

Long Term Incentive Plan Rules

4DMedical Limited

Approved by the Board of 4DMedical Limited on 12 June 2020.

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Long Term Incentive Plan Rules

1. Definitions and interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

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 *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth);
- (e) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b) and (d) above; and
- (f) any other legal requirement that applies to the Plan, including but not limited to, all other securities, corporate and taxation laws which may apply as a result of the jurisdiction in which a Participant resides or is located;

Application means an application by an Eligible Employee to participate in the Plan made in response to an Invitation Letter;

ASIC means the Australian Securities and Investments Commission;

Associated Entity has the meaning given to it under section 50AAA of the Corporations Act;

ASX means the ASX Limited ABN 98 008 624 691 trading as the Australian Securities Exchange;

Board means the board of Directors, a committee appointed by the board of Directors as constituted from time to time, or any person who is provided with delegated authority by the board of Directors from time to time, as delegated in accordance with clause 23.2;

Business Day means a day on which banks are open for general banking business in Victoria;

Buy-Back means the purchase by the Company of Options or Performance Rights prior to their exercise, or the buy-back by the Company of Plan Shares pursuant to clause 21.6;

Cancel means the deletion of Options, Performance Rights and/or Plan Shares by the Company for payment of any consideration to the relevant Participant as required under clause 14 and **Cancellation** and **Cancelled** has a similar meaning;

Certificate means any certificate or holding statement issued by the Company to a Participant in respect of an Option or a Performance Right (as the case may be);

Change of Control Event means:

- (a) where a person or entity becomes a legal or beneficial owner of 50% or more of the issued share capital of the Company;
- (b) where a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued share capital of the Company; or
- (c) the Board determines that there are circumstances that have occurred or are likely to occur which will result in significant changes to the structure or control of the Company which may adversely affect the value of the Options and Performance Rights;

Company means 4DMedical Limited ACN 161 684 831;

Constitution means the constitution of the Company, as amended from time to time;

Corporations Act means the *Corporations Act 2001* (Cth) and its accompanying regulations;

Director means a director of any member of the Group;

Eligible Employee means:

- (a) any Director or Employee who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options and/or Performance Rights under the Plan; or
- (b) any other person who provides services to any member of the Group and who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options and/or Performance Rights under the Plan; or
- (c) any person, who is a related person (as defined in section 1100L(1)(b) of the Corporations Act) of a person referred to in paragraph (a) or (b) above;

Eligible Leaver means a Participant who ceases employment or office with any member of the Group and is not an Ineligible Leaver;

Employee means a full-time or part-time employee of any member of the Group;

Exercise Period means the period up to the Expiry Date during which a vested Option may be exercised, and as determined by the Board under clause 7.1;

Exercise Price means the exercise price (if any) payable by a Participant to acquire a Plan Share upon the exercise of an Option as specified by the Board in the Invitation in its sole and absolute discretion;

Expiry Date means:

- (a) the date 15 years from the Grant Date of the Options or Performance Rights (as the case may be); or
- (b) any other date determined by the Board and as specified in the Invitation Letter,

after which the Options and/or Performance Rights lapse and may no longer be exercised;

Fee means any fee payable by a Participant to the Company on the grant of an Option and/or Performance Right to the Participant, and as determined by the Board in its sole and absolute discretion;

Forfeiture Conditions means any criteria, requirements or conditions as determined by the Board (as specified in the Invitation Letter) or under these Rules which if met (notwithstanding the satisfaction or waiver of any Performance Hurdles or Vesting Conditions) will result in a Participant forfeiting Options and/or Performance Rights (as the case may be);

Grant Date means the date on which Options or Performance Rights (as the case may be) are granted to a Participant following the acceptance of an Application;

Group means the Company and its Related Bodies Corporate;

Ineligible Leaver means, unless otherwise determined by the Board in its sole and absolute discretion, a Participant who ceases employment or office with any member of the Group in any of the following circumstances:

- (a) the Participant resigns from their employment or office (other than as a result of ill health or a genuine retirement);
- (b) the employment of the Participant is terminated due to poor performance; or
- (c) the Participant's employment is terminated, or the Participant is dismissed from their office, for any of the following reasons:
 - (i) the Participant has committed any serious or persistent breach of the provisions of any employment or director contract entered into by the Participant with any member of the Group;
 - (ii) the Participant has become disqualified from managing corporations or has committed any act that may result in the Participant being banned from managing a corporation under any Applicable Law; or
 - (iii) the Participant has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice;

Invitation means an invitation to an Eligible Employee to apply for the grant of Options and/or Performance Rights (as the case may be) under these Rules;

Invitation Letter means a letter from the Company to an Eligible Employee, which contains the Invitation;

Issued Capital means issued ordinary shares whether fully paid or not of the Company;

Last Withdrawal Date means the seven year anniversary of the Grant Date of an Option or a Performance Right (as the case may be);

Listing Rules means the listing rules, market rules or operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation, including but not limited, the listing rules of the ASX;

Market Value means:

- (a) in relation to Options and Performance Rights, a value determined by application of a valuation methodology approved by the Board; and
- (b) in relation to Plan Shares, the average 'market price' (as that term is defined in the ASX Listing Rules) per Share (weighted by reference to volume) during the previous five trading days;

Nominal Consideration means the payment to a Participant of \$10;

Notice of Exercise means a notice of exercise of Options in the form determined by the Board from time to time;

Option means an option granted under this Plan to subscribe for, acquire and/or be allocated (as determined by the Board in its sole and absolute discretion) one Plan Share subject to the satisfaction of any Vesting Conditions and/or Performance Hurdles, and payment of the relevant Exercise Price (if any);

Participant means a person who has been offered Options and/or Performance Rights and who has returned a corresponding Application to the Company that has been accepted (or is deemed to be accepted) by the Company pursuant to these Rules;

Performance Hurdles means any ongoing minimum performance requirements (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Options and/or Performance Rights (as the case may be) vesting in a Participant;

Performance Right means an entitlement of a Participant granted under this Plan to subscribe for, acquire and/or be allocated (as determined by the Board in its sole and absolute discretion) one Plan Share subject to the satisfaction of any Vesting Conditions and/or Performance Hurdles. For the avoidance of doubt, a Performance Right has a nil Exercise Price;

Plan means the 4DMedical Limited Long Term Incentive Plan established in accordance with these Rules;

Plan Share means any Share issued or transferred to a Participant upon exercise of an Option, or any Share issued or transferred to a Participant upon automatic exercise of a Performance Right;

Related Body Corporate has the meaning given in section 9 of the Corporations Act;

Rules means these rules in respect of the operation of the Plan, as amended from time to time and includes all addendums and schedules to these rules;

Securities has the meaning given in the ASX Listing Rules;

Securities Trading Policy means the Company's Securities Trading Policy as amended from time to time;

Security Interest means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature;

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

Shareholder means any holder of Issued Capital of the Company;

Shareholder Approval means any prior consent or affirming resolution that needs to be obtained from Shareholders before an action is taken or determination made under these Rules;

Term means the period commencing on the Grant Date and ending on the Expiry Date (inclusive);

Trust means the "4DMedical Employee Share Trust", being an employee share trust established by the Company for the sole purpose of subscribing for or acquiring, delivering, allocating and holding Plan Shares for the benefit of Participants and participants in the Plan and any other employee equity plans established by any member of the Group from time to time;

Trust Deed means the trust deed entered into between the Company and the Trustee on or around 17 July 2020 (as amended);

Trustee means **Pacific Custodians Pty Limited** ACN 009 682 866 of 680 George Street, Sydney NSW 2000, which has been appointed by the Company, and which agrees to act, as the initial trustee of the Trust on the terms and conditions set out in the Trust Deed;

Vesting Condition means any time based requirement or condition (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Options and/or Performance Rights (as the case may be) vesting in a Participant;

Vesting Notification means a notice from the Board to a Participant informing the Participant that the Participant's Options have vested and are exercisable and/or that the Participant's Performance Rights have vested and will be automatically exercised; and

Withdrawal Notice means a written notice given by a Participant to the Company requesting that some or all of the Participant's Plan Shares held by the Trustee on behalf of the Participant be sold or transferred to the Participant or as that Participant directs, which notice must:

- (a) be signed by the relevant Participant;
- (b) specify the number of Plan Shares to be sold or transferred; and
- (c) be in the form set out in the Schedule or as otherwise approved by the Board.

1.2 Interpretation

In these Rules, unless otherwise stated or the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes all genders;
- (c) a reference to any legislation includes any modification or replacement of it and all regulations and statutory instruments issued under it and a reference to any provision of any legislation includes any modification or substitution of it;
- (d) a reference to a person includes a reference to the person's executors, administrators and successors or a body corporate including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (e) in these Rules any reference to include means to include without limitation; and
- (f) references to dollars and \$ are references to Australian dollars and all amounts payable under these rules are payable in Australian dollars.

1.3 Applicable Laws

These Rules, the offering and granting of any Options and Performance Rights, the issuing and/or transferring of Plan Shares, and the rights attaching to or interests in the Options, Performance Rights and Plan Shares, will at all times be subject to all Applicable Laws.

1.4 Rounding

Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of an Option, a Performance Right or a Plan Share, the fraction will be eliminated by rounding to the nearest whole number.

1.5 Headings

Headings are inserted in these Rules for convenience only and do not affect the interpretation of these Rules.

1.6 Constitution

- (a) The entitlements of Eligible Employees and Participants under these Rules are subject to the Constitution.
- (b) In the event of any inconsistency between these Rules and the Constitution, the terms of the Constitution will prevail to the extent of that inconsistency.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Employees;
- (b) link the reward of Eligible Employees to Shareholder value creation;
- (c) drive enhanced Company and individual performance; and
- (d) align the longer term interests of Eligible Employees with Shareholders by providing an opportunity to Eligible Employees to earn rewards via an equity interest in the Company based on creating Shareholder value.

3. Commencement

The Plan will commence on a date determined by resolution of the Board.

4. Maximum Option or Performance Rights allocation

Unless prior Shareholder Approval is obtained, the number of Options and/or Performance Rights which may be granted and which remain unexercised under this Plan which upon exercise will vest Plan Shares must not exceed in aggregate 10% of the total Issued Capital of the Company.

5. Eligibility and grant

5.1 Participation

The Board may from time to time in its sole and absolute discretion determine that an Eligible Employee may participate in the Plan.

5.2 Selection

Following determination that an Eligible Employee may participate in the Plan, the Board may at any time and from time to time make an Invitation to the Eligible Employee.

5.3 Invitation

Subject to clause 6, the manner, form, content, timing and frequency of an Invitation Letter will be as determined by the Board in its sole and absolute discretion.

5.4 Application

Unless otherwise determined by the Board in its sole and absolute discretion or as specified in an Invitation Letter, an Eligible Employee who wishes to apply to participate in the Plan in response to an Invitation must, on or before the period of time allowed for acceptance of the Invitation, give an Application:

- (a) to the person specified in the Invitation;
- (b) in accordance with any instructions or conditions set out in the Invitation; and
- (c) on the acceptance by the Board of the Application, the notice confirming the issue of the Options and/or Performance Rights (as the case may be) will be accompanied by a Certificate.

5.5 Multiple Invitations

Unless otherwise determined by the Board in its sole and absolute discretion, the Board may make any number of issues to Eligible Employees, as set out in any Invitation Letter, notwithstanding that an issue or issues may have been previously made to any Eligible Employee.

6. Option and Performance Right terms

6.1 Board determination

The terms and conditions of Options and/or Performance Rights offered or granted under these Rules to each Eligible Employee will be:

- (a) determined by the Board in its sole and absolute discretion and include as a minimum:
 - (i) the number of Options and/or Performance Rights, and whether they are to be provided in a single or multiple tranches;
 - (ii) the Grant Date;
 - (iii) the Fee (if any);
 - (iv) the Performance Hurdles (if any);
 - (v) the Vesting Conditions (if any);
 - (vi) in the case of an Option, the Exercise Price (if any);
 - (vii) in the case of an Option, the Exercise Period;
 - (viii) the Expiry Date and Term;
 - (ix) the Forfeiture Conditions (if any);
 - (x) any rights attaching to the Plan Shares in respect of which the Options and Performance Rights (as the case may be) are exercisable; and

- (xi) any disposal restrictions attaching to the Plan Shares; and
- (b) set out in an Invitation Letter delivered to the Eligible Employee.

6.2 Option and Performance Right entitlements

Subject to the Board determining otherwise prior to an Invitation, each vested Option and each vested Performance Right entitles the Participant holding the Option or the Performance Right to subscribe for, or to be transferred, one Plan Share, in the case of an Option, on payment of the Exercise Price (if any).

6.3 Participant rights

A Participant who holds Options and/or Performance Rights is not entitled to:

- (a) notice of, or to vote at or attend, a meeting of the Shareholders unless and until the Options and/or Performance Rights are exercised and the Plan Shares are held by or on behalf of a Participant; or
- (b) receive any dividends declared by the Company in respect of such Options and/or Performance Rights.

6.4 Conditions for vesting and exercise

- (a) The Board will determine prior to an Invitation being made and specify in the Invitation any Performance Hurdles and/or Vesting Conditions attaching to the Options and/or Performance Rights (as the case may be).
- (b) Subject to clause 6.4(c), Options and/or Performance Rights (as the case may be) will only vest and be exercisable if the applicable Performance Hurdles and/or Vesting Conditions have been satisfied, or are deemed to have been satisfied under these Rules.
- (c) The Board may, in its sole and absolute discretion, waive or deem the applicable Performance Hurdles and/or Vesting Conditions to have been satisfied.

6.5 No transfer of Options or Performance Rights

Options and/or Performance Rights granted under this Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:

- (a) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, encumbrance or disposal as the Board sees fit; or
- (b) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

6.6 Options and Performance Rights to be recorded

Options and Performance Rights will be recorded in the appropriate register of the Company.

7. Exercise of Options and Performance Rights

7.1 Exercise Period for Options

The Exercise Period for any Option will be as determined by the Board in its sole and absolute discretion.

7.2 Vesting

- (a) Once the Board has determined whether Vesting Conditions and/or Performance Hurdles have been satisfied or waived by the Board (as applicable), the Company must issue to the Participant a Vesting Notification as soon as practicable, notifying the Participant whether their Options and/or Performance Rights have vested or lapsed in accordance with clause 11.
- (b) Unless otherwise specified in an Invitation Letter, no Option or Performance Right will vest until a Vesting Notification has been issued by the Company to the Participant.

7.3 Method of exercise

- (a) In the case of an Option, following the issuing of a Vesting Notification to the Participant (in circumstances where the Option is subject to Vesting Conditions), the vested Option is exercisable by the Participant within the Exercise Period specified in the Invitation Letter, subject to the Participant delivering to the registered office of the Company or such other address as determined by the Board:
 - (i) a signed Notice of Exercise;
 - (ii) subject to clause 7.4, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any); and
 - (iii) the relevant Certificate, or documentary evidence satisfactory to the Board that the relevant Certificate was lost or destroyed.
- (b) In the case of a Performance Right, following the issuing of a Vesting Notification to the Participant, a vested Performance Right will be automatically exercised within the period specified by the Board in the Invitation Letter.

7.4 Cashless exercise of Options

The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the Exercise Price of Options by cash, cheque or some other method acceptable to the Company, but that on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the Exercise Price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).

7.5 Minimum exercise

Options must be exercised in multiples of 100 unless fewer than 100 Options are held by a Participant or the Board otherwise agrees.

7.6 Actions on exercise

On completion of the exercise of Options and/or Performance Rights (as the case may be):

- (a) the Options and/or Performance Rights will automatically lapse;
- (b) the Company will instruct the Trustee to subscribe for, acquire and/or allocate the number of Plan Shares for which the Participant is entitled to subscribe for, acquire or be allocated through the exercise of such Options and/or Performance Rights (as the case may be), and the Trustee will hold those Plan Shares on behalf of the Participant in accordance with the terms of the Trust Deed;
- (c) the Company will, or will instruct the Trustee to, notify the Participant that the Trustee holds Plan Shares on the Participant's behalf;
- (d) subject to the terms of the Trust Deed and the Trustee receiving from the Company sufficient funds to subscribe for or acquire the Plan Shares, the Board may, in its absolute discretion, instruct the Trustee to either subscribe for new Shares or acquire Shares on-market to be held on a Participant's behalf, or instruct the Trustee to use a combination of both alternatives; and
- (e) issue a substitute Certificate(s) for any remaining Options and/or Performance Rights (as the case may be).

8. Quotation

8.1 Options and Performance Rights

Unless determined otherwise by the Board in its sole and absolute discretion, Options and Performance Rights issued under the Plan will not be quoted on the ASX.

8.2 Plan Shares

In respect of Plan Shares issued under the Plan, while the Company remains admitted to the ASX, the Company shall apply to the ASX within a reasonable time after they are issued and any transfer restrictions under these Rules cease to apply for Plan Shares to be quoted.

9. Eligible Leaver

Where a Participant who holds Options and/or Performance Rights becomes an Eligible Leaver:

- (a) all vested Options which have not been exercised will continue in force and remain exercisable until the Expiry Date;
- (b) all vested Performance Rights which have not been exercised will be immediately exercised; and
- (c) the Board may determine, in its sole and absolute discretion, the manner in which the unvested Options and/or Performance Rights will be dealt with, including but not limited to:
 - (i) allowing some or all of those Options and/or Performance Rights (as the case may be) to continue to be held by the Participant, and be subject to the existing Performance Hurdles and/or Vesting Conditions;
 - (ii) undertaking a Buy-Back of some or all of those Options and/or Performance Rights; and/or

- (iii) requiring that any remaining Options and/or Performance Rights be automatically forfeited by the Participant for the payment by the Company to the Participant of Nominal Consideration.

10. Ineligible Leaver

Where a Participant who holds Options and/or Performance Rights becomes an Ineligible Leaver:

- (a) all vested Options which have not been exercised will continue in force and remain exercisable until the Expiry Date, unless the Board in its sole and absolute discretion determines otherwise;
- (b) all vested Performance Rights which have not been exercised will be immediately exercised, unless the Board in its sole and absolute discretion determines otherwise; and
- (c) all unvested Options and/or Performance Rights will automatically be forfeited by the Participant for the payment by the Company to the Participant of Nominal Consideration.

11. Lapse of Options and/or Performance Rights

11.1 Lapsing events

Unless the Board otherwise determines in its sole and absolute discretion, Options and Performance Rights will lapse on the earlier of:

- (a) the cessation of employment or office of a Participant (other than in accordance with clauses 9 and 10);
- (b) where any relevant Forfeiture Conditions are satisfied or Options and/or Performance Rights are otherwise forfeited in accordance with clause 12;
- (c) if applicable Performance Hurdles and/or Vesting Conditions are not achieved by the relevant time;
- (d) if the Board determines in its reasonable opinion that the applicable Performance Hurdles and/or Vesting Conditions have not been met and cannot be met prior to the Expiry Date; or
- (e) the Expiry Date.

11.2 What happens on lapsing

Where a Participant's Options and/or Performance Rights have lapsed under clause 11.1, the Company will:

- (a) notify the Participant that the Options and/or Performance Rights held by them have lapsed;
- (b) arrange for the Participant or the Participant's agent or attorney to sign any transfer documents required to transfer or otherwise deal with the Options and/or Performance Rights; and

- (c) not be liable for any damages, compensation or other amounts to the Participant in respect of the Options and/or Performance Rights.

11.3 Board discretion

Notwithstanding anything in this clause 11, the Board has absolute discretion to determine whether some or all of a Participant's Options and/or Performance Rights have lapsed.

12. Forfeiture

12.1 Forfeiture events

The Board may determine prior to an Invitation if any Forfeiture Conditions apply in respect of Options and/or Performance Rights.

12.2 Where Forfeiture occurs

Where Options and/or Performance Rights are forfeited the Company will:

- (a) notify the Participant that the Options and/or Performance Rights held by (or on behalf of) the Participant have been forfeited;
- (b) arrange for the Participant's agent or attorney to sign any transfer documents required to transfer or otherwise deal with the Options and/or Performance Rights; and
- (c) not be liable for any damages, compensation or other amounts to the Participant in respect of the Options and/or Performance Rights.

12.3 Fraudulent or dishonest actions

In addition to the Forfeiture Conditions (if any), where, in the reasonable opinion of the Board, a Participant:

- (a) acts fraudulently or dishonestly; or
- (b) wilfully breaches his or her duties to the Group,

then the Board may deem all Options and/or Performance Rights held by the Participant will automatically be forfeited.

12.4 Board discretion

Notwithstanding anything in this clause 12, the Board has absolute discretion to determine whether some or all of a Participant's Options and/or Performance Rights have been forfeited.

13. Buy-Back

13.1 Buy-Back

Subject to Applicable Law, the Company may at any time Buy-Back Options, Performance Rights and/or Plan Shares in accordance with clause 13.2.

13.2 Buy-Back procedure

The Board may cause the Company to Buy-Back Options, Performance Rights and/or Plan Shares held by a Participant for:

- (a) an amount agreed with the Participant at any time;
- (b) the then Market Value of Options, Performance Rights and/or Plan Shares (as the case may be) without the agreement of the Participant; or
- (c) where there is a formal takeover offer made for at least 5% of the Shares, the Company may Buy-Back Options, Performance Rights and/or Plan Shares (as the case may be) having regard to the price or prices offered by the bidder under the takeover offer and/or as considered appropriate by the Board in its reasonable opinion in light of such an offer.

13.3 Buy-Back period

The Buy-Back of Options, Performance Rights and/or Plan Shares under clause 13.2 may occur in one or more tranches within such time, as determined by the Board in its sole and absolute discretion.

13.4 Buy-Back mechanism

Each Participant will do all acts, matters and things which are necessary or desirable to give effect to any Buy-Back of the Participant's Options, Performance Rights and/or Plan Shares.

14. Cancellation

14.1 Options and Performance Rights may be Cancelled if Participant consents

Notwithstanding any other provisions of the Plan, and subject to Applicable Laws, if a Participant and the Board have agreed in writing that some or all of the Options and/or Performance Rights granted to that Participant may be Cancelled on a specified date or on the occurrence of a particular event, then the Board may Cancel those Options and/or Performance Rights on the relevant date or on the occurrence of the particular event (as the case may be).

14.2 Cancellation of Options and Performance Rights

Where the Options and/or Performance Rights are to be Cancelled by the Company, the Company may do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary to enforce any Cancellation and the relevant Participant will be bound by any action by the Company under this clause 14.2.

15. Rights attaching to Plan Shares

15.1 Shares to rank equally

Any Plan Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.

15.2 Dividends

Subject to clause 17, a Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on the Plan Shares which, at the books closing date/record date for determining entitlement to those dividends, are standing to the account of the Participant.

15.3 Dividend reinvestment

The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held by (or on behalf of) the Participant and such participation must be in respect of all Plan Shares held by (or on behalf of) the Participant. Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by (or on behalf of) the Participant.

15.4 Voting rights

A Participant may exercise any voting rights attaching to Plan Shares registered in the Participant's name.

16. Disposal restrictions on Plan Shares

16.1 Board determines

The Board, in its sole and absolute discretion, may determine, prior to an Invitation being made, whether there will be any restrictions on the disposal of, the granting (or purported granting) of any Security Interest in or over, or otherwise on dealing with (or purporting to dispose or deal with), Plan Shares held by any Participants.

16.2 No transfer

Subject to clause 16.1, Plan Shares or any beneficial or legal interest in Plan Shares may not be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over them, by a Participant unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

16.3 Board actions

The Company may do such things and enter into such arrangements with the Company's share registry or otherwise as it considers necessary to enforce the transfer restrictions set out in clause 16.2, including but not limited to imposing a holding lock on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period. Participants will be bound by any action by the Company under this clause 16.3.

16.4 Overriding restrictions on dealing with Plan Shares

Plan Shares must not be dealt with under this clause 16 if to do so would contravene Applicable Laws.

16.5 Plan Shares entitlements

For the avoidance of doubt, the imposition of a restriction on the Plan Shares held by (or on behalf of) a Participant pursuant to clause 16.1 will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the Shareholders, and to receive any dividends declared by the Company during the relevant restriction period.

16.6 Securities Trading Policy

At all times Participants must, and must ensure that their immediate family members will, comply with the Securities Trading Policy.

17. Dividends, voting rights and notices of meetings

17.1 Dividends

Where the Trustee holds Plan Shares on behalf of a Participant, the dividends payable on those Plan Shares will be paid by the Company to the Trustee, and the Trustee will pay any such dividends to the Participant as soon as reasonably practicable after those dividends are paid by the Company to the Trustee and subject to any reasonable deductions or withholding required to be made by the Trustee in accordance with the Applicable Law.

17.2 Voting rights

- (a) Where the Trustee holds Plan Shares on behalf of a Participant, a Participant may direct the Trustee by notice in writing as to how to exercise the voting rights attaching to those Plan Shares held on the Participant's behalf by the Trustee, either generally or in respect of a particular resolution, by way of proxy.
- (b) In the absence of any such direction:
 - (i) if the Trustee is an Associated Entity of the Company) subject to clause 17.2(c), may only exercise the voting rights attaching to a Participant's Plan Shares where the Trustee determines that to do so is consistent with the Trustee's fiduciary duties, and voting in those circumstances in 'merely incidental' to obtaining, holding and providing Shares in the Company to the Participants, and where the Trustee determines to vote in those circumstances the Trustee must also document its position as to why voting in those circumstances is consistent with its fiduciary duties; or
 - (ii) if the Trustee is not an Associated Entity of the Company, the Trustee must not exercise the voting rights attaching to the Plan Shares held on behalf of the Participant by the Trustee.
- (c) The Trustee must not vote in respect of any Plan Shares it holds on behalf of a Participant if the vote occurs by show of hands.

17.3 Notices of meetings

Where the Trustee holds Plan Shares on behalf of a Participant, the Company must, or by direction of the Board the Trustee must, forward to a Participant a copy of any notices of meetings of members of the Company received by the Trustee, unless the Participant has notified the Trustee in writing that the Participant does not wish to receive such notices.

18. Withdrawal of Plan Shares and transfer of Plan Shares to Participants

18.1 Withdrawal of Plan Shares generally

Any Plan Shares held by the Trustee in the Trust for the benefit of a Participant pursuant to this Plan, will remain held in the Trust for the benefit of the relevant Participant and subject to this clause 18, unless and until the Plan Shares are withdrawn from the Trust by:

- (a) the relevant Participant submitting (or being deemed to have submitted) to the Company a Withdrawal Notice;
- (b) the Board approving that Withdrawal Notice under this clause 18; and
- (c) the Trustee acting in accordance with any such approval by the Board by transferring the legal title in those Plan Shares, or by selling those Plan Shares, in accordance with the direction of the Participant, provided at all times that they are not subject to any restrictions imposed under clause 16.

18.2 Withdrawal Notice

A Participant may submit a Withdrawal Notice to the Company in respect of some or all of the Plan Shares that are held by the Trustee on behalf of the Participant and which are not subject to any restrictions imposed under clause 16.

18.3 Board approval

The Board may approve the withdrawal from the Trust of all or a specified number of Plan Shares held by the Trustee on behalf of a Participant if any of the following applies:

- (a) the Participant has submitted a Withdrawal Notice to the Company in respect of the relevant number of Plan Shares;
- (b) the Participant ceases to be an Eligible Employee, in which case the Participant will be deemed to have submitted a Withdrawal Notice in respect of all of the Plan Shares held by the Trustee on behalf of that Participant and to have directed the Trustee to transfer the legal title in those Plan Shares to the Participant; or
- (c) the Last Withdrawal Date has been reached, in which case, the Participant will be deemed to have submitted a Withdrawal Notice in respect of all of the Plan Shares held by the Trustee on behalf of that Participant and to have directed the Trustee to transfer the legal title in those Plan Shares to the Participant.

18.4 Specified time, interval or periods for approval

The Board may adopt procedures for the consideration of a Withdrawal Notice, which may (amongst other things) specify times, intervals or periods at or during which the Board will consider whether or not to approve a Withdrawal Notice submitted by a Participant from time to time.

18.5 Approval must not be unreasonably withheld

The Board must not unreasonably withhold its approval of the withdrawal of Plan Shares from the Trust that are the subject of a Withdrawal Notice validly submitted by a Participant under this clause 18. For the avoidance of doubt, nothing in this clause 18 requires the Board to:

- (a) deal with a Withdrawal Notice at an earlier time than the next time specified under any procedure adopted by the Board under clause 18.4; or
- (b) approve a Withdrawal Notice where the Board is permitted by clause 18.6 to decline to act on that Withdrawal Notice.

18.6 Board may decline approval

If a Participant owes money to any member of the Group, the Board may decline to act on a Withdrawal Notice submitted, or deemed to have been submitted, by the Participant until arrangements (which are satisfactory to the Board) have been made for the payment of the money.

19. Trustee

19.1 Rights and obligations

The Board may determine and conclude agreements with the Trustee, and enforce or prosecute any rights and obligations against the Trustee under such agreements, without reference or recourse to the Participants under this Plan. Subject to the terms of the Trust Deed and without limiting the Company's rights in this regard, the Company may, pursuant to and in accordance with any such agreements:

- (a) provide funds to the Trustee in order to allow the Trustee to subscribe for and/or acquire Plan Shares to be held on behalf of Participants under this Plan;
- (b) pay the Trustee for services provided in connection with this Plan and the Trust;
- (c) remove the Trustee and appoint a new trustee (and make any necessary arrangements or provisions for the transfer of Plan Shares held by the Trustee for Participants to a new trustee); and
- (d) otherwise exercise any rights, responsibilities or powers afforded to it under the Trust Deed.

19.2 Costs

Subject to the Trust Deed, the Board may determine the manner in which any costs associated with the Trust and the costs incurred in the course of the performance by the Trustee of its role and duties under this Plan and the Trust Deed are to be borne.

19.3 Administration and holding of Plan Shares

The Trustee must administer the Trust and hold Plan Shares under this Plan in accordance with these Rules, the Trust Deed and any procedures determined by the Company and as agreed to between the Board and the Trustee.

19.4 Registration of Plan Shares

Where Plan Shares are held by the Trustee on behalf of a Participant, those Plan Shares will be registered in the name of the Trustee.

20. Change of Control Event

In the event of a Change of Control Event, and unless the Board determines otherwise in its sole and absolute discretion:

- (a) unvested Options and Performance Rights granted will all vest where, in the Board's sole and absolute discretion, the Vesting Conditions and Performance Hurdles applicable to those Options and Performance Rights have been satisfied;
- (b) unvested Options and Performance Rights granted will vest only on a pro rata basis where the relevant Performance Hurdles have not yet been fully met. In those circumstances, pro rata vesting will be based on the period which has elapsed from the Grant Date to the date of the Change of Control Event when compared to the relevant overall vesting period; and
- (c) any Options and Performance Rights which the Board determines will not vest in accordance with clauses 20(a) or 20(b) will automatically lapse.

21. Bonus issues and capital reconstructions

21.1 Bonus issues

- (a) If Securities are issued by way of a 'bonus issue' (as that term is defined in the ASX Listing Rules) to the holders of Shares, a Participant is entitled, upon vesting of an Option or a Performance Right, to receive in addition to the Plan Share in respect of which the Option or Performance Right vests and without the payment of any further consideration, the number of Securities that the Participant would have received if the Option or Performance Right had vested before the record date for the bonus issue.
- (b) Any additional Securities to which a Participant becomes entitled under clause 21.1 will, until those additional Securities are issued, transferred or allocated to the Participant, be regarded as additional Securities into which the Options and/or Performance Rights may vest for the purposes of any subsequent application of clause 21.1.

21.2 Rights issue

If there is a 'pro rata issue' (as that term is defined in the ASX Listing Rules, except a bonus issue) to the holders of Shares, the exercise price of each Option shall be reduced according to the following 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' (as that term is defined in the ASX Listing Rules) per Share (weighted by reference to volume) during the five trading days ending on the day before the ex rights date or ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = the dividend due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Security.

21.3 Reorganisation

In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the Issued Capital of the Company, the number of Options and/or Performance Rights to which each Participant is entitled, and/or the Exercise Price of the Options (if any), will be changed in accordance with the Listing Rules.

21.4 Notification of adjustments

Upon any adjustment being made pursuant to this clause 21, the Board will notify each Participant (or his or her legal personal representative where applicable) in writing,

informing them of the number of Options and/or Performance Rights (and issuing new Certificate(s) in those circumstances) and/or Plan Shares held by the relevant Participant.

21.5 Limited right to participate in new issues

Subject to clauses 21.1, 21.2 and 21.4, during the currency of any Options and/or Performance Rights and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Options and/or Performance Rights.

21.6 Fairness in application

In the application of this clause 21, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company subject to the Listing Rules.

22. Contravention of Applicable Laws

No act will be done or determination made in accordance with these Rules where to do so would be a breach of any Applicable Laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of Options, Performance Rights and/or Plan Shares.

23. Administration of the Plan

23.1 Regulations

The Board may make such regulations for the operation of the Plan as it considers necessary, provided such regulations are consistent with these Rules.

23.2 Delegation

- (a) The Board may delegate any of its powers or discretions conferred on it by these Rules to a committee of the Board or to any one or more persons selected by it, including but not limited to the company secretary.
- (b) Any delegation will be for such period and upon such terms and conditions as determined by the Board from time to time.

23.3 Decisions final

Every exercise of a discretion by the Board (or its delegates) and any decision by the Board (or its delegates) regarding the interpretation, effect or application of these Rules will be final, conclusive and binding.

23.4 Notice

- (a) Address for service:
 - (i) any notice required to be given to the Participants under the Plan or the terms of the Options or Performance Rights granted will be sent to the address of the Participant as entered in the register unless delivered in person; and

- (ii) any notice required to be given to the Company under the Plan or the terms of the Options or Performance Rights granted will be sent to the registered office of the Company or such other address as is notified to Participants from time to time.
- (b) Delivery of notices:
- (i) any notice to be given to Participants may be delivered by hand to the Participant;
 - (ii) any notice to be given to the Company may be delivered by hand or by prepaid post. Notices may also be given to the Company by means of facsimile, email or other mode of electronic delivery to such address as is notified by the Company to the Participant; and
 - (iii) notices delivered to Participants in accordance with the Constitution will be taken to be delivered in accordance with the Constitution. Notices delivered to the Company by pre-paid post will be taken to be delivered if properly addressed and stamped, 48 hours after mailing in Australia and seven days after mailing outside Australia. Notices delivered by facsimile, email or other mode of electronic delivery will be taken to be delivered on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery.

24. Plan amendment

24.1 Amendment of Plan

- (a) Subject to clause 24.2, the Listing Rules and the Constitution, the Board may at any time amend these Rules or the terms and conditions upon which any Options and/or Performance Rights have been issued under the Plan.
- (b) No amendment to these Rules or to Options and/or Performance Rights granted under the Plan may be made if the amendment materially reduces the rights of any Participant in respect of Options or Performance Rights granted to them prior to the date of the amendment, other than:
 - (i) an amendment introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (B) to correct any manifest error or mistake;
 - (C) to allow the implementation of a trust arrangement in relation to the holding of Plan Shares granted under the Plan;
 - (D) for the purpose of complying with the Applicable Laws; and/or
 - (E) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
 - (ii) an amendment agreed to in writing by the Participant(s).

- (c) Subject to the Listing Rules, the Board may determine that any amendment to these Rules or the terms of Options and/or Performance Rights granted under the Plan be given retrospective effect.
- (d) Amendment of these Rules or the terms and conditions upon which Options and/or Performance Rights are granted under the Plan by the Board will be of immediate effect unless otherwise determined by the Board.
- (e) As soon as reasonably practicable after making any amendment to these Rules or the terms and conditions of Options and/or Performance Rights granted under the Plan, the Board will give notice of the 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.

24.2 Amendment by addendum

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

24.3 Consent of Trustee

If required under the terms of the Trust Deed, the Company must obtain the written consent of the Trustee prior to making an amendment to these Rules.

25. Termination or suspension

25.1 Termination or suspension

Subject to clause 25.2, the Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit.

25.2 Resolution to terminate, suspend, supplement or amend

In passing a resolution to terminate or suspend the operation of the Plan, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants.

26. No employment contract

Nothing in these Rules or the terms of any Option or Performance Right:

- (a) confers upon an Eligible Employee a right to a grant or offer of a grant of Options and/or Performance Rights;
- (b) confers on an Eligible Employee or a Participant the right to continue as an employee or officer of a member of the Group (as the case may be);
- (c) affects the rights of a member in the Group to terminate the employment or office of an Eligible Employee or a Participant (as the case may be);
- (d) affects the rights and obligations of any Eligible Employee or Participant under the terms of their office or employment with any member of the Group;

- (e) confers any legal or equitable right on an Eligible Employee or a Participant whatsoever to take action against any member of the Group in respect of their office or employment; or
- (f) confers on an Eligible Employee or a Participant any rights to compensation or damages in consequence of the termination of their employment or office by a member of the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination.

27. Regulatory relief

Notwithstanding any other provisions of the Rules, every covenant or other provision set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to their power to exempt and modify the Corporations Act, and required to be included in the Rules in order for that exemption or modification to have full effect, is deemed to be contained in the Rules. To the extent that any covenant or other provision deemed by this clause 27 to be contained in the Rules is inconsistent with any other provision in the Rules, the deemed covenant or other provision will prevail.

28. Non-exclusivity

28.1 Non-exclusivity

This Plan will not be deemed to be the exclusive method of providing incentive compensation to Eligible Employees, nor will it preclude any member of the Group from authorising or approving other forms of incentive compensation for employees of any member of the Group.

28.2 Relationship to other equity plans

Participation in this Plan will not affect or be affected by any participation in any other employee equity plan operated by any member of the Group, except as specifically provided in the terms of that other plan.

29. General

29.1 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by these Rules in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

29.2 Listing Rules

While the Company remains admitted to the ASX, the provisions of the Listing Rules will apply to the Plan, and to the extent that the Plan and the Listing Rules are inconsistent, the provisions of the relevant Listing Rules will apply.

29.3 Enforcement

These Rules, any determination of the Board made pursuant to the Rules, and the terms of any Option and/or Performance Right granted under the Plan, will be deemed to form a contract between the Company and the Participant.

29.4 Governing law

This Plan and any Option and/or Performance Right granted under it will be governed by, and must be construed according to, the laws of Victoria.

Schedule

4DMedical Limited ACN 161 684 831
4DMedical Limited Long Term Incentive Plan

Notice of Withdrawal of Shares from the Trust

To the Trustee of the "4DMedical Employee Share Trust"

Where 4DMedical Limited ACN 161 684 831 (**Company**) has instructed the Trustee of the "4DMedical Employee Share Trust" (**Trust**) to subscribe for, transfer and/or allocate shares and hold those shares on my behalf, in accordance with clause 18 of the rules of the 4DMedical Limited Long Term Incentive Plan (**Plan Rules**), I request the Trustee to release from the Trust the following number of shares held by the Trustee on my behalf:

_____ shares

and provide the Trustee with the following instructions:

PLEASE TICK ONE BOX ONLY

1. Please transfer the legal title in the shares to me []
2. Please transfer the legal title in the shares to my nominee []

Insert full name

3. Please arrange for the sale of the shares on my behalf and provide me [] with the proceeds from the sale of those shares (less any brokerage fees or other costs incurred by the Trustee resulting from that sale)

I acknowledge that this request is subject to, and must be read in conjunction with, the Plan Rules, and I agree to be bound by the constitution of the Company.

Date _____

Signature _____

ADDENDUM TO
4DMEDICAL LIMITED
LONG TERM INCENTIVE PLAN
SUB-PLAN FOR U.S. PARTICIPANTS

1. Purpose and Applicability.

(a) This Sub-Plan for U.S. Participants (this **U.S. Sub-Plan**) applies to participants in the 4DMedical Limited Long Term Incentive Plan Rules (the **Plan**) who are (i) U.S. residents and (ii) Eligible Employees (each such participant, a **U.S. Participant**). The purpose of this U.S. Sub-Plan is to facilitate compliance with U.S. tax, securities and other applicable laws and to permit the Company to issue RSUs to U.S. Participants.

(b) Except as otherwise provided by this U.S. Sub-Plan, all grants of RSUs made to U.S. Participants will be governed by the terms of the Plan, as supplemented and modified by this U.S. Sub-Plan. In any case of any conflict (as determined by the Board) between the provisions of this U.S. Sub-Plan and the Plan, the provisions of this U.S. Sub-Plan will govern. Capitalized terms contained herein have the same meanings given to them in the Plan, unless otherwise provided by this U.S. Sub-Plan.

(c) This U.S. Sub-Plan is effective as of 25 February 2022 (the **Effective Date**).

2. Definitions.

In this U.S. Sub-Plan, the following terms will have the meanings set forth below:

Applicable Laws means the applicable requirements relating to the administration of equity-based compensation plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code and U.S. state and local tax laws, any stock exchange or quotation system on which the Shares are listed or quoted and similar requirements applicable to RSUs granted under this U.S. Sub-Plan under the laws of any other country or jurisdiction.

Code means the U.S. Internal Revenue Code of 1986, as amended.

Company means 4DMedical Limited, ACN 161 684 831.

Director means a director of any member of the Group.

Employee means a full-time or part-time employee of any member of the Group.

Eligible Employee means:

(a) any Director or Employee who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of RSUs under this U.S. Sub-Plan; or

(b) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of RSUs under this U.S. Sub-Plan in compliance with Applicable Laws.

Fair Market Value means, as of any date, the fair market value of a Share determined as follows:

(a) If the Shares are listed on any established stock exchange or a national market system, including without limitation the Australian Securities Exchange or other national exchange, their Fair Market Value will be the average "market price" (as that term is defined in the ASX Listing Rules) per Share

(weighted by reference to volume) during the previous five trading days, as quoted on such exchange or system on the day of determination, as reported in such source as the Board deems reliable; or

(b) in the absence of such a market for the Shares, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with the Code.

Performance Goals means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon business criteria or other performance measures determined by the Board in its discretion.

Performance Period means the one or more periods of time, as the Board may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a U.S. Participant's vesting of an RSU.

Restricted Stock Units or RSUs means an award with respect to a number of Shares. Each Restricted Stock Unit represents the right to receive one Share, subject to the terms and conditions set forth in the applicable RSU Agreement and this Sub-Plan.

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

3. **Restricted Stock Units.**

(a) **Eligibility.** Awards of RSUs may be granted under this U.S. Sub-Plan to U.S. Participants. Notwithstanding the foregoing, no award of an RSU may be granted to a person unless permitted by Applicable Law.

(b) **Terms and Conditions of RSUs.**

(i) The terms and conditions of RSUs shall be reflected in a Restricted Stock Unit Agreement executed and delivered by the Company and the recipient of the RSUs (an **RSU Agreement**). Each RSU granted under this U.S. Sub-Plan shall be evidenced by such an RSU Agreement. Each RSU so granted shall be subject to the conditions set forth in this U.S. Sub-Plan and to such other conditions not inconsistent with this U.S. Sub-Plan as may be reflected in the applicable RSU Agreement. The form of an RSU Agreement and any other grant documentation for U.S. Participants shall be in such form as may be approved by the Board from time to time.

(ii) No Shares shall be issued at the time an RSU is granted. The Company will not be required to set aside funds for the payment of any RSU.

(iii) A U.S. Participant shall have no voting rights with respect to any RSUs granted hereunder.

(iv) The Board may grant RSUs with a deferral feature, whereby settlement is deferred beyond the vesting date until the occurrence of a future payment date or event set forth in an RSU Agreement (**Deferred Stock Units**).

(v) RSU Agreements may provide that the RSUs may not be sold, assigned, transferred or otherwise disposed of, pledged or hypothecated as collateral for a loan or as security for the performance of any obligation or for any other purpose for such period (the **Restricted Period**) as the Board shall determine.

(vi) Forfeiture; Vesting.

(1) RSUs and Deferred Stock Units awarded to any U.S. Participant shall be subject to: (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any

applicable Performance Goals during such period and/or time-based vesting provisions, to the extent provided in the applicable RSU Agreement, and (B) such other terms and conditions as may be set forth in the applicable RSU Agreement. To the extent such RSUs or Deferred Stock Units are forfeited, all rights of the U.S. Participant to such RSUs or Deferred Stock Units shall terminate without further obligation on the part of the Company.

(2) The Board may, but shall not be required to, provide for an acceleration of vesting in the terms of any RSU Agreement upon the occurrence of a specified event (including a Change in Control Event).

(c) Settlement of RSUs. Upon the expiration of the Restricted Period with respect to any outstanding RSUs, or at the expiration of the deferral period with respect to any outstanding Deferred Stock Units, the Company shall deliver to the U.S. Participant, without charge, one Share in respect of each such outstanding vested RSU or Deferred Stock Unit (**Vested Unit**); *provided, however*, that, if explicitly provided in the applicable RSU Agreement, the Board may, in its sole discretion, elect to pay cash or part cash and part Shares in lieu of delivering only Shares for Vested Units. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of Shares as of the date on which the Restricted Period lapsed in the case of RSUs, or the delivery date in the case of Deferred Stock Units, with respect to each Vested Unit. No RSU may be granted or settled for a fraction of a Share, and all rounding of fractional Shares will round down to the nearest whole Share.

4. Tax Matters

(a) Tax Withholding Requirement. Prior to the delivery of any Shares pursuant to the settlement of an RSU, the Company will have the power and the right to deduct or withhold, or require a U.S. Participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state, local, foreign or other taxes (including the U.S. Participant's FICA obligation) required to be withheld with respect to such RSU.

(b) Withholding Arrangements. The Company may, in its sole discretion, satisfy any U.S. federal, state, local, foreign or other tax withholding obligation relating to an RSU by any of the following means or by a combination of such means: (i) causing the U.S. Participant to tender a cash payment; (ii) withholding Shares issued or otherwise issuable to the U.S. Participant in connection with the award; (iii) withholding payment from any amounts otherwise payable to the U.S. Participant; or (iv) such other means as the Board may determine.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to the U.S. Participant to advise such holder as to the time or manner of vesting or settlement of RSUs. The Company has no duty or obligation to minimize the tax consequences of an RSU to the U.S. Participant.

(d) Section 409A of the Code. Notwithstanding anything in this U.S. Sub-Plan to the contrary, this U.S. Sub-Plan and RSUs granted hereunder are intended to be exempt from or comply with the requirements of Section 409A of the Code and shall be interpreted in a manner consistent with such intention. Each payment to a U.S. Participant made pursuant to this U.S. Sub-Plan shall be considered a separate payment for purposes of Section 409A of the Code. If upon a U.S. Participant's "separation from service" (as defined in Section 409A of the Code) he or she is then a "specified employee" (as defined in Section 409A of the Code), then solely to the extent necessary to comply with Section 409A of the Code and avoid the imposition of taxes under Section 409A of the Code, the Company shall defer payment of "nonqualified deferred compensation" subject to Section 409A of the Code payable as a result of and within six (6) months following such separation from service under this U.S. Sub-Plan until the earlier of (i) the first business day of the seventh month following the U.S. Participant's separation from service, or (ii) ten (10) days after the Company receives written confirmation of the U.S. Participant's death. Any such delayed payments shall be made without interest. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on a U.S. Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

5. Securities Law Compliance. Each RSU Agreement shall provide that no Shares shall be delivered thereunder unless and until (a) any then applicable requirements of state or federal laws and regulatory commissions or agencies (including the U.S. Securities and Exchange Commission and applicable state securities commissions or agencies) have been fully complied with to the satisfaction of the Company and its counsel and (b) if required to do so by the Company, the U.S. Participant has executed and delivered to the Company a letter with representations (such as of investment intent) in such form and containing such provisions as the Board may require. If the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance of Shares under the Plan, the Company shall be relieved from any liability for failure to issue such Shares upon settlement of an RSU unless and until such authority is obtained.

6. Term, Amendment and Termination of this U.S. Sub-Plan.

(a) Subject to the terms of this **Section 6**, (i) the Board may amend, suspend or terminate this U.S. Sub-Plan at any time and, (ii) unless terminated sooner by the Board, this U.S. Sub-Plan will terminate automatically upon the termination of the Plan.

(b) If this U.S. Sub-Plan is terminated, the provisions of this U.S. Sub-Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of suspension or termination of this U.S. Sub-Plan, will continue to apply to an outstanding RSUs for as long as any such RSU remains outstanding.

(c) No amendment, suspension or termination of this U.S. Sub-Plan may materially adversely affect any RSU granted previously to any U.S. Participant without the consent of the U.S. Participant.

7. Miscellaneous.

(a) Governing Law. This U.S. Sub-Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to such state's principles of conflicts of laws.

(b) No Right to Employment or Other Status. No person shall have any claim or right to be granted an RSU under this U.S. Sub-Plan, and the grant of an RSU shall not be construed as giving a U.S. Participant the right to continued employment or any other service relationship.

(c) Conditions on Delivery of Shares. The Company will not be obligated to deliver any Shares pursuant to this U.S. Sub-Plan or to remove restrictions from Shares previously delivered under this U.S. Sub-Plan until:

(i) all conditions of the RSUs have been met or removed to the satisfaction of the Company;

(ii) all other matters with respect to Applicable Laws in connection with the issue, allotment and delivery of such Shares have been satisfied; and

(iii) the U.S. Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any Applicable Laws.