

TERMS & CONDITIONS OF THE
2018 PACIFIC STAR NETWORK PERFORMANCE SHARE RIGHTS PLAN

1 INTRODUCTION

1.1 Name of the Plan

This Plan is called the “2018 Pacific Star Network Performance Share Rights Plan”.

1.2 Object of the Plan

The object of the Plan is to:

- (a) provide Participants with an incentive plan which recognises their ongoing contribution to the achievement by PNW of long term strategic goals;
- (b) establish an employee share scheme as stated in clause 1.3;
- (c) align the interests of Participants with Shareholders through the sharing of a personal interest in the future growth and development of PNW as represented in the price of PNW Shares; and
- (d) provide a means of attracting and retaining skilled and experienced employees.

1.3 Tax Purpose

This Plan is a Plan to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in that Act).

1.4 Amendments to the Tax Act

If the Tax Act is amended to vary the nature and/or terms of operation or the conditions under which Subdivision 83A-C of the Tax Act applies, the Plan (including but not limited to clause 1.3) will automatically be deemed to have been amended (on and from the date of the change to the Tax Act) so that Invitations and the Plan are consistent with the requirements that must be satisfied for Subdivision 83A-C of the Tax Act to apply.

2. DEFINITIONS AND INTERPRETATIONS

2.1 Definitions

In these Terms & Conditions unless the context otherwise requires:

“**Administrator**” means any person engaged by the Board to carry out the day-to-day administration of the Plan as contemplated by clause 1.1(1)(e).

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

- (a) the Corporations Act;
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the Tax Act;
- (e) any practice note, policy statement, class order, declaration, guideline, policy, procedure, ruling or other guidance note made to clarify or expand (a), (b), (c) or (d) above; and

(f) any other legal requirement that applies or may apply to the Plan.

“Application Form” means a response to an Invitation which may need to be completed in such form as determined by the Board and returned to the nominated address or by electronic means by an Eligible Employee.

“ASIC” means the Australian Securities and Investments Commission.

“ASTC Settlement Rules” means the operating rules of ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

“associates” has the meaning given in section 12 of the Corporations Act;

“ASX” means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange market conducted by it, as the context requires.

“Board” means the board of directors of PNW or a person to whom any authority has been delegated under clause 1.1(1)(c).

“Business Day” means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Victoria, Australia and is a trading day under the Listing Rules.

“Constitution” means the Constitution of PNW.

“Control” of an entity means having the right to vote 50% (or more) of the votes that may be cast at a general meeting of the members of PNW.

“Control Event” means any of the following:

- (a) an offer is made by a person for the whole of the issued Share capital of PNW (or any part as is not at the time owned by the offeror or any associate of the offeror) and the offeror acquires a relevant interest in more than 50% of the Shares on issue and the offer becomes unconditional;
- (b) a scheme of arrangement under section 411 of the Corporations Act under which a person (being a person who does not Control PNW) will acquire Control of PNW becomes effective; or
- (c) any other event which the Board reasonably considers has the characteristics of and should be regarded as a Control Event in respect of PNW.

“Corporations Act” means the *Corporations Act 2001* (Cth) and any regulations made under that Act.

“Date of Registration” means:

- (a) with respect to a Right, the date that the Right is granted to the Participant, as determined by PNW; and
- (b) with respect to Shares means the date of issue or recording of the Participant in the register of members in respect of the Shares under the ASTC Settlement Rules.

“Eligible Employee” means any employee, contractor or executive director of the Group whom the Board decides in its absolute discretion is eligible to be invited to receive a grant of Rights in the Plan from time-to-time and who is not prohibited from participating in the Plan by virtue of these Terms & Conditions.

“Grant Date” means the date determined by the Board and specified in the Invitation being either:

- (a) the date on which the Rights will be granted; and/or
- (b) the basis on which the date on which the Rights will be acquired is to be determined.

“Group” means PNW and its Related Bodies Corporate.

“Invitation” means an invitation to apply for Rights made under clause 3.1.

“Legal Personal Representative” means:

- (a) the executor of the will or an administrator of the estate of a deceased person;
- (b) the trustee of the estate of a person under a legal disability;
- (c) a person who holds an enduring power of attorney granted by another person;
or
- (d) any beneficiary of the estate of the deceased person as nominated by the executor, administrator or trustee.

“Listing Rules” means the official listing rules of the ASX as they apply to PNW.

“Participant” means a person who is the holder of a Right under this Plan and includes, as applicable, the Legal Personal Representative of the person.

“Performance Hurdle” means, in relation to a Participant, the performance measures, hurdles and tenure conditions (if any) contained within the Rules (including as set out in an Invitation) that must be satisfied before a Right may vest (and entitle the Participant to acquire Shares or be paid cash, as relevant).

“Performance Period” means the period contained in the Rules for satisfaction of the Performance Hurdle.

“Permanent Disability” means the inability, by reason of physical condition, mental illness or accident, of the Participant to perform substantially all of the duties of the position in which the Participant has been employed or appointed (as determined by the Board acting reasonably).

“Plan” means the 2018 Pacific Star Network Performance Share Rights Plan established and operated in accordance with these Terms & Conditions (and for the avoidance of doubt, also in accordance with any additional Terms & Conditions made pursuant to clause 1.1(1)(a) and any Rules made pursuant to clause 12).

“PNW” means Pacific Star Network Limited (ABN 20 009 221 630).

“Qualifying Event” means, in relation to a Participant, the cessation of employment of the Participant with the Group due to his or her death or Permanent Disability, or subject to the Rules, retrenchment by reason of redundancy.

“Reconstruction” means any consolidation, subdivision, reduction, capital return, share split, buy back or cancellation or other change in the Share capital of PNW.

“Related Bodies Corporate” means a subsidiary of PNW as determined under the Corporations Act.

“Right” means a right granted under this Plan to:

- (a) acquire one Share; or

(g) the cash equivalent of the value of one Share if the Invitation provides the Board with discretion to provide one Share or to pay the cash value of one Share, as set out in the applicable Invitation and / or Rules, on vesting of the Right where such vesting is permitted by and in accordance with this Plan.

“**Rules**” means the rules made by the Board pursuant to clause 12 and for the avoidance of all doubt includes any terms or conditions to the Rights as contained within any Invitation or Application Form.

“**Shares**” means fully paid ordinary shares in PNW.

“**Shareholder**” means a holder of Shares in PNW.

“**Security Interest**” means a mortgage, charge, assignment by way of security, pledge, lien, hypothecation, title retention arrangement, or encumbrance.

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

“**Tax Act**” means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) and any amendments thereto or any additional legislation as it applies to employee share schemes as defined under the Tax Act.

“**Terms & Conditions**” means these terms and conditions governing the Plan as amended from time to time, and for the avoidance of doubt, includes any additional Terms & Conditions made pursuant to clause 1.1(1)(a).

“**Third Party Right**” means:

- (a) any third party interest, including a Security Interest, preferential right or a trust arrangement;
- (b) any arrangement having a commercial effect equivalent to anything in paragraph (a); and
- (c) any agreement to create an interest described in paragraph (a) or an arrangement described in paragraph (b).

“**Vesting Date**” means the date on which a Right may vest as specified under the Rules or as amended by the Board under these Terms & Conditions, and if that date falls on a non-Business Day, the Vesting Date shall be the next Business Day.

2.2 Interpretation

In these Terms & Conditions unless the contrary intention appears:

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

- (e) reference to any document or agreement includes reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (f) where any word or phrase is given a defined meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (g) reference to a rule or paragraph is a reference to a rule or paragraph of these Rules, or the corresponding Rule or Rules of the Plan as amended from time to time;
- (h) a reference to the Constitution includes a reference to any provision having substantially the same effect which is substituted for or replaces the Constitution;
- (i) the term “acquired” in relation to Shares, and grammatical variations of that term, where used in these Terms & Conditions, refer to Shares being transferred or issued, as the case may be;
- (j) where a Participant is a director of a company in the Group, but is not also an employee of a company in the Group, a reference to the employment with a company in the Group of that Participant is a reference to that Participant holding office as a director of a company in the Group;
- (k) a Participant does not cease to be employed by a company in the Group where the Participant ceases to be employed by a company in the Group, but contemporaneously commences employment with another company in the Group;
- (l) reference to time is a reference to the time in Melbourne, Australia;
- (m) where an act or thing must be done on a particular day or within a particular period, that act or thing must be done before, and that period ends at, 5.00pm on the relevant day;
- (n) these Terms & Conditions are to be interpreted in a manner that is consistent with the objects of the Plan stated in clause 1.2; and
- (o) this Plan is intended to comply with the tax deferral conditions of the employee share scheme provisions set out in the Tax Act and in the event of any ambiguity, these Terms & Conditions and Rules are to be interpreted so that the Plan complies with the tax deferral conditions set out in the Tax Act.

2.3 Headings

Headings in this document are for convenience only and do not affect its meaning.

2.4 Omission of certain provisions

If (but for this clause) a provision of this document would be illegal, void or unenforceable or contravene the law, this document is to be interpreted as if the provision was omitted.

3. OPERATION OF THE PLAN

3.1 Invitation to participate

Subject to these Terms & Conditions, the Board may from time to time make an Invitation to an Eligible Employee to participate in the Plan and grant Rights to an Eligible Employee.

3.2 Rights issued only to Eligible Employees

No Rights may be granted to a person under the Plan unless the person is an Eligible Employee as at the Grant Date.

3.3 One Share one Right

Subject to the adjustment under clause 7.3 and the terms of the relevant Invitation, each Right provides to its holder the right to:

- (a) acquire one Share by way of issue or transfer; or
- (b) the cash equivalent of the value of one Share if the Invitation provides the Board with discretion to provide one Share or to pay the cash value of one Share.

3.4 Form of Invitation

An Invitation may be in such form and specify the content as the Board determines, including, if applicable:

- (a) the number of Rights;
- (b) the expected Grant Date;
- (c) the time period by which the Application Form must be received by the Board;
- (d) the Performance Hurdle(s) (if any);
- (e) the Performance Period (if any); and
- (f) the Vesting Date(s).

A copy of the Plan must accompany each Invitation.

3.5 Rights subject to the Plan

Rights will at all times be subject to these Terms & Conditions and the Rules.

3.6 Binding nature of these Terms & Conditions

The Plan shall operate in accordance with these Terms & Conditions, which binds the Group and each Participant.

3.7 Invitations personal

An Invitation under the Plan is personal to the Eligible Employee to whom it is made and, accordingly, the Invitation may only be accepted by, and Rights may only be issued to, the Eligible Employee to whom the Invitation is made.

3.8 Application for Rights

- (a) An Eligible Employee may accept the Invitation by giving to PNW an Application Form within the period specified in the Invitation.
- (b) The Invitation may only be accepted in its entirety, and not in part, unless the Board determines otherwise, in its absolute discretion.
- (c) An Invitation not accepted in accordance with clause 1.1(1)(a) lapses unless the Board determines otherwise.

3.9 Issue of Rights

- (a) PNW may, within 30 days after receiving a duly completed Application Form from an Eligible Employee but subject to the conditions of the Invitation:
 - (i) accept the Application Form; and
 - (ii) issue to the Eligible Employee all of the Rights the subject of the Application Form.
- (b) An Eligible Employee becomes a Participant and is bound by the Rules when PNW issues Rights to that Eligible Employee.

3.10 Issue or On-Market Acquisition of Shares

Any Shares to be acquired by a Participant on vesting of a Right under the Plan may be delivered to a Participant at the absolute discretion of the Board, by either the issue to or transfer of Shares to the Participant, or a combination thereof.

3.11 Ranking of Shares

Shares delivered under the Plan (upon vesting of Rights) will rank equally with all existing Shares on and from the Date of Registration in respect of all Shareholder entitlements (including rights issues, bonus issues and dividends) which have a record date for determining entitlements on or after the Date of Registration.

3.12 Quotation of Shares and Rights

- (a) If Shares acquired under the Plan are not quoted by ASX, PNW must apply for quotation of those Shares by ASX, as soon as practicable after the issue of those Shares.
- (b) Rights will not be quoted on the ASX or any other public securities exchange.

4. LIMITATIONS ON OFFERS OF RIGHTS

4.1 Overriding Restrictions

Notwithstanding anything else in these Terms & Conditions, the Plan must be operated in accordance with the Constitution, any applicable law, the Listing Rules and the ATSC Settlement Rules.

4.2 No assignment

Unless the Board determines otherwise, a Participant must not transfer or assign to any other person any of their legal or equitable rights to Rights held under the Plan, except to a Participant's Legal Personal Representative.

4.3 Third Party Rights over Rights

Participants must not grant any Third Party Rights over or otherwise deal with any Right or Shares which may be acquired upon vesting of a Right or in any way hedge or otherwise limit their exposure to loss of the Right or reduction in value of the Shares that may be acquired on vesting of the Right.

4.4 Expiry or Lapse of Rights

Unless otherwise specified in the Invitation, Rights of a Participant will expire or lapse on the earlier of:

- (a) a Vesting Date to the extent that the Performance Hurdles applied or tested in respect of the Rights applicable to that Vesting Date are not satisfied;
- (b) a Control Event occurring:
 - (i) to the extent that any Rights are not eligible to vest in connection with the Control Event occurring; and
 - (ii) in respect of any Rights that are eligible to vest on a Control Event occurring, to the extent that the Performance Hurdles applied or tested on the date on which that Control Event occurs are not satisfied (unless otherwise determined by the Board);
- (c) a Reconstruction, but only in relation to those Rights which must be cancelled in accordance with the requirements of clause 7.3;
- (d) the termination or resignation of employment of a Participant, subject to a determination of the Board in accordance with clause 6.4;
- (e) the Participant undertaking any action that is prohibited by these Terms & Conditions or by the Rules; or
- (f) the 12 month anniversary after the date of vesting, unless exercised before that date.

4.5 Effect of Expiry or Lapse

On the expiry or lapse of a Right, all rights of a Participant under the Plan in respect of that Right cease and no consideration or compensation will be payable for or in relation to that expiry or lapse of the Right.

5. STATEMENT

PNW or its agent must maintain a register of Rights and provide, or make available to a Participant:

- (a) a statement or other record of Rights held at the time of each grant of Rights and on vesting, expiry or lapse of Rights if requested in writing by the Participant; and
- (b) as applicable, a holding statement for Shares acquired on vesting of Rights supplied in accordance with the ASTC Settlement Rules.

6. VESTING OF RIGHTS

6.1 No Interest

A grant of Rights does not confer any legal or equitable interests in Shares until the Rights vest and the Shares are acquired by the Participant (where the Rights entitle the Participant to Shares).

6.2 Shareholder entitlements

Rights do not confer on the Participant that holds those Rights any benefit or entitlement other than as stated in these Terms & Condition or the Rules. There is no entitlement to

dividends on Rights or to any entitlements attaching to Shares until Rights have vested and the relevant Shares have been acquired by the Participant.

6.3 Vesting and Acquisition of Shares

Subject to the applicable Invitation, Rights which have not expired or lapsed under clause 4.4 will on the later of the Vesting Date or the date of the determination by the Board as to the satisfaction of any Performance Hurdles, vest and, subject to the Rules, PNW or any member of the Group, will, as applicable, at the election of the Board issue, or procure the purchase or transfer of and deliver, to a Participant the number of Shares to which a Participant is entitled in respect of the vesting of the Rights under the terms of this Plan.

6.4 Qualifying Reason

The Board may, either at its discretion or as it may have prescribed in the Rules, on or after the occurrence of a Qualifying Event, vary the Vesting Date or waive or vary any Performance Hurdles or Performance Period or a combination of these things to allow the vesting of Rights.

7. PRO-RATA ISSUES, RECONSTRUCTIONS OF CAPITAL, TAKEOVERS AND TERMINATION BENEFITS

7.1 No Right as Participant to Participate in Issues

A Participant is not entitled, by virtue of any Rights that it holds, to participate in:

- (a) new issues of Shares or other securities to Shareholders;
- (b) bonus issues of Shares or other securities to Shareholders; or
- (c) any pro-rata issue of Shares or other securities to Shareholders.

7.2 Participant rights as Shareholder

To the extent that the Participant or any party related to the Participant is a Shareholder, the Participant is entitled to participate, and nothing in these Terms & Conditions or the Plan prohibits the Participant from participating, subject always to any Applicable Laws, in any event of the nature listed in paragraphs (a), (b) or (c) of clause 7.1.

7.3 Reconstructions

In the event that, prior to the vesting of Rights, there is a Reconstruction,

- (a) the Rights and Shares (or, in accordance with clause 3.3, the cash equivalent of the value of the Shares) to which each Participant is entitled will be reconstructed in the following manner:
 - (i) in a consolidation of Shares – the number of Rights must be consolidated in the same ratio as the Shares;
 - (ii) in a sub-division of Shares – the number of Rights must be sub-divided in the same ratio as the Shares;
 - (iii) in a return of capital where no Shares are cancelled – the number of Rights must remain unaltered;
 - (iv) in a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no Shares are cancelled – the number of Rights must remain unaltered;

- (v) in a pro rata cancellation of Shares – the number of Rights must be reduced in the same ratio as the Shares; and
 - (vi) in any other case – the number of Rights must be reorganised so that the Participant will not receive a benefit that Shareholders do not receive. This rule does not prevent a rounding up of the number of Shares to be received on vesting if the rounding up is approved at the Shareholders' meeting which approves the reorganisation in respect of Shares; and
- (b) the rights of the Participant will be changed to the extent necessary to comply with the Listing Rules applying to the Reconstruction.

7.4 Control Event

If there is a Control Event, the Board shall, subject to the Listing Rules, give written notice to each Participant as soon as is practically possible after the occurrence of the Control Event that states:

- (a) the date on which the Control Event occurred;
- (b) the total number of Rights that the Participant held on the date the Control Event occurred, and from that number of Rights:
 - (i) the number of Rights that, according to the Rules, expire or lapse due to the Control Event occurring; and consequently
 - (ii) the number of Rights that were eligible to vest on the Control Event occurring (being the balance of the total number of Rights held by that Participant on the date on which the Control Event occurred) (**Control Event Rights**); and
 - (iii) in respect of the Control Event Rights, how many of the Control Event Rights vested based on the Board's application of the Performance Hurdles to the Control Event Rights, and consequently how many of those Control Event Rights expired or lapsed (being the balance of the Control Event Rights).

7.5 Termination Benefits

Nothing in these Terms & Conditions authorises the Board to provide any benefit to a Participant that, without Shareholder approval, would be prohibited under the Corporations Act or the Listing Rules.

8. ADMINISTRATION OF THE PLAN

8.1 Amendment

Subject to clause 4.1, these Terms & Conditions may be amended at any time and from time-to-time by the Board, unless such amendment materially adversely affects the rights of any Participant (unless agreed by the Participant) in respect of Rights granted to the Participant prior to the date of the amendment.

8.2 Permitted Reduction of rights

Notwithstanding clause 8.1, the Board may amend the provisions of these Rules where:

- (a) an amendment is introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;
 - (ii) to correct any manifest error or mistake; or
 - (iii) to enable PNW to comply with Applicable Laws; or
- (b) the amendment is agreed in writing by the Participants.

8.3 Listing Rules

No amendment may be made that would not be consistent with the Listing Rules.

8.4 Powers of the Board

Subject to clauses 4.1 and 8.1, the Plan will be managed by the Board, which will have power to:

- (a) make and amend existing and/or additional Terms & Conditions and/or procedures for the operation, control and administration of the Plan and any matter incidental to the Plan;
- (b) determine matters falling for determination in connection with the Plan or the Rules;
- (c) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its functions, powers or discretions arising under the Plan;
- (d) establish a trust, if required, to acquire, hold and deliver Shares under the Plan, the establishment of such trust to be governed by a separate trust deed;
- (e) appoint (and remove) an Administrator to administer the Plan and determine the terms and conditions of the Administrator's appointment (and removal), the appointment (and removal) of an Administrator to be governed by a separate agreement; and
- (f) delegate to the Managing Director or the Chairman of the Board the authority to approve in writing the taking of such action as may be reasonably necessary or desirable to implement or effect the Plan (and where the action involves the Managing Director's interests in PNW securities, the Chairman is delegated authority to approve in writing the action and the Managing Director is precluded from receiving or acting upon any such delegation), including without limitation:
 - (i) determining the method of allocation of Shares for the purposes of clause 3.7 and clause 6.3; and
 - (ii) should Shares be acquired on-market in accordance with Clause 3.7, authorising the purchase (on-market) of the Shares and causing their registration in the name of Participants.

8.5 Discretion

A determination, decision, approval or opinion of the Board under these Terms & Conditions (or any additional Terms & Conditions made under clause 1.1(1)(a) or Rules made under clause 12) is in the absolute discretion of the Board acting reasonably.

8.6 Commencement of Plan

The Plan will take effect on and from the date of approval of the Plan by the Board.

8.7 Termination or suspension of Plan

The Board may terminate or suspend the operation of the Plan at any time, provided that termination or suspension does not affect or prejudice a Participant's Rights or rights under the Plan existing at that time.

8.8 Disclosure of Information

PNW and/or the Administrator may disclose such information of a Participant as required by the Tax Act to any relevant government authority including, without limitation, a Participant's tax file number, number or value of Rights granted and/or vested, and number of Shares issued.

9. EMPLOYMENT RIGHTS

9.1 No entitlements

No compensation under any employment contract will arise as a result of any matter relating to this Plan or Rights generally or Shares acquired under it. Participation in the Plan does not give rise to any entitlement to participate in the Plan at any subsequent time.

9.2 No right to acquire Shares

Participation in the Plan does not confer on any Participant any right to acquire Shares under the Plan, other than under and in accordance with the Plan and the Rules.

9.3 Calculation of employee benefits

The value of Rights or Shares (as the case may be) allocated under the Plan does not increase a Participant's income for the purpose of calculating any employee benefits.

9.4 No right to future employment

Participation in the Plan does not confer on any Participant any right to continue as an employee of the Group.

9.5 Termination of employment

Participation in the Plan does not affect any rights which the Group may have to terminate the employment of any Participant. Nothing in the Terms & Conditions, including participation in the Plan, may be used to increase damages in any action brought against the Group in respect of any termination of employment with the Group.

10. NOTICES

10.1 Notice to Participants

Any notice or direction given under these Terms & Conditions is validly given to a Participant if it is handed to the Participant concerned or sent by ordinary prepaid post to

the Participant's last known address or sent to the email address last notified by the Participant or if no such address is notified then the Participant's PNW email address.

10.2 Notice to PNW

Any notice given by a Participant to PNW under these Terms & Conditions must be given in writing and delivered to the Company Secretary of PNW by hand, post or by email and if by email to the PNW email address of the Company Secretary.

10.3 Receipt of notices

Notices are taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, five Business Days after the date of posting;
- (c) if by electronic mail, when the electronic communication enters the recipient's information system(s).

11. PLAN COSTS AND EXPENSES

11.1 Costs of PNW

PNW must pay all costs relating to the establishment and operation of the Plan, including all costs and expenses in relation to the delivery of the Rights and/or Shares except that PNW is not responsible for any Taxes which may become payable by a Participant in connection with the Rights or Shares (as the case may be) or any other dealing with the Rights or Shares (as the case may be).

11.2 Costs of Participants

Each Participant will pay all costs and expenses in relation to the sale, transfer or other disposal of any Shares acquired upon vesting of Rights under the Plan and to any advice a Participant seeks in relation to its participation in the Plan or issue of any Rights or Shares under the Plan.

11.3 Withholding Tax

PNW or any Group company may withhold from amounts otherwise owing to a Participant, or require the Participant to remit to it, an amount sufficient to satisfy all withholding tax obligations and any government imposts, in respect of any or all of the Rights issued, or Shares issued or transferred on vesting of the Rights, or cash equivalent payment, under the Plan.

12. RULES

Subject to clause 8.1, the Board may apply, make and/or amend Rules for the operation of the Plan or its application to an individual Eligible Employee, not inconsistent with these Terms & Conditions and those Rules shall apply for each grant of Rights.

13. GOVERNING LAW AND JURISDICTION

The laws of the State of Victoria, Australia, govern these Terms & Conditions and the rights of the Participants thereunder. Each Participant irrevocably and unconditionally

submits to the exclusive jurisdiction of the courts of the State of Victoria, Australia and courts entitled to hear appeals from those courts.