

Executive Long Term Incentive Plan Terms 2018

1 Interpretation

1.1 Except where the context otherwise requires:

“**Acquisition Date**” means the date being the tenth Business Day following the Company’s:

- (i) Preliminary Half Year Announcement; or
- (ii) Preliminary Full Year Announcement.

“**Application Form**” means the notice of entitlement and application form provided to a Participant in connection with an offer of Shares under these Terms.

“**ASX**” means ASX Limited.

“**ASX Listing Rules**” means the Listing Rules of the ASX.

“**Board**” means the board of directors of the Company.

“**Bonus Payment**” means the amount of the bonus to be paid by the Company or one of its subsidiaries to a Participant in respect of Shares to be Vested, as calculated in accordance with the formula set out in clause 7.1 of these Terms.

“**Business Day**” means a day on which the NZX Main Board is open for trading, and that is not a Saturday or Sunday or a public holiday in Auckland.

“**Cessation Date**” means the date on which a Participant’s employment with the Company or a subsidiary (as the case may be) ceases.

“**Company**” means SkyCity Entertainment Group Limited.

“**Director**” means a member of the Board.

“**Employee**” means a person who is an employee of the Company or of any subsidiary (within the meaning of that term in section 5 of the Companies Act 1993) of the Company.

“**Exchanges**” means the ASX and NZX.

“**Financial Half Year**” means a financial half year of the Company.

“**Financial Year**” means a financial year of the Company.

“**Forfeited Shares**” means Shares which do not Vest in the Participant after the Restrictive Period.

“**Fundamental Change**” means a material change to the terms and conditions of employment of the Participant so that there is a substantial diminution of the Participant’s role, status and responsibility without the Participant’s consent including where the Participant is no longer the Chief Executive Officer of a public company listed in New Zealand or Australia.

“**Group**” means the Company and all its subsidiaries (within the meaning of that term in section 5 of the Companies Act 1993).

“**Listing Rules**” means the ASX Listing Rules and the NZSX Listing Rules.

“**Loan**” means the loan granted to a Participant from a subsidiary of the Company on the terms set out in the Application Form that a Participant will direct the Trustee to draw on his or her behalf to acquire Shares under the LTIP being an amount equal to the consideration payable to acquire those Shares.

“**Loan Outstanding**” means the balance at any time of a Loan.

“**LTIP**” means the executive long term incentive plan established by these Terms.

“**Market Value**” means, in respect of any Share on any date or for any period, the volume weighted average of the sale prices of the Shares of the Company on the NZX Main Board designated as price-setting trades by the NZX on that date or for that period. If for any reason the Shares are not traded on the NZX Main Board on the relevant date or over the relevant period, the volume weighted average sale price shall be determined by reference to the price setting trades of the Shares on the ASX for that date or relevant period. If the Market Value is determined by reference to the price setting trades of the Shares on the ASX, it shall be converted into New Zealand dollars at the average exchange rate at 10.00am each day during the relevant period during which the Market Value is

calculated or at 10:00am on the relevant date.

“**NZX**” means NZX Limited.

“**NZX Main Board**” means the main board equity market operated by NZX.

“**NZX Listing Rules**” means the Listing Rules of NZX applying to issuers with securities quoted on the NZX Main Board.

“**Offer Letter**” means the letter provided to those eligible Employees to whom the Board determines to make an offer under the LTIP in relation to a particular Financial Year.

“**Offer Price**” means the offer price specified in an Offer Letter, being the Market Value over the ten Business Days commencing on the Business Day following the Company’s:

- (i) Preliminary Half Year Announcement; or
- (ii) Preliminary Full Year Announcement.

“**Participant**” means an Employee of the Company or a subsidiary who has been accepted by the Company as a Participant in the LTIP in relation to a particular financial year.

“**Performance Hurdle**” means the performance hurdle or hurdles in respect of the Vesting of Shares in a Participant as described in the applicable Performance Hurdle Memorandum.

“**Performance Hurdle Memorandum**” means the performance hurdle explanatory memorandum adopted by the Board in connection with an offer of Shares under these Terms and provided to a Participant in conjunction with any such offer.

“**Performance Testing Date**” means the last day of a period in respect of which achievement of the Performance Hurdle will be measured, as specified in the applicable Performance Hurdle Memorandum.

“**Preliminary Full Year Announcement**” means the preliminary announcement of the Company’s results for a Financial Year to the Exchanges.

“**Preliminary Half Year Announcement**” means the preliminary announcement of the Company’s results for a Financial Half Year to the Exchanges.

“**Put/Call Arrangements**” means the arrangements in respect of the Shares described at clause 8 of these Terms.

“**Restrictive Period**” means, in respect of any Shares, the period commencing on and including the tenth Business Day following the Company’s:

- (i) Preliminary Half Year Announcement; or
- (ii) Preliminary Full Year Announcement,

as applicable, in the year in which a beneficial interest in such Shares is acquired by a Participant and ending on the Performance Testing Date, provided that the Restrictive Period shall end early on any of the following dates:

- (i) if so determined by the Board in accordance with clause 10.2 or 10.3 of these Terms; or
- (ii) the Cessation Date of that Participant pursuant to clause 11 of these Terms (except where clause 11.1 applies).

“**Revenue Authority**” means the New Zealand Inland Revenue Department, the Australian Tax Office or such other equivalent taxation authority in any other jurisdiction.

“**Share**” means a fully paid ordinary share in the Company to be acquired by a Participant in the LTIP.

“**Shareholder**” means the holder of a Share.

“**Tax Rate**” means the highest marginal individual tax rate applying in the country of tax residency of the Participant on the date on which the beneficial interest in the Shares is acquired by the Participant or any dividend or other distribution is made in respect of those Shares, as the context may require.

“**Terms**” means these terms and conditions.

“**Total Shareholder Return**” means in respect of a company the total return,

as determined by the Board, to ordinary shareholders of that company over any period comprising the aggregate of the increase or decrease in value of the company's shares plus gross dividends paid (including the value of tax credits as appropriate), and including share buy backs, special dividends and capital returns, expressed as a percentage of the company's share value at the beginning of the relevant period.

"Trust Deed" means the trust deed relating to the LTIP entered into between the Company and the Trustee from time to time and as amended from time to time.

"Trustee" means the trustee of the LTIP from time to time appointed by the Company under the Trust Deed.

"Vest" means the transfer of legal title to Shares by the Trustee to a Participant pursuant to these Terms and **"Vesting"** and **"Vested"** are to be applied accordingly.

"Vested Shares" means those Shares of a Participant for which:

- (i) legal title has been transferred by the Trustee to the Participant; or
- (ii) the Participant is entitled to require the transfer of legal title to him or her,

in accordance with clause 6 of these Terms.

- 1.2 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa.
- 1.3 Where any calculations or adjustments to be made under these Terms produce a fraction of a Share, the fraction, unless otherwise provided, shall be eliminated by rounding to the nearest whole number favourable to a Participant.
- 1.4 Subject to any limits imposed by law, the Board may delegate the exercise of any responsibility, discretion or obligation under these Terms to any one or more Directors or to the Chief Executive Officer of the Company.
- 1.5 Unless the context otherwise requires, any legislation includes a modification and re-enactment of, legislation enacted in substitution for, and a regulation,

order in council and other instrument from time to time issued or made under, that legislation.

2. Limitations on participation

- 2.1 The Board will determine the Employees who may participate in the LTIP. Participation in the LTIP is a discretionary benefit and is not a term of employment. Continued participation in the LTIP is not guaranteed and the Board is not under any obligation to invite any particular Employee to participate in the LTIP.
- 2.2 To be eligible to participate in the LTIP a person must be an Employee who has been invited by the Company to participate in the LTIP.
- 2.3 In order for the Trustee to hold Shares on behalf of a Participant under the LTIP (which may be held in separate tranches), that Participant must provide the Company with a completed Application Form.
- 2.4 Notwithstanding any provision of these Terms, legal title to Shares may not be transferred on achieving Performance Hurdles, unless such transfer of legal title is permitted by or pursuant to the Listing Rules.

3 Shares to be issued or acquired

- 3.1 The number of Shares that may be acquired by a Participant in any particular year will be determined by the Board.
- 3.2 The Company may, in its absolute discretion, either:
 - 3.2.1 issue Shares to the Trustee (either new Shares or from treasury stock); or
 - 3.2.2 instruct the Trustee to acquire Shares on-market,in order to meet Participants' requirements under the LTIP. Such Shares will be held for the benefit of Participants during the Restrictive Period, and may be held in separate tranches for the benefit of a Participant.
- 3.3 If the Board determines to make an offer under the LTIP, it will send to each eligible Employee:

- 3.3.1 if that eligible Employee has not previously completed an Application Form, an Application Form;
- 3.3.2 an Offer Letter specifying:
 - 3.3.2.1 the number of Shares the eligible Employee may acquire from the Trustee – which will then be held by the Trustee on behalf of that Employee;
 - 3.3.2.2 the Acquisition Date and the Performance Testing Date for those Shares; and
 - 3.3.2.3 whether the Shares are to be held in separate tranches, and if so, the number of Shares held in each tranche; and
- 3.3.2 if that eligible Employee has not previously been provided with the same, a copy of the Performance Hurdle Memorandum in respect of those Shares and a copy of these Terms.
- 3.4 An eligible Employee will, prior to the date specified by the Company (which shall be no less than 10 Business Days from the date the Application Form is sent pursuant to clause 3.3), complete the Application Form and return it to the Company.
- 3.5 By completing and returning the Application Form, the Participant acknowledges:
 - 3.5.1 these Terms are binding on him or her;
 - 3.5.2 he or she will be deemed to have acquired the Shares described in the relevant Offer Letter on, and with effect from, the relevant Acquisition Date;
 - 3.5.3 the offer of Shares does not affect the terms of the Participant's employment; and
 - 3.5.4 in no event will the Company be deemed, by making an offer of Shares or otherwise, to have represented that the Participant will continue to be an Employee until and/or beyond any Performance Testing Date.

4 Payment and terms of Loan

- 4.1 The amount that a Participant must pay for his or her Shares will be equal to the number of Shares the Trustee has been directed to acquire on the Participant's behalf multiplied by the Offer Price.
- 4.2 Participants must take up a Loan for the full amount of the consideration of the relevant Shares.
- 4.3 The terms of the Loan(s) are set out in the Application Form. The Loan(s) will be provided by a subsidiary of the Company, namely SkyCity Auckland Holdings Limited, or another subsidiary as may be determined from time to time.
- 4.4 By completing the Application Form, a Participant will be directing the Trustee to draw down a Loan or Loans on his or her behalf and to hold the relevant Shares on trust for that Participant. The subsidiary of the Company which provides the Loan(s) is only permitted to require payment of the Loan(s) in accordance with these Terms. In such circumstances, the Loan(s) will be paid in full as follows:
 - 4.4.1 in respect of Vested Shares, by the application at the time of Vesting of the Bonus Payment to reduce the Loan Outstanding in relation to such Vested Shares to nil; and
 - 4.4.2 in respect of Forfeited Shares, by the novation arrangements that are triggered at the time of forfeiture by the exercise of the Put Option or the Call Option in respect of such Forfeited Shares (refer to clause 8 of these Terms).
- 4.5 A Participant will not be required to repay a Loan on Shares during the Restrictive Period for those Shares.
- 4.6 During a Restrictive Period, a Participant will be entitled to the benefit of any dividends, capital returns or other distributions declared and to the benefit of any rights issues, bonus issues or other entitlements offered to holders of Shares.
- 4.7 The Trustee will pay any income tax due in respect of any such distributions and entitlements to the Revenue Authority on behalf of Participants or will pay to a

Participant such amount as is necessary to meet any additional tax borne by that Participant on those dividends or distributions.

4.8 Participants will be advised of the dividend received and any available tax credits, which must be included in that Participant's income tax return, if one is required to be filed. The after-tax value of any such distributions and entitlements will be withheld by the Trustee in part repayment of the relevant Loan.

4.9 The Trustee will not elect to participate in the Company's dividend reinvestment plan (if any).

5. Transfer restrictions

5.1 During the Restrictive Period for Shares, such Shares are registered in the name of the Trustee and held on trust on behalf of Participants. This means that the Shares are beneficially held by Participants during this period.

5.2 Until the Restrictive Period for the relevant Shares has ended and the Loan on those Shares is repaid, a Participant may not sell those Shares or use them as security for another loan.

5.3 Neither a Participant, nor the Company, nor any other person may terminate, cancel, surrender or otherwise make or obtain payment of the returns from the Shares other than as described in these Terms.

6. Vesting of Shares

6.1 As soon as possible following a Performance Testing Date, the Board will determine (which may include determinations in respect of separate tranches of Shares, for which the Vesting of Shares is not interdependent):

6.1.1 whether the Performance Hurdle has been satisfied as at that Performance Testing Date for the relevant Shares (or for a tranche of Shares), and if so the number of Shares that will Vest in a Participant; and

6.1.2 whether, notwithstanding that the Performance Hurdle has not been satisfied for the relevant Shares (or for a tranche of Shares), any discretion to

declare that a percentage of the Shares (or of a tranche of Shares) held on behalf of the Participant should be transferred to the Participant, as set out in the Performance Hurdle Memorandum, should be exercised.

6.2 Following a Performance Testing Date:

6.2.1 Legal title to the number of Shares that will Vest in a Participant (calculated in accordance with clause 6.1.1) will be transferred to the Participant within one month of that Performance Testing Date; and

6.2.2 Shares for which legal title is not transferred to a Participant will become Forfeited Shares, the beneficial interest in which will revert to the Trustee in accordance with clause 8 of these Terms.

6.3 In addition to achieving certain levels of the Performance Hurdle, any transfer of legal title to any Shares held on behalf of a Participant to that Participant by the Trustee is subject to:

6.3.1 that Participant's continued employment with the Group during the relevant Restrictive Period (subject to clauses 11.2 and 11.3);

6.3.2 repayment of the relevant Loan(s) in full;

6.3.3 compliance with the terms and conditions of the Company's Securities Trading Policy as amended from time to time; and

6.3.4 any determination by the Board under clause 12 (malus or clawback).

6.4 Without limiting clause 6.1, the Board may, in its absolute discretion, but subject to the Listing Rules, agree to determine whether the Performance Hurdle has been satisfied as at a date earlier than or in addition to a Performance Testing Date in such circumstances, and subject to such terms and conditions, as the Board deems appropriate. In such event the "Performance Testing Date" referred to in these Terms will include any such earlier or additional date.

6.5 Shares transferred to a Participant in accordance with clause 6.2 shall be fully-paid and shall rank equally in all respects with the Shares on issue at the date of transfer except for any dividend in respect of which the record date occurred prior to the date of transfer.

7. Bonus Payments

7.1 If a Performance Hurdle is met, and a Participant is entitled to be transferred legal title to some or all of the Shares held by the Trustee on the Participant's behalf (which, for the avoidance of doubt, may be in respect of separate tranches of Shares, for which Vesting is not interdependent), that Participant's employer or the Company will pay that Participant a Bonus Payment of an amount determined according to the following formula:

$$\text{Offer Price} \times \text{number of Vested Shares} \div (1 - \text{Tax Rate})$$

7.2 Any such Bonus Payment, after deduction of tax at the marginal tax rate applying on the Bonus Payment and any other deductions at source as a result of any third-party obligations that Participant has, shall be applied in the reduction of that Participant's Loan Outstanding in respect of the Vested Shares.

7.3 If there is any of the Bonus Payment remaining after repayment of the Loan Outstanding in respect of the Vested Shares, then that balance will be paid to that Participant.

8. Forfeited Shares and Put/Call Arrangements

8.1 To the extent a Performance Hurdle is not met in the circumstances described in the relevant Performance Hurdle Memorandum (which may differ between separate tranches of Shares, for which Vesting is not interdependent), the beneficial interest held by Participants in the relevant Shares will be purchased by the Trustee pursuant to Put/Call Arrangements.

8.2 In the event that:

8.2.1 a Participant's employment within the Group is terminated in the circumstances described in clause 11.1 of the Terms; or

8.2.2 at the end of a Restrictive Period, or in such lesser period as described in clause 11 of the Terms or during the offer period of a Corporate Action referred to in clause 10 of the Terms, the Performance Hurdle for the Shares (or for a tranche of Shares) is not met,

all the Shares (or all of the Shares in that tranche (as applicable)) which the Trustee holds on behalf of a Participant for which the Restrictive Period has just ended, will be Forfeited Shares and will be subject to the Put/Call Arrangements.

8.3 In the event that:

8.3.1 a Participant's employment within the Group is terminated in the circumstances described in clause 11.1 of the Terms; or

8.3.2 at the end of the Restrictive Period, or in such lesser period as described in clause 11 of the Terms or during the offer period of a Corporate Action referred to in clause 10 of the Terms, the Performance Hurdle for the Shares (or for a tranche of Shares) is met in part but not in full,

such Shares that are not determined to be Vested Shares pursuant to clause 6 of these Terms for which the Restrictive Period has just ended will, to the extent that they become Forfeited Shares, be subject to the Put/Call Arrangements.

8.4 Under the Put/Call Arrangements, either:

8.4.1 the Trustee may, by giving a Participant written notice, require that Participant to sell the relevant Forfeited Shares to the Trustee (**Call Option**); or

8.4.2 the Participant may, by giving the Trustee written notice, require the Trustee to purchase that Participant's relevant Forfeited Shares (**Put Option**).

8.5 The consideration payable by the Trustee for Forfeited Shares on exercise of a Call Option or a Put Option will be the Loan Outstanding in respect of such Forfeited Shares. Such consideration will be satisfied by the Participant

pursuant to the novation arrangements set out in the Application Form. As a result of those novation arrangements, the Participant will have no on-going obligation in respect of the Loan, the Loan Outstanding or any interest in those Forfeited Shares.

- 8.6 The Participant will not be required to reimburse the Trustee for any loss in value of any Forfeited Shares since their acquisition. Conversely, if any Forfeited Shares have increased in value, the Participant will not be entitled to receive a benefit from the gain.
- 8.7 If a demand or call for repayment of a Loan is made in a circumstance other than expressly permitted in these Terms, a Put Option will be immediately exercisable by the Participant.

9. Trustee

- 9.1 At all times while Shares are held by the Trustee on behalf of a Participant under the LTIP, the voting rights attaching to such Shares will be exercisable by that Participant, or by the Trustee upon that Participant's direction, and the Trustee will take such action as is reasonably necessary to ensure that the Participant's voting rights can be exercised.
- 9.2 The role of the Trustee is to make sure, in an impartial way, that the LTIP operates in accordance with the Trust Deed. During the Restrictive Period the Trustee carries out administrative tasks relating to the Participants' beneficially owned Shares. It must act in the interests of the Participants.
- 9.3 If at any time while Shares are held on behalf of a Participant by the Trustee under the LTIP, a liquidator is appointed to the Company under section 241(2) of the Companies Act 1993, then the Restrictive Period shall be deemed to be at an end, and a determination of the number of Vested Shares will be made as at the date of the appointment of such liquidator. Forfeited Shares will be subject to the Put/Call Arrangements described in clause 8. For the purposes of determining the number of Vested Shares pursuant to this clause, the Performance Hurdle shall be determined by applying the Performance Hurdle calculation at the date on which the liquidator is appointed.

- 9.4 If the Trustee defaults on its obligations under the Put/Call Arrangements in respect of Shares, a Participant may assign its beneficial interest in such Shares together with its rights under the Put Option to SkyCity Auckland Holdings Limited, or other subsidiary of the Company which is the lender of the relevant Loan(s) or its nominee in full repayment of the relevant Loan(s) and that Participant will have no obligation in respect of those Loan(s) or any interest in those Shares.

10. Corporate Actions

- 10.1 If, between the Acquisition Date and the Performance Testing Date for any Shares:
- 10.1.1 any proportionate consolidation or subdivision of Shares is made by the Company, then, upon the Vesting of any Shares in a Participant on a Performance Testing Date, the number of Shares to which the Participant is entitled will be consolidated or subdivided in the same ratio. For example, if the Company subdivides each Share into two Shares, upon the Vesting of any Shares, the Participant will be entitled to twice the number of Shares that would otherwise have been transferred to them under these Terms; or
- 10.1.2 any bonus issue of Shares (not involving the capitalisation of reserves or distributable profit) is made by the Company, then, upon the Vesting of any Shares in a Participant on a Performance Testing Date, the number of Shares to which the Participant is entitled will be increased by a factor as if those Shares had participated in such bonus issue. For example, if the Company makes a one-for-three bonus issue, upon the Vesting of any Shares, the Participant will be entitled to 4/3 times the number of Shares that would otherwise have been transferred to them under these Terms.
- 10.2 If, between the Acquisition Date and the Performance Testing Date for any Shares:
- 10.2.1 the Company makes or announces any rights issue or

other offer to Shareholders to take up Shares or securities other than Shares;

10.2.2 the Company undertakes a Share buyback (other than an on-market Share buyback executed at market prices) or a court-sanctioned return of capital;

10.2.3 the Company issues Shares pro rata to Shareholders generally (otherwise than pursuant to any dividend reinvestment plan of the Company then in force) by way of a bonus issue involving the capitalisation of reserves or distributable profit; or

10.2.4 the Company undertakes any other change to its capital structure not referred to in clause 10.1,

the Board may make such adjustments or alterations to these Terms, as in the reasonable opinion of the Board are necessary to ensure that, so far as is reasonably possible, no benefit is conferred on the Participant that is not conferred on Shareholders (and vice versa) as a result of the occurrence of the event referred to in clauses 10.2.1, 10.2.2, 10.2.3, or 10.2.4. The adjustment or alteration shall be reviewed and approved by a recognised independent party, being an investment bank, firm of chartered accountants or other person or body whom the Board reasonably considers has the expertise, experience and access to the necessary data to carry out the review. Such adjustments or alterations may include (without limitation):

- an adjustment to the number of Shares to be transferred to Participants upon the Vesting of any Shares;
- subject to satisfaction of the applicable Performance Hurdles, permitting Shares to Vest earlier than would otherwise have been the case; or
- arranging for the Participant to participate in any offer or issue of securities made by the Company.

No such adjustment or alteration shall be made by the Board if that adjustment or alteration is not permitted by, or would otherwise be in breach of, the Listing Rules.

10.3 In the event a takeover offer for the acquisition of the Company's ordinary shares is formally made, or an amalgamation or scheme of arrangement involving the Company's ordinary shares is formally proposed, that will result in a change in control of the Company if it is successful:

10.3.1 the Board will determine a date (the **TO Calculation Date**) prior to the final date on which holders of the Company's ordinary shares may participate in the takeover offer, amalgamation or scheme of arrangement (as applicable); and

10.3.2 the Performance Hurdle will be calculated for the period from the Acquisition Date to the TO Calculation Date,

provided the Board may determine that the Performance Hurdle calculation described in clause 10.3.2 will not occur if it considers:

10.3.3 Participants will have the opportunity to participate in the takeover offer, amalgamation or scheme of arrangement on terms that are fair and reasonable as between Participants and holders of other classes of the Company's shares; or

10.3.4 there are no reasonable grounds to believe that the takeover offer, amalgamation or scheme of arrangement will be successful.

10.4 In respect of any Shares which Vest in a Participant in accordance with clauses 10.1, 10.2 or 10.3, a Bonus Payment will be made in respect of the Vested Shares. The relevant Loan(s) will become due and payable as at the date the Shares Vest.

For Vested Shares, the relevant Loan(s) shall be repaid from the proceeds of the Bonus Payment. For Forfeited Shares, the Participant will satisfy the relevant Loan(s) and cease to have any obligation in respect of it in accordance with the novation arrangements described in clause 8 of these Terms.

11. Cessation of employment

11.1 If a Participant ceases to be an Employee as a result of the termination of their employment by the Company for cause, or ceases to be an Employee otherwise than in the circumstances referred to in clause 11.2 or 11.3, beneficial title to those Shares which have not Vested in the Participant before the Cessation Date shall be transferred to the Trustee with effect from the Cessation Date and will not Vest in the Participant.

11.2 If the Participant:

11.2.1 gives notice terminating his or her employment as a result of a Fundamental Change; or

11.2.2 has his or her employment terminated by the Company without cause as provided in his or her employment agreement other than as set out in clause 11.3,

in the 12 month period immediately preceding the relevant Performance Testing Date for any Shares, then those Shares will not be forfeited on the Cessation Date. Any such Shares will continue to be held by the Trustee until that Performance Testing Date. If following that Performance Testing Date any such Shares do not Vest in that Participant, those Shares shall be Forfeited Shares.

11.3 If a Participant dies or ceases to be an Employee due to medical incapacity or permanent disability, then legal title to some of the Shares held on behalf of that Participant shall be transferred to that Participant with effect from the Cessation Date. For each tranche of Shares, the number of Shares to be transferred will be determined on a straight line basis, and will be equal to the period from the relevant Acquisition Date to the Cessation Date (excluding any notice period in respect of the cessation of employment where the Company elects to pay the Participant in lieu of all or part of the notice period, with the consequence that the Cessation Date is earlier than the date it would have been had the Participant been employed until the end of the applicable notice period) as a proportion of the period from the relevant Acquisition Date to the Performance Testing Date

multiplied by the number of Shares held by the Trustee on behalf of the Participant.

11.4 Any Shares that Vest in a Participant pursuant to clause 11.3 shall not be subject to the Performance Hurdle.

11.5 Legal title to any Shares that have Vested, but have not yet been transferred, to a Participant on the Cessation Date will transfer to that Participant with effect from the Cessation Date.

11.6 If a Participant ceases to be an Employee, beneficial title to any Shares that do not Vest in a Participant pursuant to clauses 11.1, 11.2 or 11.3 shall be transferred to the Trustee with effect from the Cessation Date.

11.7 In respect of any Shares which Vest in a Participant in accordance with clause 11.2 or 11.3, a Bonus Payment will be made in respect of those Vested Shares. The Loan(s) will become due and payable as at the Cessation Date.

For Vested Shares, the Loan(s) shall be repaid from the proceeds of the Bonus Payment. For Forfeited Shares, the Participant will satisfy the Loan(s) and cease to have any obligation in respect of it in accordance with the novation arrangements described in clause 8 of these Terms.

12. Malus or clawback

12.1 Where, in the opinion of the Board:

12.1.1 a Participant at any time:

12.1.1.1 acts, or has acted, fraudulently or dishonestly or made a material misstatement on behalf of the Company or any subsidiary;

12.1.1.2 is in material breach of any of their duties or obligations to the Company or any subsidiary (including, for the avoidance of doubt, a breach of their obligations under their employment contract);

12.1.1.3 has engaged in gross negligence or gross misconduct;

- 12.1.1.4 has done an act which could reasonably be regarded to have contributed to material reputational damage to the Group; or
- 12.1.1.5 is convicted of an offence or has a judgment entered against them in connection with the affairs of the Group; or
- 12.1.2 a Participant's Shares acquired under the LTIP Vest, or may Vest, as a result of:
 - 12.1.2.1 a genuine error made by, or on behalf of, the Board or the Group;
 - 12.1.2.2 the fraud, dishonesty, negligence or breach of duties or obligations of any person (other than the Participant); or
 - 12.1.2.3 a material misstatement or omission in the financial statements of the Group or any other circumstances or events which, in the opinion of the Board, affect or are reasonably likely to affect the Group's financial performance or position or require restatement of the Group's financial accounts (including as a result of misrepresentations, errors, omissions or negligence),

and, in the reasonable opinion of the Board, the Shares would not otherwise Vest or have Vested (as applicable),

the Board may make a determination in accordance with clause 12.2.

- 12.2 In the circumstances set out in clause 12.1 and notwithstanding clause 15, the Board may, in its absolute discretion, and subject to any law, regulation and the Listing Rules, amend the terms of, or seek to recover any benefits received under, or in connection with, this LTIP to ensure no unfair benefit is obtained or retained (as applicable) by the Participant including (but not limited to):
 - 12.2.1 resetting any Performance Hurdles applicable to any Shares;
 - 12.2.2 deeming all or some of a Participant's Shares (whether Vested or not) to be Forfeited Shares; or
 - 12.2.3 requiring the Participant to pay or repay (as the case may be) to the Company or a subsidiary as a debt the Market Value of all or some of any Shares acquired under the LTIP.
- 12.3 During the course of any investigation into or process concerning any of the matters set out in clause 12.1, the Board has absolute discretion to delay making any determination as to whether a Share has Vested, or, with respect to a Vested Share, to delay the transfer of legal title to the Share to a Participant. The length of such delay is at the Board's sole discretion.

13. Disputes

Any disputes or differences arising under the Terms shall be determined by the Board whose decision shall be final and binding in all respects.

14. Correspondence

- 14.1 Any correspondence from a Participant to the Company or the Board shall be delivered or posted to the registered office of the Company or to such other address as may be notified by the Board in writing.
- 14.2 Any correspondence from the Company or the Board to the Participant shall be delivered to the Participant or posted to his home address.

15. Amendment of Terms

Subject to clause 12.2, the Board may amend these Terms in such manner as it thinks fit, provided that no such amendment that would adversely affect the position of the Participant may be made without the written consent of the Participant. No such amendment shall be made if it would cause a breach of the Listing Rules. Subject to the above, an amendment may be retrospective and/or prospective in effect in the Board's discretion.

16. Governing Law

These Terms will be governed by and construed in accordance with New Zealand law. By participating in the LTIP, a Participant submits to the exclusive jurisdiction of the courts of New Zealand.