



Lithium Power International Limited

Rights Plan Rules

Contents

	Page
1 PURPOSE	1
2 INTERPRETATION	1
3 ADMINISTRATION	1
4 ELIGIBILITY	1
5 INVITATIONS	1
6 APPLICATION FOR RIGHTS	2
7 GRANTING OF RIGHTS	2
8 PARTICIPANTS	3
9 RIGHTS MAY NOT BE DISPOSED OF OR TRANSFERRED OR ENCUMBERED	3
10 MEASUREMENT PERIODS	3
11 VESTING CONDITIONS	3
12 VESTING OF PERFORMANCE RIGHTS	3
13 BOARD DISCRETION REGARDING VESTING OF PERFORMANCE RIGHTS	4
14 VESTING OF SERVICE RIGHTS	4
15 VESTING OF RESTRICTED RIGHTS	4
16 LAPSING OF RIGHTS	4
17 EXERCISE OF RIGHTS AND EXERCISE RESTRICTIONS	4
18 DISPOSAL RESTRICTIONS ATTACHED TO SHARES	5
19 DISPOSAL RESTRICTIONS AND EXERCISE RESTRICTIONS RELEASE AT TAXING POINT	6
20 FRAUD, GROSS MISCONDUCT, ETC.	6
21 BOARD DISCRETION TO PREVENT INAPPROPRIATE BENEFITS	6
22 NO HEDGING	7
23 BONUS ISSUES, RIGHTS ISSUES AND CAPITAL REORGANISATION	7
24 TERMINATION OF EMPLOYMENT	7
25 RETIREMENT BENEFIT LIMIT	8
26 DELISTING	8
27 CHANGE OF CONTROL WITHOUT DELISTING	9
28 MAJOR RETURN OF CAPITAL TO SHAREHOLDERS OR DEMERGER	9
29 EXERCISE OF RIGHTS GRANTED TO A DIRECTOR WITHOUT SHAREHOLDER APPROVAL	10
30 SEPARATE CLAWBACK OR MALUS POLICY	10
31 ASIC CLASS ORDER COMPLIANCE	10
32 EMPLOYEE SHARE SCHEME TAXING PROVISIONS TO APPLY	10
33 OVERSEAS TRANSFERS	10
34 NON-AUSTRALIAN RESIDENTS	10
35 BOARD DETERMINATIONS AND AMENDMENT OF THE PLAN	10
36 NOT EXCLUSIVE METHOD OF PROVIDING VARIABLE REMUNERATION	11
37 NO RIGHT TO CONTINUED EMPLOYMENT	11
38 RELATIONSHIP TO OTHER PLANS	11
39 NOTICES	11
40 CONSTITUTION AND LISTING RULES	12
41 ATTORNEY	12
42 EFFECTIVE DATE OF THESE RULES	13
43 GOVERNING LAW	13
44 DICTIONARY	13

Lithium Power International Limited Rights Plan

1 Purpose

- 1.1 This Lithium Power International Limited Rights Plan (the Plan) is governed by these Rules.
- 1.2 The purposes of the Plan are to:
 - (a) enable the Company to provide variable remuneration that is performance focussed and linked to long-term value creation for Shareholders, to employees whose behaviour and performance have a direct impact on the Group's long term performance,
 - (b) create alignment between the interests of Participants and Shareholders,
 - (c) enable the Company to compete effectively for the calibre of talent required for it to be successful,
 - (d) ensure that Participants have commonly shared goals, and
 - (e) assist Participants to become Shareholders.

2 Interpretation

- 2.1 Unless the context otherwise requires:
 - (a) headings and subheadings are for convenience only and shall not affect interpretation except for specific cross-references,
 - (b) words denoting the singular shall include the plural, and the converse also applies,
 - (c) words denoting any gender include all genders,
 - (d) any reference to a party to any agreement or document includes its successors and permitted assigns and substitutes by way of assignment or novation, and
 - (e) any reference to any agreement or document includes that agreement or document as amended at any time.
- 2.2 The capitalised words used in these Rules have the meaning ascribed to them in Rule 44 Dictionary.

3 Administration

This Plan will be administered by the Board, but it may delegate responsibility to a committee of the Board in relation to all Participants or to the Managing Director in relation to other Participants. The Board is authorised, subject to the provisions of these Rules, to establish such guidelines for the administration of the Plan as are deemed appropriate, and to make determinations under the Plan as may be deemed necessary or advisable from time to time. Such determinations shall be conclusive and binding on all Participants.

4 Eligibility

All Eligible Persons are eligible to receive Invitations.

5 Invitations

- 5.1 The Plan will operate through a series of Invitations. The Board will in its absolute discretion determine those Eligible Persons who will receive Invitations.

- 5.2 Subject to compliance with the Listing Rules, the Corporations Act and the Company's Constitution, the Board may make Invitations at such times and to such Eligible Persons as it determines in its discretion.
- 5.3 Each Invitation may contain terms and conditions that vary between Invitations. The variable terms and conditions that apply to a grant of Rights under the Plan are to be determined by the Board and included in the Invitation.
- 5.4 Details to be contained in an Invitation will include each of the following to the extent applicable to the intended features of a particular Invitation and the type of Rights that are the subject of the invitation (Performance Rights, Service Rights, and/or Restricted Rights):
- (a) the name of the Eligible Person,
 - (b) the date of the Invitation,
 - (c) the number of each type of Right in each Tranche, that may be applied for,
 - (d) the price of the Rights which will be nil, unless otherwise determined by the Board,
 - (e) the Exercise Price, which may be nil,
 - (f) the Term of Rights in each Tranche, which will be 15 years unless otherwise determined by the Board and specified in an Invitation,
 - (g) the Vesting Conditions which are to apply to Service and/or Performance Rights, as may be applicable to each Tranche,
 - (h) the Measurement Period applicable to each Tranche, in the case of Performance and Service Rights,
 - (i) the Vesting Date or how the Vesting Date will be determined,
 - (j) the Specified Disposal Restrictions period for Shares that may be acquired on exercise of vested Rights,
 - (k) Exercise Restrictions that may apply,
 - (l) whether any Shares to be provided to a Participant on exercise of Rights that are the subject of an Invitation must be purchased on-market or may be acquired otherwise,
 - (m) other terms and conditions that the Board determines to include, and
 - (n) how to apply for Rights that are the subject of the Invitation, including the name of the person to whom the Application should be sent and the Application Period.
- 5.5 The receipt of an Invitation or Invitations under the Plan does not guarantee nor confer any entitlement to receive any other Invitation under the Plan.

6 Application for Rights

The form of Application and the Application Period shall be determined by the Board in its discretion from time to time. In submitting an Application, the Eligible Person will be agreeing to be bound by these Rules and the terms of the Invitation.

7 Granting of Rights

- 7.1 The Board will consider valid Applications that are made in response to Invitations and determine whether or not to accept them.
- 7.2 In respect of accepted Applications, the Board will use reasonable endeavours to grant the Rights within 30 days of the last date on which a valid Application may be made, unless otherwise determined by the Board.

- 7.3 Participants will be advised in writing when Rights have been granted and the date of the grant, via a Grant Notice.

8 Participants

- 8.1 Eligible Persons whose Applications have been accepted and have been granted Rights will be referred to as Participants in the Plan.
- 8.2 They will remain Participants until all Rights they have been granted have either lapsed or been exercised and both any risk of forfeiture and disposal restrictions applicable to the Shares acquired by exercising the Rights have ceased to apply.

9 Rights May Not Be Disposed of or Transferred or Encumbered

Rights may not be disposed of or transferred or otherwise dealt with (including for purposes of this Rule, encumbered or made subject to any interest in favour of any other person) and will lapse immediately on purported disposal, transfer or dealing unless the transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.

10 Measurement Periods

- 10.1 The Measurement Period applicable to each Tranche of Performance Rights will be three years unless otherwise specified in the Invitation. The Measurement Periods for Performance Rights will relate to periods when performance conditions must be satisfied for them to vest, subject to early vesting under Rules 12, 24, 26, 0 and 0.
- 10.2 The Measurement Period applicable to each Tranche of Service Rights will be specified in the Invitation. The Measurement Periods for Service Rights will relate to periods when service conditions must be satisfied for them to vest, subject to early vesting under Rules 14, 24, 26, 0 and 0.
- 10.3 Measurement Periods for grants of Performance and Service Rights will commence on the first day of the financial year in which the grant is made unless otherwise determined by the Board and specified in the Invitation.

11 Vesting Conditions

- 11.1 Vesting Conditions may relate to:
- a) performance of the Company or an aspect of the Company's operations or the performance of the Participant, or
 - b) continued service of the Participant with the Group, or
 - c) any combination of the foregoing determined by the Board for each Tranche.
- 11.2 Vesting Conditions, if applicable, must be specified in the Invitation, along with the relationship between various potential levels of performance and levels of vesting that may occur.
- 11.3 Performance conditions may vary between different Invitations and between different Tranches of Rights specified in an Invitation.

12 Vesting of Performance Rights

- 12.1 Following the end of the Measurement Period, the Board will determine for each Tranche of Performance Rights to which the Measurement Period applies, and which have not previously lapsed or vested, the extent to which it has vested, if at all, and notify Participants in a Vesting Notice of both the extent of vesting and the Vesting Date.

- 12.2 Prior to the end of a Measurement Period the Board may determine that some or all of the Performance Rights held by a Participant will vest in which case the Board will notify Participants in a Vesting Notice of both the extent of vesting and the Vesting Date. In such circumstances the Board also has absolute discretion to determine that Exercise Restrictions (if any) are lifted, and that any remaining unvested Performance Rights will be forfeited in which case the Board shall notify Participants in writing, in a form determined by the Board in its absolute discretion.

13 Board Discretion Regarding Vesting of Performance Rights

- 13.1 The Board retains discretion to increase or decrease, including to nil, the extent of vesting in relation to each Tranche of Performance Rights if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Measurement Period. In exercising this discretion, the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of Shareholders over the relevant Measurement Period.
- 13.2 Before exercising its discretion under this Rule, the Board may seek advice from an independent advisor as to whether the discretion should be exercised and if so then the alternative extent of vesting that should be considered by the Board.

14 Vesting of Service Rights

- 14.1 Following the end of the Measurement Period, the Board will determine for each Tranche of Service Rights to which the Measurement Period applies and which have not previously lapsed, the extent to which it has vested, if at all, and notify Participants in writing of the vesting and the Vesting Date.
- 14.2 Prior to the end of a Measurement Period the Board may determine that some or all of the Service Rights held by a Participant will vest in which case the Board will notify Participants in a Vesting Notice of both the extent of vesting and the Vesting Date. In such circumstances the Board also has absolute discretion to determine that Exercise Restrictions (if any) are lifted, and that any remaining unvested Service Rights will be forfeited in which case the Board shall notify Participants in writing, in a form determined by the Board in its absolute discretion.

15 Vesting of Restricted Rights

Restricted Rights are fully vested at the Grant Date, therefore the Grant Notice and the Vesting Notice may be combined i.e. the Grant Date is also the Vesting Date for Restricted Rights.

16 Lapsing of Rights

Rights will lapse automatically on the earlier of:

- a) For unvested Rights when there is no opportunity for them to vest at a later date, or
- b) The end of their Term.

17 Exercise of Rights and Exercise Restrictions

- 17.1 An Invitation may specify an Exercise Restriction which is a period during which vested Rights may not be exercised, and any attempt to do so will be considered void, subject to the early release of Exercise Restrictions under Rules 12, 14, 19, 24, 26, 0 and 0.
- 17.2 Restricted Rights are subject to an Exercise Restriction for 90 days following the Grant Date, unless a longer period is determined by the Board and specified in the Invitation.

- 17.3 Rights may be exercised at any time between the latter of the vesting date or the elapsing of the Exercise Restriction (if applicable) and the end of their Term, by the Participant submitting an Exercise Notice.
- 17.4 An Exercise Notice will be in the form determined by the Board from time to time, and provided to the Participant with a Vesting Notice.
- 17.5 On exercise of Rights the Board will determine in its absolute discretion whether to settle the Exercised Rights Value in whole Shares (including Restricted Shares) by rounding down if necessary, a cash payment to the Participant or a combination of whole Shares and a cash payment to the Participant. The Board will advise the Participant in writing of the result of its determination, in the Vesting Notice.
- 17.6 Subject to Rule 29, to the extent that the Exercised Rights Value is to be provided in Shares, the Board will in its discretion, either:
- (a) issue Shares to Participants, or
 - (b) arrange for Shares to be acquired for the benefit of Participants by the trustee of the EST. The Company or another Group Company will contribute such funds as are needed from time to time to the EST trustee to enable the EST trustee to acquire Shares and the trustee shall apply those funds to acquire Shares by:
 - i. on-market purchase, or
 - ii. subscription to a new issue
- as directed by the Board.
- 17.7 To the extent that the Exercised Rights Value is to be paid in cash it will be paid via payroll less any legally required withholdings such as PAYG tax.

18 Disposal Restrictions Attached to Shares

- 18.1 All Shares acquired by Participants or held by the trustee of the EST for the benefit of Participants as a consequence of the exercise of Rights are initially Restricted Shares, and shall be subject to a disposal restriction being that such Shares may not be sold or disposed of in any way until their sale would not breach either:
- (a) the Company's share trading policy, or
 - (b) Division 3 of Part 7.10 of the Corporations Act
- following expiry of the Specified Disposal Restriction, if any, applicable to the Restricted Shares.
- 18.2 Any attempt by a Participant to deal in or dispose of Restricted Shares will result in forfeiture of the Restricted Shares by the Participant, and the Board may require the Participant to facilitate a transfer of forfeited Restricted Shares to another party nominated by the Board, for nil consideration.
- 18.3 In cases of severe and demonstrable hardship the Board may in its absolute discretion waive the remaining portion of the Specified Disposal Restriction period.
- 18.4 If Shares subject to Specified Disposal Restrictions are held in the name of the Participant then the Company shall impose a CHES holding lock to ensure that the disposal restrictions are complied with.
- 18.5 Specified Disposal Restrictions attached to Restricted Shares acquired when Rights have been exercised shall cease in respect of 50% of Restricted Shares held, when the Participant ceases to be an employee of the Group, unless otherwise determined by the Board and specified in the Invitation.

- 18.6 Any CHESS holding lock applied by the Company to Restricted Shares will be removed when the Participant ceases to be an employee of the Group, unless otherwise determined by the Board and specified in the Invitation.
- 18.7 On the first occasion following the cessation of Specified Disposal Restrictions, if any, when Shares may be sold without breaching the Company's share trading policy the Board will advise the Participant in writing of the date of that occasion. A Cessation of Disposal Restrictions Notice will be used for this purpose. However, if sale of the Shares may not be undertaken due to Division 3 of Part 7.10 of the Corporations Act (insider trading restriction provisions) then the effective date of the Cessation of Disposal Restrictions Notice will be taken to be delayed until the next point in time when sales of Shares may occur without breaching either the Company's share trading policy or Division 3 of Part 7.10 of the Corporations Act (insider trading restriction provisions).

19 Disposal Restrictions and Exercise Restrictions Release at Taxing Point

- 19.1 In the event that a taxing point arises in relation to vested but unexercised Rights that are subject to Exercise Restrictions, the Exercise Restrictions will cease to apply to 50% of such Rights, unless otherwise determined by the Board.
- 19.2 In the event that a taxing point arises in relation to Shares and Specified Disposal Restrictions apply to such Shares then Specified Disposal Restrictions (and associated CHESS holding locks if applicable) will cease to apply to 50% of such Shares.

20 Fraud, Gross Misconduct, Etc.

In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.

21 Board Discretion to Prevent Inappropriate Benefits

The Board has sole discretion to determine that some or all unvested Rights held by a Participant lapse on a specified date if allowing the Rights to vest would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances include but are not limited to:

- (a) if a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board,
- (b) if the Board determines that a Participant or Participants took actions that caused harm or are expected to cause harm to the Company's stakeholders,
- (c) if the Board forms the view that a Participant or Participants have taken excessive risks or have contributed to or may benefit from unacceptable cultures within the Company,
- (d) if the Board forms the view that Participants have exposed employees, the broader community or environment to excessive risks, including risks to health and safety,
- (e) if a Participant joins a competitor (unless otherwise determined by the Board),
- (f) if there has been a material misstatement in the Company's financial reports, which once resolved, indicates that a larger number of Rights previously vested than should have, in light of the corrected information.

22 No Hedging

Participants must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Rights (vested or unvested) or Restricted Shares.

23 Bonus Issues, Rights Issues and Capital Reorganisation

- 23.1 In cases of bonus share issues by the Company the number of Rights held by a Participant shall be increased by the same number as the number of bonus shares that would have been received by the Participants had the Rights been fully paid ordinary shares in the Company, except in the case that the bonus share issue is in lieu of a dividend payment, in which case no adjustment will apply.
- 23.2 In the case of general rights issues to Shareholders there will be no adjustment to the Rights. However, the Board may consider issuing options to Participants:
- (a) of a number up to the number of Shares to which the Participant would have been entitled had the Rights been Shares, and
 - (b) the Exercise Price of such options will be equal to the amount payable by Shareholders to exercise a right to acquire a Share.
- 23.3 In the case of an issue of rights to other than to Shareholders there will be no adjustment to the Rights.
- 23.4 In the case of other capital reconstructions the Board may make such adjustments to the Rights as it considers appropriate with a view to ensuring that holders of Rights are neither advantaged nor disadvantaged.
- 23.5 This rule is subject to the application of the Listing Rules.

24 Termination of Employment

- 24.1 If a Participant ceases to be an employee of the Group then unvested Performance Rights will be forfeited in the proportion that the remainder of the first year of the Measurement Period bears to the full year, unless and to the extent otherwise determined by the Board in its discretion. In exercising this discretion the Board will have regard to the portion of the Measurement Period that has elapsed at the date of termination.
- 24.2 Performance Rights other than those referred to in Rule 24.1 that do not lapse at the termination of employment will continue to be held by Participants with a view to testing for vesting at the end of the Measurement Period. The Board has discretion to determine that any service conditions have been fulfilled at the end of the Measurement Period, regardless of whether or not a Participant remains employed by the Group.
- 24.3 If a Participant ceases to be an employee of the Group then Service Rights will be forfeited in the proportion that the Measurement Period bears to the full Measurement Period, unless and to the extent otherwise determined by the Board in its discretion. In exercising this discretion the Board will have regard to the circumstances of the grant of Rights. Service Rights that do not lapse at the date of termination of employment will continue to be held by Participants with a view to testing for vesting at the end of the Measurement Period. The Board has discretion to determine that any service conditions have been fulfilled at the end of the Measurement Period, regardless of whether or not a Participant remains employed by the Group.
- 24.4 If a Participant has previously ceased to be an employee of the Group then Performance and Service Rights that are subsequently exercised will be dealt with pursuant to Rule 17 except that if the market value of a Share at the time of exercise is less than the market

value of a Share at the date of the termination of employment then the Exercised Rights Value will be paid in cash, unless otherwise determined by the Board.

- 24.5 If a Participant ceases to be an employee of the Group then 50% of unexercised Rights subject to Exercise Restrictions will be cease to be so restricted on the date of the cessation of employment with the Group unless otherwise determined by the Board.
- 24.6 If a Participant ceases to be an employee of the Group then 50% of any Restricted Shares held by the Participant will cease to be subject to any Specified Disposal Restrictions, unless otherwise determined by the Board and specified in the relevant Invitation.
- 24.7 If a Participant has previously ceased to be an employee of the Group then any unexercised vested Rights they hold will be exercised by the Company under Rule 41, 90 days after the date that the Participant ceases to hold unvested Rights or Rights subject to Exercise Restrictions.

25 Retirement Benefit Limit

Notwithstanding any other provision in these Rules, the Company is not required to provide or procure the provision of any benefit which would result in a breach by the Company of Division 2 of Part 2D.2 of the Corporations Act relating to termination benefits to any Participants who are the holder of an managerial or executive office unless any prior approval required from the Shareholders for the provision of such a benefit has been sought and obtained by the Company.

26 Delisting

Unless otherwise determined by the Board, in the event the Board determines that the Company will be imminently de-listed, the Vesting Conditions attached to the Tranche at the time of the Application will cease to apply and:

- (a) unvested Performance Rights granted in respect of which the first year of the Measurement Period has not been completed will lapse in the proportion that the remainder of the first year of the Measurement Period bears to a complete year,
- (b) all remaining unvested Performance Rights will vest in accordance with the application of the following formula as at a date determined by the Board (Effective Date), noting that negative results will be taken to be nil and vesting cannot exceed 100%:

$$\text{Number of Performance Rights to Vest} = \text{Unvested Performance Rights} \times \frac{(\text{Share Price at the Effective Date} - \text{Share Price at Measurement Period Commencement})}{\text{Share price at Measurement Period Commencement}}$$

- (c) any remaining unvested Performance Rights will vest to the extent, if any, determined by the Board having regard to the circumstances of the expected de-listing,
- (d) any unvested Performance Rights that do not vest pursuant to (b) and (c) will lapse,
- (e) all unvested Service Rights will vest to the extent determined by the Board in its discretion, having regard to the circumstances giving rise to the grant of Service Rights, and any remainder will lapse immediately,
- (f) any unexercised Rights held by a Participant that are subject to an Exercise Restriction will cease to be so restricted on the date that the Board determines in its sole discretion, and

- (g) Specified Disposal Restrictions will cease to apply and any Company initiated CHES holding lock will be lifted.

27 Change of Control without Delisting

Unless otherwise determined by the Board, in the event of a Change of Control including a takeover that is not expected to result in the immediate delisting of the Company, the Vesting Conditions attached to the Tranche at the time of the Application will cease to apply and:

- (a) each Tranche of unvested Performance Rights will automatically vest in accordance with the application of the following formula as at a date determined by the Board (Effective Date), noting that negative results will be taken to be nil and vesting cannot exceed 100%:

$$\text{Number of Performance Rights to Vest} = \text{Unvested Performance Rights} \times \frac{\% \text{ of First Year of Measurement Period Elapsed} \times (\text{Share Price at the Effective Date} - \text{Share price at Measurement Period Commencement})}{\text{Share price at Measurement Period Commencement}}$$

- (b) any remaining Performance Rights will either be allowed to continue, lapse or vest in the sole discretion of the Board, having regard to performance over the elapsed portion of the Measurement Period,
- (c) the terms and conditions that apply to the remainder of the Rights that continue, in particular the standards of performance required for vesting, would then be reviewed to account for the Company's changed circumstances. The Board may seek independent advice regarding the application of its discretion in this circumstance,
- (d) the Board will have discretion to vest unvested Service Rights in part or in whole, or to determine that they will be unaffected, as may be appropriate in the circumstances, and
- (e) any unexercised Rights held by a Participant that are subject to an Exercise Restriction will cease to be so restricted on the date that the Board determines in its sole discretion.

28 Major Return of Capital to Shareholders or Demerger

In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders;

- (a) unvested Performance and Service Rights will either vest to the extent determined by the Board, with the remainder lapsing, or the Board will adjust the number and vesting conditions of Performance and Service Rights held so that Participants are neither advantaged nor disadvantaged by the return of capital or demerger, and
- (b) Restricted Rights will cease to be subject to Exercise Restrictions prior to the return of capital or demerger, on the date determined by the Board.

29 Exercise of Rights Granted to a Director without Shareholder Approval

If a grant of Rights to a Director has not received prior approval of the Company's shareholders, then on exercise of such Rights and subject to the Listing Rules any Shares to be provided to the Participant shall be acquired by on-market purchase.

30 Separate Clawback or Malus Policy

While the Company has a separate malus or clawback policy that applies to variable remuneration, and that policy addresses unvested and/or vested Rights and/or Restricted Shares, then in the event of any inconsistency between the Plan Rules and the policy, the latter shall prevail.

31 ASIC Class Order Compliance

Invitations will be made in reliance on ASIC Class Order 14/1000 (or any successor class order) and the Board will take such action or refrain from taking actions so as to remain able to rely on the relief provisions of the Class Order, including notifying ASIC when it first relies on the Class Order and not making grants that may exceed the limit contained in the Class Order.

32 Employee Share Scheme Taxing Provisions to Apply

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to this Plan including to all Rights granted under the Plan and all Shares that arise from the exercising of Rights.

33 Overseas Transfers

33.1 If a Participant is transferred to work in another country and, as a result of that transfer, the Participant would:

- (a) suffer a tax disadvantage in relation to their Rights (this being demonstrated to the satisfaction of the Board); or
- (b) become subject to restrictions on their ability to deal with the Rights, or to hold or deal in the Shares or the proceeds of the Shares acquired on exercise, because of the security laws or exchange control laws of the country to which he or she is transferred,

then, if the Participant continues to hold an office or employment with the Group, the Board may decide that the Performance or Service Rights will vest on a date it chooses before or after the transfer takes effect, and that Exercise Restrictions and Disposal Restrictions cease to apply. The Rights will vest to the extent determined by the Board and may lapse or not lapse as to the balance as determined at the discretion of the Board.

34 Non-Australian Residents

When a Right is granted under the Plan to a person who is not a resident of Australia, the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any applicable or relevant laws, matters of convenience and desirability and similar factors which may have application to the Participant or to the Company in relation to Rights. Such alterations or additions shall be specified in the Invitation.

35 Board Determinations and Amendment of the Plan

35.1 A determination by the Board or a Board committee or a delegate of the Board may be evidenced by minutes of a meeting of the Board or Board committee or a record of a

determination by the delegate (as applicable). Any such minute or determination shall be prima facie evidence of the determination in the absence of manifest error.

35.2 The Board may at any time by written instrument, or by resolution of the Board, amend or repeal all or any of the provisions of the Rules, including this Rule.

35.3 No amendment to or repeal of the Rules is to reduce the existing rights of any Participant in respect of any accepted Application that had commenced prior to the date of the amendment or repeal, other than with the consent of the Participant or where the amendment is introduced primarily:

- (a) for the purpose of complying with or conforming to a present or future State, Territory or Commonwealth legal requirement governing, regulating or effecting the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to address possible adverse tax implications for Participants generally or the Company arising from:
 - i. a ruling of any relevant taxation authority;
 - ii. a change to tax legislation or the application or termination of the legislation or any other statute or law (including an official announcement by any relevant taxation or government authority);
 - iii. a change in interpretation of tax legislation by a court of competent jurisdiction or by any relevant taxation authority; or
 - iv. to enable the Company to comply with the Corporations Act or the Listing Rules.

36 Not Exclusive Method of Providing Variable Remuneration

This Plan shall not be an exclusive method of providing variable remuneration for employees of the Company, nor shall it preclude the Company from authorising or approving other forms of variable remuneration.

37 No Right to Continued Employment

Neither the establishment of the Plan nor receipt of an Invitation, nor the approval of an Application, nor the payment of an award nor the vesting of Performance Rights or any other action under the Plan shall be held to confer upon any Participant the right to continue in the employment of the Company or affect any rights the Company may have to terminate the employment of the Participant.

38 Relationship to Other Plans

Participation in the Plan shall not affect or be affected by participation in or payment under any other plan of the Company, except as otherwise determined by the Board.

39 Notices

39.1 A notice (meaning for the purposes of this Rule 39, notice, application, permission or other communication) under the Rules or in connection with the Plan may be given in writing, addressed to the person to whom it is given, and is taken to be given and received if sent in accordance with Rules 39.2, 39.3 or 39.4.

39.2 For the purposes of Rule 39.1 a notice is duly given and received by the Company or another Company if sent to the Company by pre-paid mail or by facsimile or other electronic communication, to an address at which it is actually received by:

- (a) the person who is, from time to time, designated by the Board as the person to whom the notice should be sent or by whom it should be received, and whose name or title and address are notified to the sender; or
 - (b) if no other person is designated by the Board for this purpose, the secretary of the company.
- 39.3 For the purposes of Rule 39 notice is duly given and received by a company other than a Company if sent to the company:
- (a) by pre-paid mail to its registered office; or
 - (b) by facsimile or other electronic communication to the last known facsimile or other electronic communication address of its registered office.
- 39.4 For the purposes of Rule 39.1 a notice is duly given and received by a natural person (other than a person referred to in Rule 39.1) if sent to:
- (a) the person's last known mailing address or the person's last known facsimile or other electronic communication address; or
 - (b) in the case of a Participant who has not ceased to be an employee of the Company, to the last known mailing, facsimile or other electronic communication address of the place of business at which the person performs the whole or substantially the whole of his or her employment.
- 39.5 A notice given under Rule 39.1 to a person being a natural person (referred to in Rule 39.4), is duly given even if the person is then deceased (and whether or not any Company has notice of his or her death), unless the legal personal representative of the person has established title to this position to the satisfaction of the Company and supplied to the Company an address to which documents should be sent.
- 39.6 A notice sent in accordance with Rule 39.1 is treated as given and received:
- (a) in the case of a notice sent to the Company or another Company, at the time it is actually received by the appropriate person referred to in Rule 39.1;
 - (b) in the case of any other notice sent by prepaid mail, 48 hours after it was put into the post properly stamped; and
 - (c) in the case of any other notice sent by facsimile or other electronic communication, at the time of transmission.

40 Constitution and Listing Rules

The Rules are subject to the Company's constitution and applicable Listing Rules in force from time to time.

41 Attorney

Each Participant, in consideration of a grant of Rights:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Board (each an "attorney"), severally, as the Participant's attorney to complete and execute any document or other agreement to give effect to these Rules and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules,
- (b) covenants that the Participant shall ratify and confirm any act or thing done pursuant to this power,

- (c) releases the Company, the Board, each Group Member and each attorney from any liability whatsoever arising from the exercise of the powers conferred by this clause, and
- (d) indemnifies and holds harmless the Company, the Board, each Group Member and the attorney in respect of such liability.

42 Effective Date of these Rules

These rules will be effective from the date of adoption of the Plan by the Board and will continue until the Plan is amended or terminated.

43 Governing Law

These Rules are governed by the laws of New South Wales, Australia.

44 Dictionary

Unless the context otherwise requires, the following terms and abbreviations have the following meanings.

Application	means the document that must be submitted to apply for Rights under the Plan, as specified in Rule 6, which is annexed to the Invitation.
Application Period	means the period between the date of the Invitation and the last date on which an Application may be submitted.
ASIC	means the Australian Securities and Investments Commission
ASX	means ASX Limited ACN 008 624 691 (aka Australian Securities Exchange) or the securities market which it operates, as the context requires.
Board	The Board of Directors of the Company.
Cessation of Disposal Restrictions Notice	means the notice to a Participant that Specified Disposal Restrictions and disposal restrictions related to the Company's share trading policy have ceased.
Company	means Lithium Power International Limited ABN 73 607 260 328.
Change of Control	means when the Board advises Participants that one or more persons acting in concert have acquired or are likely to imminently acquire "control" of the Company as defined in section 50AA of the Corporations Act.
Change of Control Share Price	means the volume weighted average share price at which the Company's shares were traded on the ASX over the twenty eight (28) days prior to the date for which the calculation is made.
CHESS	means the Clearing House Electronic Sub-register System
Corporations Act	means the Corporations Act 2001 (Cth).

Class Order	means Class Order 14/1000 as defined by the Australian Securities and Investments Commission, or any successor Class Order.
Director	means a member of the Board whether in an executive or non-executive capacity.
Effective Date	means a date determined by the Board upon which a decision or determination by the Board takes effect, which may be a past, present or future date, and may be different from the date upon which the event occurs or is recorded.
Eligible Person	means a full time or part-time employee (including an executive director but excluding a non-executive director), a casual employee of the Group or a contractor to the Group or a person who will prospectively fill one of the foregoing roles.
EST	means the Lithium Power International Limited Employee Share Trust or any other employee share trust established to facilitate the operation of this Plan.
Exercise Price	means either the amount, if any, specified in an Invitation for the purposes of calculating the Exercised Rights Value, or the amount payable to exercise an option issued in accordance with the ASX Listing Rules in relation to a reorganisation of capital.
Exercised Rights Value	means the value determined by applying the following formula as at the date of exercise: $(\text{Share Price} - \text{Exercise Price}) \times \text{Number of Rights Exercised}$
Exercise Notice	means the written advice from the Participant to the Company that they are exercising their Rights under Rule 17.
Exercise Restriction	means the period during which a Participant may not exercise vested Rights; for Restricted Rights, the Exercise Restriction is as defined in Rule 17.2, and for other Rights is a period specified in an Invitation if applicable.
Grant Notice	means the document issued to a Participant to notify them that a grant of Rights has been made to them, which must include the date of the grant.
Group	means the Company and its Related Bodies Corporate.
Invitation	means a communication to an Eligible Person that contains the terms and conditions of the specific invitation to apply for Rights.
Listing Rules	means the Listing Rules of the ASX.
Managing Director	means a Director who simultaneously holds the most senior executive role within the Company.

Measurement Period	In relation to Invitations of Performance and Service Rights means the period or periods specified in the Invitation in relation to conditions applying to the vesting of the Rights.
Participant	See Rule 8.
PAYG	means Pay As You Go tax instalment system.
Performance Rights	means these are Rights which are subject to performance related Vesting Conditions.
Plan	means Lithium Power International Limited Rights Plan.
Related Bodies Corporate	Has the meaning in section 50 of the Corporations Act.
Restricted Right	means a Right which is fully vested at grant.
Restricted Shares	means shares acquired by exercise of vested Rights and which are subject to disposal restrictions.
Right	means an entitlement to the value of a Share which may be settled in the form of cash, or a Share (including a Restricted Share), as determined by the Board in its discretion.
Rules or Plan Rules	means these Rules that govern the Plan.
Service Rights	means Rights that are subject to service related Vesting Conditions and no other Vesting Conditions.
Shareholders	means those persons who hold Shares.
Share	means a fully paid ordinary share in the Company.
Share Appreciation Right or SAR	means a Right with an exercise price greater than nil, as specified in an Invitation. For the avoidance of doubt, a SAR may be a Performance Right, Service Right or Restricted Right.
Settlement Notice	means the written advice from the Board to a Participant indicating how the Exercised Rights Value will be settled.
Share Price	means the volume weighted average share price at which the Company's shares were traded on the ASX over the ten (10) trading days prior to the date for which the calculation is made.

Specified Disposal Restrictions	means the period specified in an Invitation, if any, commencing when a Restricted Share is acquired by exercise of a Right and ending on the first to occur of; the date specified in the Invitation, the 15 th anniversary of the Grant Date and the date of cessation of the Participant's employment with the Group. During the period of the Specified Disposal Restriction, Restricted Shares may not be disposed of or transferred or otherwise dealt with (including encumbered or made subject to any interest in favour of any other person) and will be forfeited on purported disposal, transfer or dealing unless the transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.
Tranche	means a group of Rights defined by the fact that each Right in the group has identical terms and features.
Term	means the period between the date of grant of a Right and the date on which it will lapse if not earlier exercised, which will be the 15 th anniversary of the date of grant unless otherwise determined by the Board and specified in an Invitation.
Vesting Notice	means the document issued to a Participant to notify them that Rights have vested, including the date of vesting.
Vested Right	means a Right in respect of which a Vesting Notice has been issued to a Participant.
Vesting Conditions	means conditions that must be satisfied in order for vesting of a Right to occur, as contemplated in Rule 11.
Vesting Date	means the date on which unvested Rights become vested, as specified in a Vesting Notice.
\$	means Australian Dollars.