation, retain the Holding Statements in relation to the Restricted Shares, imposing a Holding Lock to prevent a transfer of the Restricted Shares or arranging for the Restricted Shares to be held in the Trust.

3 Bonus and rights issues

Unless otherwise specified in an Invitation, a Participant who holds Shares issued or transferred pursuant to the Plan has the same entitlement as any other holder of Shares to participate in any bonus or rights issue, provided however, if the Shares are subject to any Conditions and/or any Dealing restrictions, any shares issued to a Participant under the bonus or rights issue will be subject to these Rules and the same Conditions and Dealing restrictions, unless otherwise determined by the Board.

4 Reorganisations of capital

In the event of any reorganisation (including consolidation, sub-division, reduction, buy back or cancellation) of the issued share capital of the Company, subject to any provision in the ASX Listing Rules, the Board may adjust any or all of the number of Shares issued or transferred to a Participant under the Plan (including Shares allocated in respect of Awards) as the Board deems appropriate regardless of whether or not they are Restricted Shares.

5 Release from restriction

5.1 Release from restriction

Subject to these Rules, at the end of the Restriction Period applicable to Restricted Shares:

(a) the Restricted Shares will cease to be Restricted Shares, and cease to be subject to the Dealing restrictions specified in the relevant Invitation; and

(b) the Board must, subject to clause 5.2(a) and Applicable Law, as soon as reasonably practicable:

(i) procure the delivery of any retained Holding Statements in relation to the Shares to the Participant and/or the lifting of any Holding Lock imposed in respect of the Shares; and/or

(ii) if the Shares have been held in the Trust while they have been Restricted Shares, direct or permit the transfer of legal title to the Shares from the Trustee to the Participant (or such other dealings permitted under the terms of the Trust Deed).

5.2 Cash settlement

(a) On or before the end of the Restriction Period applicable to a Restricted Share, the Board may determine that the Company will pay a cash amount to the Participant equivalent to the "Market Value" of a Share as at the end of the Restriction Period instead of the Participant retaining the Share.

(b) For the purposes of clause 5.2(a), the "Market Value" of a Share will be determined by the Board at its discretion.

(c) The amount in clause 5.2(a), will be paid in cleared funds to or on behalf of the Participant less any Tax required to be withheld and inclusive of any Super Amount.

(d) Where the Board determines that any Shares will be cash settled in accordance with clause 5.2(a), the Company will buy-back and cancel the Shares or deal with the Shares in any other manner determined by the Board, and the Participant must do anything (including execute any document) reasonably required to give effect to the dealing, free from any Security Interest.

(e) The Board may make a decision for the purposes of clause 5.2(a), by notice to the relevant Participant, and in relation to some or all of the Restricted Shares which cease to be subject to Dealing restrictions from time to time or within a specified period (and on a per Share basis).

6 Forfeiture of Shares

6.1 Forfeiture of Shares

(a) Subject to paragraph (b), if a Participant holds a Share allotted and issued or transferred to the Participant under the Plan, unless the Board determines otherwise, the Participant's ownership of that Share will be forfeited by the Participant (or any person claiming through the Participant) to the Company (or otherwise as directed by the Board) on the earliest of:

(i) the date that the Board determines that any Condition in respect of the Share cannot be satisfied;

(ii) the Share being forfeited in accordance with rule 6 of the General Terms (Cessation of employment);

(iii) the Share being forfeited in accordance with rule 7 of the General Terms (Clawback and malus) or the Clawback Policy (if applicable);

(iv) the Share being forfeited in accordance with rule 8 of the General Terms (Change of Control); or

(v) the Participant purporting to enter into any arrangement in respect of the Share in breach of clause 2 of this Schedule 2 (Restrictions on Dealing).

(b) Where Shares are allocated under the Plan and are an Exempt Share Award, those Shares cannot be forfeited by the Participant for any reason.

6.2 On forfeiture

Where a Participant's Shares are forfeited under clause 6.1:

(a) all rights of a Participant under the Plan in respect of those Shares are forfeited;

(b) the Company will buy-back and cancel the Shares or deal with the Shares in any other manner determined by the Board, and the Participant must do anything (including execute any document) reasonably required by the Board to give effect to the forfeiture of Shares under these Rules and any such dealing, free from any Security Interest;

(c) in the case of a Salary Sacrifice Award, the Company will repay the Participant the price actually paid for the grant (if any) of the Shares as at the date of forfeiture; and

(d) unless the Board determines otherwise, the Company will not be liable for any consideration, compensation, damages or other amounts to the Participant in respect of the Shares.

Schedule 3 – Dictionary and interpretation

1 Dictionary

In this document:

Acquiring Company has the meaning given in rule 8.2.

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

(a) the Corporations Act;

(b) for so long as the Company is admitted to the official list of the ASX, the ASX Listing Rules;

(c) the Constitution;

(d) the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth); and

(e) any other legal requirement that applies to the Plan.

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

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

Award means an award made under the Plan in the form or one or more of the awards set out in the Schedules to these Rules.

Board means the board of directors of the Company, any committee of the Board or a duly authorised person or body to which the Board has delegated its powers under the Plan.

Business Day means a day on which banks are open for business in Melbourne, Victoria, excluding a Saturday, Sunday or public holiday.

A **Change of Control Event** occurs where:

(a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and the Board resolves to recommend the bid, or the bid is, or is declared, unconditional;

(b) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement pursuant to which control of the majority of the shares in the Company may change;

(c) an administrator, liquidator, provisional liquidator, receiver or receiver and manager is appointed in respect of the Company or substantially all of the assets of the Company;

(d) a notice of a general meeting of the Company proposing a resolution to voluntarily wind-up the Company is dispatched to members of the Company; or

(e) any transaction or event is proposed that, in the opinion of the Board, is likely to result in one or more persons becoming entitled to exercise control over the Company.

Clawback Policy means any clawback policy adopted by the Company as amended from time to time.

Company means Qualitas Limited (ACN 655 057 588).

Condition means any performance, service and/or other condition that must be satisfied in relation to a grant of Awards (whether prior to any grant, including a matching grant, or as a condition of vesting or exercise).

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

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

Deal or Dealing means, in relation to an Award, a sale, transfer, gift or other disposal, or entry into a Derivative in relation to the Award, or the grant or disposal of an option to dispose of the Award, or the use of the Award as security or the grant of any encumbrance over the Award, or the engagement in any other transaction involving a beneficial interest or a change in the legal or beneficial ownership of the Award, or the entry into any agreement to do any of the above things.

Derivative includes derivatives within the meaning given in section 761D of the Corporations Act (such as options, forward contracts, swaps, futures, warrants, caps and collars) and any other transaction or arrangement that operates to limit the economic exposure associated with holding an Award.

Dividend Equivalent Payment means, in relation to an Option or Right, a payment in cash or in Shares that is equivalent to the value of dividends that would have been payable to the Participant had they been the holder of the underlying Shares over which the Option or Right is exercisable during a period determined by the Board.

Eligible Employee means a person employed by the Group, which can also include a director and/or non-executive director of the Group, or a contractor or prospective employee of the Group, or other person the Board in its discretion determines to be eligible to participate in the Plan.

Exempt Share Award has the meaning given in clause 2(b) of Schedule 2.

Exercise Price means the amount (if any) payable by the holder of an Option or Right on the exercise of the Option or Right, being the amount specified in, or otherwise determined in accordance with, the relevant Invitation (subject to any adjustment in accordance with these Rules).

Expiry Date means, in respect of an Option or Right, the date 15 years from the date of the grant of the Option or Right, or such other date determined by the Board and specified in the Invitation, after which the Option or Right lapses and may no longer be exercised.

Group means the Company and its direct and indirect subsidiaries and "**Group Company**" means any member of the Group.

Holding Lock means a mechanism arranged or approved by the Board and administered by or on behalf of the Company (including through its share registry or the Trustee) that prevents Shares being disposed of by a Participant.

Holding Statement means a statement issued by the share registry of the Company detailing a Participant's holding of Shares.

Invitation means an invitation to an Eligible Employee to participate in the Plan on the terms and conditions of these Rules and the Invitation.

Option means an option granted under this Plan, to acquire a number of Shares (as specified in, or otherwise determined in accordance with, the relevant Invitation) or, subject to any discretion conferred on the Board in the Invitation, to receive a cash amount equivalent to the value of such number of Shares as determined in accordance with the Invitation, on and subject to these Rules and the terms of the Invitation.

Participant means an Eligible Employee who has accepted an Invitation.

Performance Period means the period or periods over which the Conditions are assessed as specified by the Board for the purposes of each Award.

Plan means any employee equity plan established and operated in accordance with these Rules.

Related Body Corporate has the meaning set out in the Corporations Act.

Restricted Shares means a Share received under the Plan which is subject to Dealing restrictions under these Rules or the terms of the relevant Invitation.

Restriction Period means the period during which Awards granted under the Plan or Shares allocated in respect of Awards are subject to Dealing restrictions under these Rules and the terms of the relevant Invitation.

Right means a conditional right granted under this Plan to receive a number of Shares (as specified in, or otherwise determined in accordance with, the relevant Invitation) or, subject to any discretion conferred on the Board in the Invitation, to receive a cash amount equivalent to the value of such number of Shares as determined in accordance with the Invitation, on and subject to these Rules and the terms of the Invitation.

Rules means these rules, and clauses of the schedules to these rules, in respect of the establishment and operation of the Plan as amended from time to time.

Salary Sacrifice Award means any Award that is granted on the Condition that the Participant sacrifices an amount of their pre-tax or post-tax salary or fees.

Security Interest means any mortgage, pledge, charge, lien, encumbrance, assignment, security, interest, preferential right, set-off or any other security arrangement.

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

Super Amount means any superannuation contribution required to meet the minimum amount required to be contributed by a Group Company under applicable law to avoid the imposition of a superannuation guarantee charge.

Tax or **Taxes** means a tax, levy, impost, charge, deduction, withholding or duty of any nature (including stamp and transaction duty) imposed or levied by any government agency or required to be remitted to, or collected, withheld or assessed by, any government agency, together with any related interest, penalty, fine, expense or other charge on those amounts.

Tax Act means the *Income Tax Assessment Act 1997* (Cth).

Trading Policy means the Company's securities trading policy as amended from time to time.

Trust has the meaning given in rule 11(a).

Trustee has the meaning given in rule 11(a).

Trust Deed has the meaning given in rule 11(a).

2 Interpretation

In this document the following rules of interpretation apply unless the contrary intention appears:

(i) headings are for convenience only and do not affect the interpretation of this document;

(ii) the singular includes the plural and vice versa;

(iii) words that are gender neutral or gender specific include each gender;

(iv) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;

(v) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;

(vi) a reference to:

(A) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;

(B) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;

(C) a party includes its successors and permitted assigns;

(D) a document includes all amendments or supplements to that document;

(E) a rule, clause, term, party, schedule or attachment is a reference to a rule, clause or term of, or party, schedule or attachment to this document;

(F) this documents includes all schedules and attachments to them;

(G) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable financial market and is a reference to that law as amended, consolidated or replaced; and

(H) a monetary amount is in Australian dollars;

(vii) where the Board appoints a Trustee to hold Awards under the Plan in accordance with rule 11, any reference to a Participant in any rule of this Plan will mean the Trustee on behalf of that Participant;

(viii) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day; and

(ix) in determining the time of day, where relevant to this document, the relevant time of day is:

(A) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or

(B) for any other purpose under this document, the time of day in the place where the party required to perform an obligation is located.