



LONG TERM INCENTIVE PLAN

Change History

Amendments	Board Approval Date	Version	Approved IMF
1. Initial version finalised pre board AGM	[]	1	Andrew Saker/Diane Jones
2. Proportional treatment for mid-year joiners and mid-year pay alterations	24 Feb 2016	2	Jeremy Sambrook
3. Update to TSR performance condition	23 Aug 2016	3	Jeremy Sambrook
4. Update to good leavers provision	16 December 2016	4	Jeremy Sambrook/ Andrew Saker

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1. DEFINITIONS AND INTERPRETATION

Definitions

In these Rules, terms shall have the meanings given in Schedule 1 Part 1 and if not defined expressly, terms used in these Rules which are defined in the Corporations Act or in the Listing Rules, are deemed to have the meanings given to them therein.

Interpretation

These Rules shall be interpreted in accordance with the provisions of Schedule 1 Part 2.

2. ESTABLISHMENT OF THE PLAN

2.1 The purpose of the Plan is to:

2.1.1 attract quality senior Employees;

2.1.2 motivate and retain Eligible Participants;

2.1.3 align the interests of Eligible Participants with those of the Company;

2.1.4 increase shareholder value by motivating Eligible Participants; and

2.1.5 provide Eligible Participants with an opportunity to share in the success of the Company by acquiring an ownership interest in it.

2.2 The Plan shall take effect on the date it is approved by the Board.

2.3 The Plan shall operate in accordance with these Rules, which shall bind each Participant.

3. ADMINISTRATION OF THE PLAN

3.1 The Remuneration Committee will manage and administer the Plan for the Company, including exercising any discretion or power conferred on the Company or the Remuneration Committee by these Rules.

3.2 The Remuneration Committee will have power to:

3.2.1 determine appropriate procedures and regulations for the administration of the Plan consistent with the provisions of these Rules; and

3.2.2 resolve conclusively all questions of fact or interpretation and all calculations arising in connection with these Rules.

3.3 Except as otherwise expressly provided in these Rules, the Remuneration Committee has absolute and unfettered discretion to act or refrain from acting under or in connection with the exercise of any power or discretion granted to it by these Rules. Whenever the Remuneration Committee exercises such a power or discretion pursuant to these Rules, the exercise of that power or discretion shall be in the sole and absolute discretion of the Remuneration Committee and each decision shall be conclusive, final and binding upon applicable Employees, Eligible Participants and Participants. Neither the members of the Remuneration Committee nor any person to whom any power or discretion is delegated pursuant to clause 3.4 are, in exercising any such power or discretion, subject to any fiduciary or other obligation to any Employee, Eligible Participant or Participant.

3.4 Any power or discretion which is conferred on the Remuneration Committee by these Rules may be delegated by the Remuneration Committee for such period and upon such conditions as the Remuneration Committee may determine to any one or more persons selected by the

Remuneration Committee ("**Delegate**") and all references in these Rules to the Remuneration Committee shall be deemed to be references to the Delegate and all references in these Rules to the members of the Remuneration Committee shall be read as references to the members of the Delegate (if applicable), in all cases for the period of the Delegate's appointment only.

- 3.5 Notwithstanding any other provision of these Rules, the Board may at any time resolve:
- 3.5.1 that the Plan shall be administered, in whole or in part, in place of the Remuneration Committee by any of the following:
- 3.5.1.1 the Board;
 - 3.5.1.2 a committee of the Board other than the Remuneration Committee;
 - 3.5.1.3 specialist third party service providers;
- ("Replacement Administration Body")**
- and following such resolution all references in these Rules to the Remuneration Committee shall be deemed to be references to the Replacement Administration Body and all references in these Rules to the members of the Remuneration Committee shall be read as references to the members of the applicable Replacement Administration Body;
- 3.5.2 to revoke or amend any such resolution.
- 3.6 The Remuneration Committee must ensure a Register is maintained to facilitate the efficient management and administration of the Plan and to comply with regulatory reporting requirements.
- 3.7 The Company, at the Remuneration Committee's discretion, may grant Performance Rights to Participants who are resident outside of Australia, and make rules, and determine procedures and documentation, for the operation of the Plan which are not inconsistent with these Rules to apply to Participants who are resident outside of Australia.
- 3.8 Despite any other clause in these Rules, in administering the Plan, the Remuneration Committee will apply the applicable exchange rate published by the Reserve Bank of Australia on its website in respect of any conversion of currencies which occur (or, in the opinion of the Remuneration Committee, should occur) during the course of managing and administering the Plan.

4. INVITATION TO APPLY FOR PERFORMANCE RIGHTS

- 4.1 In its absolute discretion and subject to these Rules, the Remuneration Committee may from time to time issue Invitations to Eligible Participants to apply for Performance Rights. The Performance Rights included in any such Invitation shall be in two equal tranches or in such other proportion and number of tranches as the Remuneration Committee may from time to time determine.
- 4.2 The number of Performance Rights which an Eligible Participant may be invited to apply for shall be determined by multiplying the Total Fixed Remuneration of the applicable Eligible Participant converted, where necessary, into Australian dollars in accordance with clause 3.8 by 0.65 and dividing the product by the Company VWAP with an applicable date of 30 June of the Financial Year preceding the Financial Year to which the Invitation relates (such number being rounded in accordance with Schedule 1 Part 2 clause (I)).

- 4.3 An Invitation shall attach the Terms and Conditions and the Definitions and be in such form as the Remuneration Committee may determine from time to time and shall specify all information the Remuneration Committee considers appropriate, including:
- 4.3.1 the Invitation Date;
 - 4.3.2 the name of the Eligible Participant to whom the Invitation is made;
 - 4.3.3 the number of Performance Rights in respect of which the Eligible Participant is being invited to apply;
 - 4.3.4 the Performance Conditions (as stated in the Terms and Conditions);
 - 4.3.5 the Performance Period;
 - 4.3.6 the Expiry Date;
 - 4.3.7 the form of the Application; and
 - 4.3.8 any other information and conditions required by any law and any relevant Class Order.

5. APPLICATION FOR PERFORMANCE RIGHTS

- 5.1 Subject to clause 5.2, an Eligible Participant, upon receiving an Invitation, may only apply to subscribe for the Performance Rights referred to in the Invitation in accordance with the terms of the Invitation, save that the Eligible Participant may renounce the Invitation in respect of some or all of the Performance Rights in favour of a Nominee. The Eligible Participant shall provide the Company with all necessary documentation to establish the identity of the Nominee.
- 5.2 An Eligible Participant resident outside of Australia may not renounce the Invitation in favour of any other person without the prior written approval of the Remuneration Committee.
- 5.3 Subject to clause 5.4, a Participant shall be deemed to have irrevocably applied for the Performance Rights which are the subject of a duly completed Application returned to the Company in accordance with the terms of the Invitation.
- 5.4 If, prior to the issue of any Performance Rights referred to in clause 5.3:
- 5.4.1 a Participant; or
 - 5.4.2 if the Participant is a Nominee, the Eligible Participant of such Nominee,
- ceases to be an Officer, Employee or Contractor, or is subject to a notice of resignation or termination of employment or contract, then any Invitation to that Participant or Eligible Participant and any resulting Application in respect of those Performance Rights shall, unless the Remuneration Committee determines otherwise, be deemed never to have been made.

6. GRANT OF PERFORMANCE RIGHTS

- 6.1 Within 28 days after the end of the period for submitting an Application, as specified in the Invitation, and except where such Invitation is deemed never to have been made in accordance with clause 5.4, the Remuneration Committee will, in respect of each Eligible Participant, or (where applicable) his or her Nominee:
- 6.1.1 issue the Performance Rights which are the subject of the relevant Application to the Participant evidenced by the issue to the Participant by the Company of a Performance Rights Certificate; and

- 6.1.2 enter or cause to be entered in the Register the name of that Participant, the number of Performance Rights issued to that Participant, the Issue Date and the applicable tranches of such Performance Rights.
- 6.2 A Participant's title to Performance Rights will conclusively be evidenced for all purposes of the Plan by the Register and in the event of any inconsistency between a Performance Rights Certificate and the Register, the Register shall prevail. Where a Performance Rights Certificate is lost or destroyed the Company shall, on the request of the Participant, issue a duplicate certificate.
- 6.3 For the avoidance of any doubt the terms and conditions of a Performance Right shall be the Terms and Conditions as in force at the time of issue of the applicable Performance Rights as shall be evidenced by attaching the same to the applicable Performance Rights Certificate at the time of issue and the Company and the Participant shall be bound by such terms and conditions accordingly.

7. RIGHTS AND OBLIGATIONS OF PARTICIPANTS

- 7.1 All Participants shall be entitled to the benefit of and shall be bound by these Rules and any amendments thereto made in accordance with these Rules.
- 7.2 The Plan shall not form part of any contract between a Group Company (other than the Company) and any Eligible Participant and shall not confer directly or indirectly on any Eligible Participant any legal or equitable rights whatsoever against a Group Company (other than the Company in respect of the rights conferred upon a Participant under the Plan).
- 7.3 A Participant has no legal or equitable interest in a Share by virtue of acquiring a Performance Right. A Participant's rights under the Plan are purely personal and contractual.
- 7.4 This Plan:
- 7.4.1 does not confer on any Participant the right to continue as an Employee, Contractor or Officer of or to the Company or any Group Company;
 - 7.4.2 is separate to, and does not amend the terms of, employment of a Participant (where the Participant is an Employee or Officer) or contract for services (where the Participant is a Contractor);
 - 7.4.3 does not affect any rights which the Company, or any Group Company, may have to terminate the employment, contract for services, or office of a Participant; and
 - 7.4.4 may not be used as the basis to claim, or to increase any claim for, damages in any action brought against the Company, or any Related Body Corporate of the Company, in respect of the termination of a Participant.

8. TERMINATION, AND SUSPENSION

Termination and Suspension

- 8.1 The Board may terminate or suspend the Plan at any time subject to any resolution of the Company required by the Listing Rules.

Notice of Termination or Suspension

- 8.2 As soon as reasonably practicable after suspending or terminating the Plan, the Remuneration Committee will give notice in writing of that occurrence to any Participant affected thereby.

Existing Performance Rights

- 8.3 A termination or suspension will have no effect on any Performance Rights issued prior to any such termination or suspension.

9. AMENDMENT

Power of Amendment – General

- 9.1 Subject to the limitations in the remainder of this clause 9, the Board may from time to time amend or supplement these Rules (which for the avoidance of doubt includes the Terms and Conditions) in any respect.

Power of Amendment - Limitations

- 9.2 For so long as the Company remains on the official list of ASX, any amendment, variation or supplement to these Rules has no effect unless it complies with the Listing Rules.

- 9.3 In respect of an issued Performance Right:

- 9.3.1 no amendment made to the Rules (excluding for this purpose only the Terms and Conditions) shall bind a Participant in respect of such Performance Right, unless such amendment:

9.3.1.1 is consented to in writing by a Participant; or

9.3.1.2 is introduced for the purpose of complying with, or conforming to, the Listing Rules, or State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans; and

- 9.3.2 no amendment made to the Terms and Conditions shall bind a Participant in respect of such Performance Right unless such amendment is made in accordance with clause 18 of the Terms and Conditions.

Notification of Amendments

- 9.4 The Remuneration Committee must give written notice to all Participants of any amendment to these Rules which affects their rights, save that failure to provide such notice shall not invalidate an amendment which is otherwise in compliance with this clause 9.

- 9.5 Nothing in this clause 9 shall act so as to restrict the right of the Company to establish another incentive rights plan.

10. GENERAL PROVISIONS

- 10.1 Whenever the number or type of securities issuable upon exercise of a Performance Right is adjusted pursuant to these Rules, the Company shall give notice of the adjustment to the Participant and the ASX, as required, together with calculations on which the adjustment is based.

- 10.2 Any notice to be given by the Company to a Participant pursuant to these Rules shall be taken to have been given if delivered in accordance with any of the following:

- 10.2.1 sent by email to the Participant, or if the Participant is a Nominee, to the Eligible Participant of such Nominee, at such person's Group Company email address, or otherwise such other email address as the applicable person shall from time to time provide to the Company;

10.2.2 delivered personally to the Participant, or if the Participant is a Nominee, to the Eligible Participant of such Nominee; or

10.2.3 sent by standard post to the last known address of, the Participant, or if the Participant is a Nominee, the Eligible Participant of such Nominee.

11. ASX AND CORPORATIONS ACT REQUIREMENTS

11.1 The Remuneration Committee will use its best endeavours to ensure that the Plan is at all times operated in accordance with the Listing Rules, the Corporations Act and any Class Order on which the Company is reliant.

11.2 Notwithstanding anything in these Rules, Shares may not be issued, transferred or dealt with under the Plan if to do so would contravene or prevent compliance with the Corporations Act, the Listing Rules, any Class Order on which the Company is reliant, the Securities Trading Policy or any other applicable law or where the compliance would, in the opinion of the Remuneration Committee, be unduly onerous or impractical.

12. GOVERNING LAW

12.1 These Rules and the rights and obligations of Participants shall be governed by and construed in accordance with the laws for the time being in force in the State of New South Wales.

12.2 Each Participant and Group Company irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the State of New South Wales.

SCHEDULE 1: DEFINITIONS AND INTERPRETATION

Part 1: Definitions

"**AEST**" means Australian Eastern Standard Time;

"**Application**" means an application by an Eligible Participant in response to an Invitation in such form as shall be prescribed in the applicable Invitation;

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

"**ASX**" means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires);

"**Australian Dollar**" means the lawful currency of the Commonwealth of Australia from time to time;

"**Australian Participant**" means a Participant who is resident for taxation purposes in the Commonwealth of Australia on the date of an applicable Vesting Notice;

"**Board**" means the board of directors of the Company as it may be constituted from time to time;

"**Business Day**" has the same meaning given to such expression in the Listing Rules;

"**Class Order**" means an instrument issued by ASIC that, among other things, exempts a person(s) from compliance with certain provisions of the Corporations Act, or other acts administered by ASIC;

"**Company**" means IMF Bentham Limited ACN 067 298 088;

"**Company's TSR**" means the total shareholder return of the Company over the Performance Period calculated as follows:

$$\frac{((\text{End Date Share Price} - \text{Start Date Share Price}) + \text{Gross Dividends})}{\text{Start Date Share Price}} \times 100$$

"**Company VWAP**" means the VWAP of all Shares issued by the Company on issue during, and calculated over, the five days immediately prior to, and ending on, the applicable date;

"**Comparator Group**" means such companies or entities, being not less than 6, selected by the Remuneration Committee with effect from the applicable Start Date, and each being in the diversified financial industry sector, listed on ASX and having a market capitalisation of between 50% and 200% of the Company's market capitalisation on the applicable Invitation Date, save that the Remuneration Committee may at any time thereafter during the relevant Performance Period, add any other company or entity to such group which satisfies the above criteria (as at the date of such addition) and may remove any company or entity within the group which no longer satisfies such criteria (as at the date of such removal), save that where such removal results in the group comprising less than 6 companies and entities, the Remuneration Committee shall, to the extent such company or entity exists, add another company or entity to such group which satisfies the above criteria (as at the date of such addition) in order to maintain, so far as possible, that the group comprises a minimum of 6 companies or entities;

"Contractor" means a contractor engaged by a Group Company, who is determined by the Remuneration Committee in its discretion to be eligible to receive grants of Performance Rights under the Plan;

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

"Directors" means the directors of the Company from time to time;

"Eligible Participant" means a person who is:

- (a) an Employee or Contractor who:
 - (i) performs an investment role at the level of an associate investment manager or above (as determined by the Remuneration Committee);
or
 - (ii) performs a non-investment role which is determined by the Remuneration Committee to have equivalent seniority to the role specified in paragraph (a) above;
- (b) an Officer; or
- (c) otherwise so designated by the Remuneration Committee;

"Employee" means any person who is a full-time or part-time employee of a Group Company;

"Employee Share Trust" refers to any employee share trust established by or on behalf of the Company from time to time;

"End Date" means the last day of a Performance Period;

"End Date Share Price" means the Company VWAP with an applicable date of the End Date;

"Exercise Date" means the date of the Exercise Notice or the date such notice is deemed to have been delivered in accordance with clause 6.4 of the Schedule 3;

"Expiry Date" means the day ending at 5.00pm (AEST) on the date 15 years after 1 July of the Financial Year in which the applicable Invitation is made to a Participant or such other earlier date as is determined by the Remuneration Committee and specified in an Invitation;

"Exercise Notice" means a duly completed notice of exercise of a Vested Performance Right signed by the Participant, substantially in the form of Schedule 7 and lodged in accordance with clause 6.2 of Schedule 3;

"Financial Year" means a period from 1 July in any year to 30 June in the following year;

"Funds Deployed" means the intangible asset balance of the Company in Australian dollars as detailed in the Company's annual consolidated financial statements and published in its annual report;

"Funds Deployed CAGR" means the compound annual growth rate on the Funds Deployed during the applicable Performance Period;

"Group" means the Company and each Group Company;

"Group Company" means any one of the Company or a Related Body Corporate of the Company;

"Group Company Tax Amount" has the meaning given in clause 7.2.1 of Schedule 3;

"Gross Dividends" means the aggregate amount of dividends per Share declared and paid during the Performance Period;

"Invitation" means an invitation made in accordance with clause 4 to an Eligible Participant to apply for Performance Rights under the Plan, substantially in the form of Schedule 2;

"Invitation Closing Date" means the date for receipt of acceptances notified in an Invitation;

"Invitation Date" means the date of an Invitation;

"Issue Date" means the date on which a Performance Right is issued, as notified to a Participant by the Company;

"Lapse Notice" has the meaning given in clause 5.2 of Schedule 3 and substantially in the form of Schedule 6;

"Listing Rules" means the Listing Rules published by the ASX governing the admission of entities to the official list of the ASX (as amended from time to time);

"Maximum Leaver Proportion" means, in respect of a tranche of unvested Performance Rights held by a Participant, the proportion calculated by dividing the number of days in the applicable Performance Period which will have elapsed on the date the applicable Participant ceases to be an Eligible Participant by the total number of days in the applicable Performance Period.

"Minimum Parcel" means the minimum number of Vested Performance Rights which a Participant may exercise being the lower of all Vested Performance Rights held by a Participant and 10,000 or such other number of Vested Performance Rights as the Remuneration Committee may determine from time to time;

"Net Performance Rights Shares" has the meaning given in clause of 7.2.2.1 of Schedule 3;

"Nominee" means in respect of an Eligible Participant:

- (a) an immediate family member who is resident in Australia or in such other jurisdiction as the Remuneration Committee may approve in its absolute discretion;
- (b) a company incorporated in Australia or in such other jurisdiction as the Remuneration Committee may approve in its absolute discretion whose members comprise solely the Eligible Participant and/or his/her immediate family members; or
- (c) a company incorporated in Australia or in such other jurisdiction as the Remuneration Committee may approve in its absolute discretion which is the corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993(C'th)*) of which the Eligible Participant is a director,

in each case, subject to such person being a person to whom the Company is permitted to issue Performance Rights without publishing a disclosure document;

"Officer" means a director or company secretary of a Group Company;

"Overseas Participant" means a Participant who is not an Australian Participant, or deemed to be treated as an Australian Participant pursuant to clause 6.5 of Schedule 3;

"Participant" means an Eligible Participant who has submitted an Application either on his/her own behalf or on behalf of his/her Nominee in whose favour the Eligible Participant has renounced its right to any Performance Rights;

"Performance Conditions" means, in relation to each Performance Right, the performance related conditions which must be satisfied or circumstances which must exist before a Performance Right can be exercised, as set out in the Annexure to Schedule 3;

"Performance Period" in respect of a Performance Right means the period commencing on 1 July of the Financial Year in which the applicable Invitation is made to a Participant and ending 36 months later;

"Performance Right" means a right granted pursuant to and subject to these Rules to be issued or transferred such number of Shares, or fraction thereof, calculated in accordance with the Performance Right Conversion Rate, subject to the Terms and Conditions attached to the applicable Performance Rights Certificate;

"Performance Right Australian Conversion Rate" means one Performance Rights Share for each Performance Right;

"Performance Rights Certificate" means a certificate substantially in the form of Schedule 4 issued by the Company to a Participant evidencing the issue of a Performance Right to the Participant with the applicable Terms and Conditions appended thereto;

"Performance Right Conversion Rate" means the Performance Right Australian Conversion Rate or the Performance Right Overseas Conversion Rate, as applicable;

"Performance Right Overseas Conversion Rate" means such number of Performance Rights Share(s) calculated to two decimal places in accordance with the below formula for each Performance Right:

$$A \div B$$

Where:

"A" is the number of Performance Rights which would have been calculated in respect of the relevant Participant for the applicable Financial Year in accordance with clause 4.2 had the calculation been undertaken using the applicable foreign exchange spot rate on the Exercise Date; and

"B" is the total number of Performance Rights held by the relevant Participant in respect of the applicable Financial Year;

"Performance Rights Share" means, in respect of any Performance Right, the Share a Participant is entitled to subscribe for, or take a transfer of, pursuant to a Vested Performance Right, including any Shares resulting from an adjustment made thereto pursuant to these Rules;

"Plan" means the IMF Bentham Limited Long Term Incentive Plan as established and administered in accordance with these Rules, and as the same may be amended from time to time;

"PPSA" means the *Personal Property Securities Act 2009 (C'th)*;

"Register" means the register created and maintained by or on behalf of the Company under and in accordance with section 170 of the Corporations Act on the basis that a Performance Right shall be treated as an option for the purposes of this legislative provision;

"Remuneration Committee" means the remuneration committee of the Board as established from time to time.

"Related Body Corporate" has the meaning given to that term in the Corporations Act;

"Relevant Interest" has the meaning given to that term in section 9 of the Corporations Act;

"Replacement Administration Body" has the meaning given to that term in clause 3.5.1;

"Rules" means the rules of the Plan set out herein including the Terms and Conditions as amended from time to time in accordance with the terms hereof;

"Security Interest" means any Security Interest within the meaning of the PPSA and any mortgage, pledge, charge, lien, encumbrance, assignment, security, interest, preferential right, set-off or any other security arrangement;

"Securities Trading Policy" means the policy established by the Company, as amended from time, regarding trading in securities of the Company by Officers, Employees, Contractors and other related parties;

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

"Start Date" means the first day of a Performance Period;

"Start Date Share Price" means the Company VWAP with an applicable date of the Start Date;

"Takeover Bid" has the meaning given to that term in section 9 of the Corporations Act;

"Terms and Conditions" means the terms and conditions of a Performance Right as detailed in Schedule 3 (as may be amended from time to time in accordance with these Rules);

"Total Fixed Remuneration" means in respect of an Eligible Participant, the fixed base gross annual salary plus, if applicable, annual superannuation entitlement but for the avoidance of doubt excluding any other monetary entitlements including any incentive awards under this Plan or any other plans operated by a Group Company from time to time, save that if:

- (a) the applicable Eligible Participant was not an Eligible Participant on the first day of the Financial Year; or
- (b) the base salary payable to the applicable Eligible Participant has been varied during the applicable Financial Year,

such amount shall be adjusted proportionately and determined by the Remuneration Committee;

"Trading Days" has the meaning given to such expression in the Listing Rules;

"Tranche 1 Performance Rights" means Performance Rights so designated on a Performance Rights Certificate and in the Register;

"Tranche 1 Vesting Matrix" means the matrix contained in Part 2A of the Annexure to the Terms and Conditions;

"Tranche 2 Performance Rights" means Performance Rights so designated on a Performance Rights Certificate and in the Register;

"Tranche 2 Vesting Matrix" means the matrix contained in Part 2B of the Annexure to the Terms and Conditions;

"Vested Performance Right" means a Performance Right in respect of which the Company has issued a Vesting Notice;

"Vesting Notice" has the meaning given in clause 5.2 of Schedule 3 and substantially in the form of Schedule 5;

"Vesting Share Price" means the Company VWAP for the period ending the date of the Vesting Notice.

"VWAP" has the meaning given to the phrase 'volume weighted average market price' in the Listing Rules; and

"Withholding Tax Amount" has the meaning given in clause 7.2.1 of Schedule 3.

Part 2: Interpretation

- (a) Headings are for convenience only and do not affect the interpretation of these Rules.
- (b) Words importing gender mean each other gender.
- (c) Words denoting the singular include the plural and vice versa.
- (d) Where a word or phrase is defined, any other part of speech or grammatical form of that word or phrase has a corresponding meaning.
- (e) A reference to any statute or any section of any statute includes any statute or section amending, consolidating or replacing the statute or section referred to.
- (f) References to clauses or schedules are references to clauses or schedules to or of these Rules, and a reference to these Rules includes any schedule to these Rules.
- (g) A reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
- (h) A reference to a document (including these Rules) includes any variation, supplement or replacement of it (including by way of novation).
- (i) A reference to a date shall if such date is not a trading day on the ASX shall be interpreted to be a reference to the preceding trading day on the ASX.
- (j) These Rules, any Invitation to apply for and the grant of any Performance Right, and the issue or transfer of any Performance Rights Shares shall at all times be subject to the Listing Rules, the Corporations Act, any Class Order on which the Company is reliant and any other applicable laws.
- (k) A reference to an offer, issue or distribution to the Company's shareholders generally is a reference to an offer, issue or distribution to the generality of the Company's shareholders, whether or not such offer, issue or distribution is extended to the holders of other securities issued by the Company and whether or not such offer, issue or distribution excluded persons in particular places outside Australia or other minority groups who may for a particular reason be precluded from participating.
- (l) Where any calculation or adjustment to be made pursuant to these Rules produces a fraction, the fraction shall be rounded to the nearest whole number.

SCHEDULE 2: INVITATION

[IMF Bentham Limited Letterhead]

[Enclose Terms and Conditions and Definitions]

Date

PERSONAL & CONFIDENTIAL

Name

Address

Dear Name

IMF Bentham Limited Long Term Incentive Plan – Invitation to Participate and Plan Rules

1. Introduction

On behalf of the Remuneration Committee of the Board of Directors of IMF Bentham Limited ("**Company**"), I am pleased to invite you to participate in the Company's Long Term Incentive Plan ("**Plan**").

The purpose of the Plan is to:

- (a) recognise the ability and efforts of eligible persons who have contributed to the success of the Company;
- (b) provide an incentive to eligible persons to achieve the long term objectives of the Company and improve the performance of the Company and shareholder value; and
- (c) attract persons with experience and ability to the Company and foster and promote loyalty between the Company and eligible persons.

Performance rights issued pursuant to the Plan ("**Performance Rights**") shall be issued at no cost to the recipient and are rights to receive fully paid ordinary shares in the Company ("**Shares**") in the future, if certain conditions ("**Performance Conditions**") as set out in the attached accompanying terms and conditions ("**Terms and Conditions**") are satisfied within the period specified below.

Capitalised terms used in this Invitation are as defined in the Definitions provided with this Invitation, unless otherwise specifically defined in this Invitation.

2. Granting of Performance Rights

The Company hereby offers to grant to you the number of Performance Rights detailed in the table below ("**Your Performance Rights**").

You may either take up Your Performance Rights by completing the attached application form in your own name, reject this Invitation in which case you are not required to take any action or, if you are resident in Australia, you may renounce the Invitation in respect of some or all of Your Performance Rights favour of:

- (a) an immediate family member who is resident in Australia;
- (b) a company incorporated in Australia whose members comprise solely you and/or your immediate family members; or

- (c) a company incorporated in Australia which is the corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993 (C'th)*) of which you are a director,

in each case, subject to such person being a person to whom the Company is permitted to issue Performance Rights without publishing a disclosure document.

(each a "Nominee").

[The Company has determined that Your Performance Rights, if issued, will be granted in reliance on an applicable Class Order. Accordingly, clauses 7.3 and 7.4 of the Terms and Conditions will not apply to Your Performance Rights.]

3. Acceptance or Renouncement of the Invitation

You have [insert] days from the date of this Invitation to apply for Your Performance Rights or renounce the Invitation (in whole or in part) and have your Nominee(s) make application for any Performance Rights you have renounced. Acceptance or renouncement of the Invitation must be on the Acceptance / Renouncement Form provided with this Invitation.

To accept the Invitation, you must tick the "accept" box in the Acceptance / Renouncement Form and return the completed and signed Acceptance / Renouncement Form to the Company Secretary (at the contact details given below), so that it is received not later than 5.00pm AEST on [date] [month] [year] ("**Application Deadline**").

To renounce the Invitation in whole or in part, you must return to the Company Secretary (at the contact details given below):

- (a) a completed and signed Acceptance / Renouncement Form which has the "renounce" box ticked and specifying the number of Performance Rights you have renounced; and
- (b) the appropriate Acceptance of Renounced Invitation Form completed and signed by your Nominee(s),

so that they are received by the Company Secretary not later than 5.00pm AEST on [date] [month] [year].

This Invitation will automatically lapse if you do not accept or renounce it by the Application Deadline.

Your Performance Rights - Key Information

Number of Performance Rights	Tranche 1 [INSERT] Tranche 2 [INSERT]
Performance Period	1 July [INSERT] to 30 June [INSERT]
Performance Conditions	As detailed in the Terms and Conditions
Expiry Date	30 June [INSERT]

Your Performance Rights are offered subject to the Terms and Conditions which are enclosed for your reference and review and will be appended to your Performance Rights Certificate and through your application you are taken to have agreed to be bound by the Terms and Conditions. If you renounce this Invitation and Performance Rights are granted to your Nominee, both you and your Nominee(s) are taken to agree to be bound by the Terms and Conditions.

4. Disclaimer

This Invitation is for your exclusive use and is considered to be a personal invitation to you. It is not to be copied or circulated to any other person by you, other than any Nominee(s) and your professional adviser(s) and the professional adviser(s) of any Nominee.

This letter is not a prospectus under the *Corporations Act 2001* (C'th) ("**Corporations Act**") and it has not been lodged with the Australian Securities and Investments Commission for that purpose.

The information contained in this Invitation is being provided on a confidential basis to you solely for the purpose of evaluating the Invitation.

The provision of this Invitation is not and should not be considered as a recommendation in relation to an investment in the Company, or that an investment in the Company is a suitable investment for you.

This Invitation does not purport to provide all of the information you may require in order to evaluate an investment in the Company. In making this Invitation the Company is not giving you any financial, legal, tax or investment advice. You should make your own enquiries and evaluations as you deem necessary of the Invitation (including your investment objectives, financial situation, and particular needs), and you should seek all necessary financial, legal, tax and investment advice.

5. Taxation Considerations

There may be tax implications to acquiring, holding or disposing of Performance Rights, and we urge you to obtain independent financial advice in light of your particular investment circumstances.

6. Risk

As with any investment in shares, there can be no guarantee that the market value of the Shares will not fall in the future. There is also no assurance as to future dividends or distributions since these are dependent on earnings and the financial condition of the Company.

As a holder of Performance Rights, you will not be entitled to vote or receive any dividends paid by the Company. However, the Shares acquired on exercise of your Performance Rights will carry full voting and dividend rights.

7. Securities Trading Policy

Shares acquired on exercise of your Performance Rights shall be subject to the terms of the Securities Trading Policy, a copy of which may be found on the Company's ASX platform at www.asx.com.au under ASX code IMF.

8. Sale of Shares

You should be aware that there are restrictions imposed by general law and the Corporations Act on dealing in shares by persons who possess material information likely to affect the value of the shares and which is not generally available (insider information). These laws may restrict the acquisition or disposal of Shares by you during the time you have such information.

9. Market Price of Shares

The market price of Shares acquired on exercise of your Performance Rights is available on the Company's ASX platform at www.asx.com.au under ASX code IMF.

We thank you for your contribution to the success of the Company, and look forward to our ongoing association. Should you have any queries in relation to this Invitation, please contact the Company Secretary.

10. Company Secretary's Contact Details

Please send completed forms to the Company Secretary Jeremy Sambrook by email at jsambrook@imf.com.au, copied to Chief Financial Officer, Julia Yetsenga jyetsenga@imf.com.au .

Yours sincerely

Andrew Saker
Managing Director

(Example Form – to be modified depending on Jurisdiction)
Acceptance / Renouncement Form

Acceptance / Renouncement of Invitation

To: Company Secretary
IMF Bentham Limited
jsambrook@imf.com.au,
Copy to Chief Financial Officer
jyetsenga@imf.com.au .

I, [full name], having read the terms and conditions of the invitation letter to me dated [date] [Month] [Year] (Invitation) and the IMF Bentham Limited Long Term Incentive Plan:

- hereby **accept** the Invitation to be granted Performance Rights, as detailed in the Invitation, on the Terms and Conditions; or
- hereby **renounce** the Invitation to be granted Performance Rights, as detailed in the Invitation, in favour of

[Full name and address of Nominee];

if applicable, Performance Rights, as detailed in the Invitation, in favour of

[Full name and address of Nominee];

if applicable, Performance Rights, as detailed in the Invitation, in favour of

[Full name and address of Nominee];

if applicable, Performance Rights, as detailed in the Invitation, in favour of

[Full name and address of Nominee];

if applicable, Performance Rights, as detailed in the Invitation, in favour of

[Full name and address of Nominee];

if applicable, Performance Rights, as detailed in the Invitation, in favour of

[Full name and address of Nominee].

(Tick the applicable box(es) above)

Only complete the section below if you are renouncing the Invitation:

I declare that I am a resident of Australia (or another jurisdiction which the Remuneration Committee has approved for these purposes ("**Approved Jurisdiction**")) and that the person(s) in whose favour I am renouncing the Invitation is:

- my immediate family member who is resident in Australia (or another Approved Jurisdiction);
- a company incorporated in Australia (or another Approved Jurisdiction) whose members comprise solely myself and/or my immediate family members; or
- a company incorporated in Australia (or another Approved Jurisdiction) which is the corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993 (C'th)*) of which I am a director.

(Tick the applicable box(es) above if the Invitation is being renounced)

Dated: 20[]
Signed Sealed and Delivered as a deed and a deed)
poll by _____ in the)
presence of:)

Signature of witness

Name of witness
(please print)

Signature

(Example Form – to be modified depending on Jurisdiction)
Acceptance of Renounced Invitation Form (Individual)

Note: This form is to be used where all or part of an Invitation is renounced in favour of an immediate family member of the offeree.

Acceptance of Renounced Invitation

To: Company Secretary
IMF Bentham Limited

jsambrook@imf.com.au,

Copy to Chief Financial Officer

jyetsenga@imf.com.au .

I, _____, having read the terms and conditions of the Invitation to [insert] dated [date] [Month] [Year] and the IMF Bentham Limited Long Term Incentive Plan hereby acknowledge:

(a) the renouncement of the grant of [number] Performance Rights in my favour by [insert]; and

(b) that I am an immediate family member of [insert].

I hereby accept the Invitation of the grant of [number] Performance Rights, as detailed in the Invitation, on the terms and conditions in the Invitation.

Dated _____ 20[]
Signed Sealed and Delivered as a deed and a deed)
poll by [Full Name] in the presence of:)
)

Signature

Signature of witness

Name of witness
(please print)

(Example Form – to be modified depending on Jurisdiction)
Acceptance of Renounced Invitation Form (Company)

Note: This form is to be used where all or part of an Invitation is renounced in favour of a company whose members comprise no persons other than the offeree or the offeree's immediate family members.

Acceptance of Renounced Invitation

To: Company Secretary
IMF Bentham Limited
jsambrook@imf.com.au,
Copy to Chief Financial Officer
jyetsenga@imf.com.au .

(Company)

_____ acknowledges:

- (a) the terms and conditions of the Invitation to [insert] dated [date] [Month] [Year] and the IMF Bentham Limited Long Term Incentive Plan;
- (b) that the members of the Company comprise no persons other than [insert] or [insert]'s immediate family members; and
- (c) the renouncement of the grant of [number] Performance Rights by [insert] in favour of the Company.

The Company hereby accepts the Invitation of the grant of [number] Performance Rights, as detailed in the Invitation, on the terms and conditions in the Invitation.

Dated: 20[]

Executed as a deed and a deed poll by:

in accordance with section 127 of the
Corporations Act:

Signature of Director

Signature of Secretary/other Director

Name of Director in full

Name of Secretary/other Director in full

(Example Form – to be modified depending on Jurisdiction)
Acceptance of Renounced Invitation Form (Corporate Trustee)

Note: This form is to be used where all or part of an Invitation is renounced in favour of an Australian-incorporated corporate trustee of a self managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) of which the offeree is a director.

Acceptance of Renounced Invitation

To: Company Secretary
IMF Bentham Limited
jsambrook@imf.com.au,
Copy to Chief Financial Officer
jyetsenga@imf.com.au .

_____ as trustee for [insert]

(Trustee Company) acknowledges:

- (a) the terms and conditions of the Invitation to [insert] dated [date] [Month] [Year] and the IMF Bentham Limited Long Term Incentive Plan;
- (b) [insert] is a director of the Trustee Company; and
- (c) the renouncement of the grant of [number] Performance Rights by [insert] in favour of the Trustee Company.

The Trustee Company hereby accepts the Invitation of the grant of [number] Performance Rights, as detailed in the Invitation, on the terms and conditions in the Invitation.

Dated: 20[]
Executed as a deed and a deed poll by:

as trustee for:

in accordance with section 127 of the
Corporations Act.

Signature of Director

Signature of Secretary/other Director

Name of Director in full

Name of Secretary/other Director in full

SCHEDULE 3: TERMS AND CONDITIONS

1. DEFINITIONS

In these Terms and Conditions, terms shall have the meanings given in Schedule 1 and if not defined therein, shall, if applicable, have the meanings given to such terms in the Corporations Act or in the Listing Rules.

2. ISSUE PRICE

- 2.1 Each Performance Right is issued for no consideration and shall have no exercise price.

3. PLAN

Each Performance Right is issued under and in accordance with the Plan.

4. PERFORMANCE CONDITIONS AND PERFORMANCE PERIODS

- 4.1 All Performance Rights shall be subject to the satisfaction of the Performance Conditions within the Performance Periods, such satisfaction to be determined by the Remuneration Committee in accordance with these Terms and Conditions.

5. NOTIFICATION OF VESTED PERFORMANCE RIGHTS

- 5.1 As soon as practicable after the End Date applicable to a Performance Right, the Remuneration Committee shall determine in its sole discretion:

5.1.1 whether and to what extent the Performance Conditions have been satisfied during the Performance Period; and

5.1.2 if the Remuneration Committee determines the Performance Conditions have been satisfied, the Remuneration Committee shall determine whether a Performance Right has vested or lapsed by application of the Tranche 1 Vesting Matrix or the Tranche 2 Vesting Matrix as applicable.

- 5.2 Following the Remuneration Committee's determination of whether a Performance Right has vested or lapsed in accordance with clause 5.1:

5.2.1 the Company shall provide the relevant Participant with notice of the same, including where applicable the number of Vested Performance Rights now held by that Participant ("**Vesting Notice**") or confirmation of the number of Performance Rights that have lapsed in accordance with clause 5.1.2 ("**Lapse Notice**"); and

5.2.2 the Remuneration Committee shall amend or procure the amendment of the Register to reflect:

5.2.2.1 the vesting of such Vested Performance Rights and the applicable vesting date which shall be deemed to be the date of the Vesting Notice; or

5.2.2.2 the lapse of such Performance Rights and the applicable lapse date which shall be deemed to be the date of the Lapse Notice.

6. EXERCISE OF VESTED PERFORMANCE RIGHTS

- 6.1 A Vested Performance Right may be exercised by an Australian Participant at any time from the date of receipt of a Vesting Notice in respect of such Vested Performance Right until such

time as the Vested Performance Right lapses in accordance with clause 10 of these Terms and Conditions.

- 6.2 An Australian Participant may exercise a Vested Performance Right by lodging an Exercise Notice addressed for the attention of the Remuneration Committee at the registered address of the Company.
- 6.3 If an Australian Participant elects to exercise a Vested Performance Right, the Exercise Notice must be, save as determined otherwise by the Remuneration Committee, in respect of that number of Vested Performance Rights which is
- 6.3.1 not less than the Minimum Parcel; or
- 6.3.2 a multiple of the Minimum Parcel.
- 6.4 A Vested Performance Right held by an Overseas Participant is automatically exercised on the Exercise Date and the issue of a Vesting Notice to an Overseas Participant shall constitute the deemed delivery of an Exercise Notice from such an Overseas Participant in respect of all of their Vested Performance Rights.
- 6.5 Notwithstanding clause 6.4 of these Terms and Conditions, upon request from an Overseas Participant, the Remuneration Committee may determine that such Overseas Participant be treated as an Australian Participant solely for the purposes of clauses 6 and 7 of these Terms and Conditions.

7. ISSUE OF PERFORMANCE RIGHTS SHARES

- 7.1 Upon receipt by the Company of a valid Exercise Notice from an Australian Participant, the Company shall within 30 days:
- 7.1.1 do one of the following:
- 7.1.1.1 issue the applicable number of Performance Rights Shares to the Australian Participant;
- 7.1.1.2 transfer the applicable number of Performance Rights Shares to the Australian Participant; or
- 7.1.1.3 instruct, and to the extent necessary, loan the necessary funds, to the trustee of the Employee Share Trust to enable the trustee to declare that the requisite number of Performance Rights Shares are being held on bare trust for the Australian Participant; and
- 7.1.2 amend the Register to account for the exercise of the applicable number of Vested Performance Rights and the issue of the applicable number of Performance Rights Shares.
- 7.2 Following the deemed issue of an Exercise Notice by an Overseas Participant in accordance with clause 6.4 of these Terms and Conditions, the Company shall as soon as practicable:
- 7.2.1 calculate the withholding tax due and payable by the relevant Group Company, if any, in respect of the exercise of the Performance Rights by the applicable Overseas Participant ("**Withholding Tax Amount**");
- 7.2.2 do one of the following:
- 7.2.2.1 issue to the applicable Overseas Participant such number of Performance Rights Shares as such Overseas Participant shall be

- entitled to receive upon the deemed exercise of the Vested Performance Rights in accordance with the Performance Right Overseas Conversion Rate less such number of Performance Rights Shares as is equal in value to the Withholding Tax Amount calculated by reference to the Company VWAP with an applicable date of the day prior to such issue ("**Net Performance Rights Shares**");
- 7.2.2.2 transfer the Net Performance Rights Shares to the applicable Overseas Participant; or
 - 7.2.2.3 instruct, and to the extent necessary, loan the necessary funds, to the trustee of the Employee Share Trust to enable the trustee to declare that the requisite number of Net Performance Rights Shares are being held on bare trust for the Overseas Participant; and
- 7.2.3 amend the Register to account for the exercise of the applicable number of Vested Performance Rights and the issue of the applicable number of Performance Rights Shares.
- 7.3 Notwithstanding clauses 7.1 and 7.2 above if a Performance Right Share is not issued in reliance upon an applicable Class Order then:
- 7.3.1 the Company's obligation to issue such Performance Rights Share in accordance with this clause 7 of these Terms and Conditions shall be postponed until the earlier of:
 - 7.3.1.1 when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information; or
 - 7.3.1.2 the Participant elects that the Performance Rights Share to be issued pursuant to the exercise of the Vested Performance Right will be subject to a holding lock for a period of 12 months,
 - 7.3.2 if clause 7.3.1.1 applies, upon issue of the Performance Rights Share the Company shall either give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Performance Rights Share issued upon exercise of the Vested Performance Right for resale under section 708A(11) of the Corporations Act;
 - 7.3.3 if clause 7.3.1.2 applies, the Company shall issue or transfer the Performance Rights Share to the Participant in accordance with applicable foregoing provisions of this clause 7 of these Terms and Conditions and the Company shall apply a holding lock in accordance with clause 7.4.2, in respect of the Performance Rights Share issued upon exercise of the Vested Performance Right.
- 7.4 The Participant may make an election pursuant to clause 7.3.1.2 at any time following delivery of an Exercise Notice for each Vested Performance Right being exercised. Following any such election:
- 7.4.1 the Performance Rights Share to be issued or transferred will be held by the Participant on the Company's issuer sponsored sub-register (and not in a CHES sponsored holding);¹

¹ This is to avoid the need to enter into tripartite arrangements with the CHES sponsor if the Shares will be held in a CHES sponsored account.

- 7.4.2 the Company will apply a holding lock on the Performance Rights Share to be issued or transferred and the Participant is taken to have agreed to that application of that holding lock;
- 7.4.3 the Company shall release the holding lock on the Performance Rights Share on the earlier to occur of:
- 7.4.3.1 the date that is 12 months from the date of issue of the Performance Rights Share; or
 - 7.4.3.2 the date the Company issues a disclosure document that qualifies the Performance Rights Share for trading in accordance with section 708A(11) of the Corporations Act; or
 - 7.4.3.3 the date a transfer of the Performance Rights Share occurs pursuant to clause 7.4.4 of these Terms and Conditions;
- 7.4.4 subject to clause 7.5, a Performance Rights Share shall be transferable by the Participant and the holding lock will be lifted provided that the transfer of the Performance Rights Share complies with section 707(3) of the Corporations Act and the transferee of the Performance Rights Share agrees by way of a deed poll in favour of the Company to the holding lock applying to the Performance Rights Share following its transfer for the balance of the period in clause 7.4.2 of these Terms and Conditions; and
- 7.4.5 solely with the prior consent of the Company, not to be unreasonably withheld, the Participant may grant a Security Interest over a Performance Rights Share save that the enforcement of any such Security Interest shall remain at all times subject to compliance with section 707(3) of the Corporations Act and any transferee of the Performance Rights Share agreeing by way of a deed poll in favour of the Company to the holding lock applying to the Performance Rights Share for the balance of the period in clause 7.4.2 of these Terms and Conditions.
- 7.5 From and including the date of issue of any Performance Rights Shares to a Participant, the Participant must not sell or transfer such Performance Rights Share if to do so would be in breach of the insider trading provisions of the Corporations Act (Part 7.10, Division 3), any other applicable law or the Securities Trading Policy.

8. EMPLOYEE SHARE TRUST

- 8.1 If the Company has established an Employee Share Trust, the trustee of the Employee Share Trust shall hold any Performance Rights Shares it owns together with all associated rights and benefits as bare trustee for each applicable Participant and shall maintain all necessary records to demonstrate such segregated trust holdings.
- 8.2 An applicable Participant may at any time during which the trustee of the Employee Share Trust holds Performance Rights Shares on trust for the Participant, by giving notice in writing to the trustee, require the trustee to transfer the applicable Performance Rights Shares to him, her or it.
- 8.3 The trustee of the Employee Share Trust shall provide to all Participants it holds Performance Rights Shares on behalf of a notice of any meeting of the Company and a request for voting instructions from each such Participant.
- 8.4 Any dividend received by the trustee of the Employee Share Trust in respect of Performance Rights Shares it holds shall be held exclusively for each applicable Participant and shall be paid by electronic transfer to such Participant without undue delay.

9. RANKING AND LISTING

- 9.1 A Performance Right has no voting or dividend rights.
- 9.2 A Performance Right may not be listed for quotation on any stock exchange.
- 9.3 Performance Rights Shares will, from the date of allotment, rank equally with all other issued Shares, will carry the same voting rights as other issued Shares, and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue.
- 9.4 The Company will use its best endeavours to obtain official quotation of all Performance Rights Shares on ASX.

10. FORFEITURE AND CESSATION AS AN ELIGIBLE PARTICIPANT

Lapse of a Performance Right

- 10.1 A Performance Right lapses:
- 10.1.1 in the case of a Vested Performance Right, on the Expiry Date;
 - 10.1.2 in the case of an unvested Performance Right, on the date of the issue of a Lapse Notice; or
 - 10.1.3 otherwise in accordance with clauses 10.2, 10.3, 10.4 or 12.1 of these Terms and Conditions,

and the Remuneration Committee shall ensure that the Register is updated accordingly and any Performance Rights Certificate in respect of any Performance Rights which have lapsed shall be deemed to be cancelled.

Fraudulent or dishonest action or resignation

- 10.2 Unless the Remuneration Committee resolves otherwise, where, in the opinion of the Remuneration Committee, an Eligible Participant ceases to be an Employee or a Contractor or an Officer, in each case of a Group Company, because the Eligible Participant:
- 10.2.1 acts or has acted fraudulently or dishonestly;
 - 10.2.2 is guilty of gross misconduct;
 - 10.2.3 resigns (other than with the agreement of the relevant Group Company); or
 - 10.2.4 is in breach or has breached any of his or her obligations to the Company,

the Remuneration Committee will deem any unvested Performance Rights of the Eligible Participant to have immediately lapsed and shall notify the Participant accordingly.

Ceasing to be an Eligible Participant

- 10.3 Subject to clause 10.4, where a Participant ceases to be an Eligible Participant before the Performance Rights then held by him or her become Vested Performance Rights:
- 10.3.1 by reason of his or her death or total and permanent disability;
 - 10.3.2 by reason of his or her bona fide redundancy;
 - 10.3.3 by reason of his or her bona fide retirement;

- 10.3.4 by reason of his or her termination of employment, office or contract by agreement;
- 10.3.5 for a reason specified in clause 10.2, where the Remuneration Committee has determined to exercise its discretion to not apply such clause; or
- 10.3.6 for any other such reason not stipulated above or in clause 10.2,

the Remuneration Committee will have a discretion to permit up to a Maximum Leaver Proportion of such Participant's unvested Performance Rights to vest, or to permit such number of Performance Rights to continue to be held as if the Participant was still an Eligible Participant, it being noted that in the event of death of the Participant, the Participant's personal representatives shall stand in the place of the Participant for the purposes of this clause. All unvested Performance Rights held by such Participant shall otherwise lapse upon the Participant ceasing to be an Eligible Participant.

Approved leave of absence

- 10.4 Notwithstanding clause 10.3, and subject to all applicable laws, unless otherwise resolved by the Remuneration Committee, an Eligible Participant, granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of a Performance Right under the Plan will be treated for the purpose of clause 10.3 as not having ceased to be an Eligible Participant.

11. TRANSFER OF RIGHTS

- 11.1 Subject to clause 11.2, Performance Rights may not be transferred, assigned, novated or otherwise disposed of by a Participant except with the prior approval of the Remuneration Committee or otherwise by law.
- 11.2 In the event that a Participant who is a Nominee ceases to meet the requirements to qualify as a Nominee, all Performance Rights granted to such person shall be automatically transferred to the Eligible Participant by virtue of whom the Participant holds Performance Rights.

12. SECURITY INTEREST

- 12.1 Participants will not grant a Security Interest in or over or dispose or deal with any Performance Rights or any interest in them and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company and shall, unless determined otherwise by the Remuneration Committee, result in the Performance Rights being declared to lapse immediately.

13. CHANGE OF CONTROL

Change of Control Event

- 13.1 For the purposes of this clause 13, a Change of Control Event occurs if:
 - 13.1.1 the Company announces that its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

- 13.1.2 a Takeover Bid:
 - 13.1.2.1 is announced;
 - 13.1.2.2 has become unconditional; and
 - 13.1.2.3 the person making the Takeover Bid has a Relevant Interest in 50% or more of the issued Shares; or
- 13.1.3 any person acquires a Relevant Interest in 50.1% or more of the issued Shares by any other means.

Effect of a Change of Control

- 13.2 Where a Change of Control Event has or, in the opinion of the Remuneration Committee, will occur, the Remuneration Committee may in its absolute discretion determine that all granted Performance Rights which have not yet vested or lapsed shall immediately vest. The Remuneration Committee may have regard to the current level of achievement of the Performance Conditions and the time which has elapsed since the applicable Start Date.

14. PRO RATA ISSUE OF SECURITIES

- 14.1 If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Company's shareholders by way of a rights issue, a Participant shall not be entitled to participate in the rights issue in respect of any Performance Rights, only issued Performance Rights Shares.
- 14.2 A Participant will not be entitled to any adjustment to the number of Performance Rights Shares he or she is entitled to or adjustment to any Performance Condition which is based, in whole or in part, upon the Company's share price on the ASX, as a result of the Company undertaking a rights issue.

15. ADJUSTMENT FOR BONUS ISSUE

- 15.1 If, during the term of a Performance Right, securities are issued pro rata to the Company's shareholders generally by way of bonus issue, the number of Performance Rights Shares to which each Participant is then entitled shall be increased by that number of securities which the Participant would have been issued if the Performance Rights then held by the Participant were exercised immediately prior to the record date for the bonus issue.

16. ADJUSTMENT FOR RECONSTRUCTION

- 16.1 In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company (not being a reconstruction referred to in clauses 14 and 15 above), the number of Performance Rights shall be reconstructed (as appropriate) in accordance with the Listing Rules (applying at that time) and in a manner which will not result in any additional benefits being conferred on a Participant which is not conferred on holders of Shares generally or vice versa, but in all other respects the terms of exercise of Performance Rights will remain unchanged.

17. ACCUMULATION OF ADJUSTMENTS

- 17.1 Clauses 15 and 16 of these Terms and Conditions are cumulative and shall apply (without duplication) to successive issues, subdivisions, combinations, consolidations, distributions and any other events that require adjustment of the number of Performance Rights Shares or the number or kind of securities that can be acquired upon the exercise of Performance Rights.

18. HEDGING TRANSACTIONS

Participants are prohibited from entering into any transactions (whether through the use of derivatives or otherwise) which seek to mitigate any economic risk or exposure in relation to any Performance Rights, including, without limitation, entering into a put option (or similar transaction) in respect of Shares which may become issued pursuant to Performance Rights to mitigate the risk of a change in the price of the Shares between the date of the put option and the date the Shares may become issued.

19. AMENDMENT

19.1 These Terms and Conditions may only be amended:

19.1.1 with the prior written consent of the applicable Participant; or

19.1.2 for the purposes of complying with, or conforming to, the Listing Rules or State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans.

19.2 Any amendment to these Terms and Conditions made in accordance with clause 18.1, shall be notified by the Company to the applicable Participant without undue delay, save that failure to provide such notice shall not invalidate an amendment which is otherwise in compliance with this clause 19.

Annexure: Performance Conditions

Part 1: Performance Conditions

A Performance Right shall be subject to the following performance conditions:

- A. Subject to clause 10 of the Terms and Conditions, a Participant or, where a Participant is a Nominee, the Eligible Participant by virtue of whom a Nominee holds Performance Rights, must remain an Officer, Employee or Contractor for the full Performance Period (other than any approved leave of absence) and not have given or (to the extent applicable) received notice on or prior to the End Date to terminate such position as an Officer, Employee or Contractor.
- B. In respect of Tranche 1 Performance Rights, the Company's TSR shall be:
 - i. greater than zero; and
 - ii. when ranked against the total shareholder returns achieved by each member of the Comparator Group equal to greater than the returns of 50% of companies in the Comparator Group.
- C. In respect of Tranche 2 Performance Rights, the Company achieves a Funds Deployed CAGR of 5% or more.

Part 2: Vesting Matrices

A Tranche 1 Vesting Matrix

Subject to satisfaction of the Performance Conditions, the number of Tranche 1 Performance Rights which shall become Vested Performance Rights shall be determined in accordance with the matrix below:

Company Percentile Ranking	Percentage of Tranche 1 Performance Rights Vesting
Equal to the 50th percentile	50%
Between the 50th and 75th percentile	Between 50% and 100%, determined on a straight-line basis
Equal to the 75th percentile or above	100%

B Tranche 2 Vesting Matrix

Subject to satisfaction of the Performance Conditions, the number of Tranche 2 Performance Rights which shall become Vested Performance Rights shall be determined in accordance with the matrix below:

Funds Deployed CAGR Hurdle	Percentage of Tranche 2 Performance Rights Vesting
5% CAGR	50%

Funds Deployed CAGR Hurdle	Percentage of Tranche 2 Performance Rights Vesting
Between 5% and 7%	Between 50% and 100%, determined on a straight-line basis
7% and above	100%

SCHEDULE 4: PERFORMANCE RIGHTS CERTIFICATE

PERFORMANCE RIGHTS CERTIFICATE

**IMF Bentham Limited
ACN 067 298 088**

registered in accordance with the Corporations Act (the **Company**)

Certificate No:

This is to certify that:

Name: [insert]
Address: [insert] (the **Holder**)

has been granted the following Performance Rights by the Company on [insert] under the IMF Bentham Limited Long Term Incentive Plan:

[insert] **Number of Tranche 1 Performance Rights**

[insert] **Number of Tranche 2 Performance Rights**

The terms on which the Performance Rights are granted are set out in the attached Terms and Conditions.

Words and phrases used in this certificate that are defined in the IMF Bentham Limited Long Term Incentive Plan have that defined meaning in this certificate.

Date:

Executed by **IMF Bentham Limited ACN 067 298 088** in accordance with s127 of the Corporations Act 2001 (C'th):

.....
Signature of director

.....
Signature of director/company secretary

.....
Name of director (print)

.....
Name of director/company secretary (print)

Terms and Conditions

[To be attached to the Performance Rights Certificate with the Definitions]

SCHEDULE 5: VESTING NOTICE

[Name of Holder of Performance Rights]

[Address]

[Date]

Dear [Name of Holder],

The IMF Bentham Limited Long Term Incentive Plan - IMF Bentham Limited (Company)

We refer to the terms and conditions of the IMF Bentham Limited Long Term Incentive Plan (**Plan**).

In accordance with the Plan, you were granted certain rights (**Performance Rights**) to be issued one fully paid up ordinary share in the Company (**Share**) for each Performance Right held by you upon the satisfaction of prescribed conditions (**Performance Conditions**).

The Performance Conditions have been satisfied prior to the Expiry Date and pursuant to clause 5.2 of Schedule 3 of the Plan, the Company hereby notifies you that [insert number] of your Performance Rights have accordingly vested (**Vested Performance Rights**).

Delete if Holder is an Overseas Participant

[Subject to the Plan, this means that you have the right to exercise your Vested Performance Rights and be issued the equivalent number of Shares.

If you wish to exercise your Vested Performance Rights, please complete and sign the attached exercise notice (**Notice**) and return it to the Company Secretary as soon as practicable.

Upon receipt by the Company of your Notice, the Shares will be issued to you in accordance with the terms and conditions of the Plan.]

Delete if Holder is an Australian Participant

[In accordance with clause 6.4 of Schedule 3 of the Plan, your Vested Performance Rights have been automatically exercised and the equivalent number of Shares will be issued to you shortly in accordance with the terms and conditions of the Plan.]

Please do not hesitate to contact me if you have any queries in relation to your Vested Performance Rights or the Plan.

Yours faithfully

[Andrew Saker]
Managing Director

Delete if Holder is an Overseas Participant

Exercise Notice

To: Company Secretary
IMF Bentham Limited
jsambrook@imf.com.au,
Copy to Chief Financial Officer
jyetsenga@imf.com.au .

I,, hereby confirm that I wish to exercise
all/..... of my vested performance rights.

Signed

Name.....

Dated.....

SCHEDULE 6: LAPSE NOTICE

[Name of Holder of Performance Rights]

[Address]

[Date]

Dear [Name of Holder],

The IMF Bentham Limited Long Term Incentive Plan - IMF Bentham Limited (Company)

You were granted certain performance rights under the IMF Bentham Limited Long Term Incentive Plan (**Plan**) in respect of the [INSERT] financial year (**Performance Rights**).

We confirm that that in accordance with the rules of the Plan your Performance Rights have lapsed. Accordingly these Performance Rights have now been cancelled and the register of such rights updated accordingly.

Yours faithfully

[Andrew Saker]
Managing Director

SCHEDULE 7: EXERCISE NOTICE

Exercise Notice

To: The Remuneration Committee of the Board of Directors
C/O Company Secretary
IMF Bentham Limited
jsambrook@imf.com.au,
Copy to Chief Financial Officer
jyetsenga@imf.com.au .

I _____
of _____

being the registered holder of Performance Rights in the Company hereby exercise [insert] of my Vested Performance Rights*.

I authorise and direct the Company at its election to issue to me one Share for each Vested Performance Right exercised by me in accordance with the Terms and Conditions.

Terms defined in the IMF Bentham Limited Long Term Incentive Plan and used in this Exercise Notice shall have the same meaning.

Dated the _____ day of _____

_____ (Please sign here)

Full name

(* Note such number must be in accordance with clause 5 of the Terms and Conditions)