

**28 October 2019**

### **Executive Incentive Plan**

Attached are the rules of the proposed Executive Incentive Plan to be considered at the Company's annual general meeting.

Refer to the notice of meeting and explanatory statement for more detail.

For more information, please contact:

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Sayona Mining Limited is an Australian, ASX-listed (SYA) company focused on sourcing and developing the raw materials required to construct lithium-ion batteries for use in the rapidly growing new and green technology sectors. The Company has lithium projects in Québec, Canada and in Western Australia.

Please visit us as at [www.sayonamining.com.au](http://www.sayonamining.com.au)

# Sayona Mining Limited Executive Incentive Plan

## 1 INTRODUCTION

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### 1.1 Purpose of EIP

This EIP provides a performance based “at risk” incentive to Senior Managers. The purpose of this EIP is to:

- (a) increase the commitment of Senior Managers to deliver and out-perform business plans;
- (b) align the interests of the Employee with those of shareholders of the Company;
- (c) encourage sustainable growth and improvement for the Company in the best interests of the Company’s shareholders; and
- (d) maintain and retain key talent in the Company’s executive team.

### 1.2 Advice

- (a) There are legal and tax consequences associated with participation in the EIP. Senior Managers should ensure that they understand these consequences before accepting an invitation to participate in the EIP.
- (b) Any advice given by or on behalf of the Company is general advice only, and Senior Managers should consider obtaining their own advice from an independent person who is licensed by ASIC to give such advice.

## 2 DEFINITIONS AND INTERPRETATIONS

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### 2.1 Definitions

In this document, unless the context otherwise indicates, each of the following expressions have the meaning assigned to it below:

<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited or the securities market which it operates, as the context requires.
<b>Award</b>	either: <ul style="list-style-type: none"><li>(a) an Option; or</li><li>(b) a Performance Right.</li></ul>
<b>Board</b>	the Board of the Company.
<b>Company</b>	Sayona Mining Limited ACN 091 951 978.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>EIP</b>	this Executive Incentive Plan.
<b>Exercise Price</b>	the price payable (if any) per Share to exercise an Award.
<b>KPI</b>	key performance indicator.
<b>Listing Rules</b>	the listing rules of the ASX.
<b>Option</b>	an Option to acquire Shares.
<b>Period</b>	a period over which the KPI’s apply for earning an Award, which will usually be applied for performance during a financial year.

<b>Performance Rights</b>	a right to acquire Shares.
<b>Senior Manager</b>	means an employee of the Company who in the course of their employment: <ul style="list-style-type: none"> <li>(a) makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the Company; or</li> <li>(b) has the capacity to affect significantly the Company's financial standing.</li> </ul>
<b>Share</b>	a fully paid ordinary share of the Company.
<b>Share Price</b>	the share price of the Company as listed on the ASX.
<b>Shareholder Approval</b>	approval of this EIP under Listing Rule 10.15A.

## 2.2 Interpretation

In this document, headings are for convenience only and do not affect the interpretation of this document and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) other parts of speech and grammatical forms of a word or phrase defined in this document have a corresponding meaning;
- (c) an expression importing a natural person includes any company, partnership, joint-venture, association, corporation or other body corporate and vice versa;
- (d) a reference to anything (including, but not limited to, any right) includes a part of that thing but nothing in this clause implies that performance of part of an obligation constitutes performance of the obligation;
- (e) a reference to a party to a document or any organisation or company includes that entity's successors and permitted assigns;
- (f) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute; and
- (g) a reference to a document or agreement includes all amendments or supplements to, or replacements or novations of, that document or agreement.

## 3 ADMINISTRATION

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- (a) The Board will administer the EIP. In the Board's absolute discretion, the Board may delegate its authority under this EIP to an appropriate committee or Board member.
- (b) Subject to the Listing Rules, the Board may, and is authorised to, amend the terms of this EIP and establish and amend any guidelines or rules for the administration of the EIP as deemed appropriate, and to make any determinations under the EIP as may be deemed by the Board to be necessary. Any determinations and amendments will be binding on all parties.

## 4 ELIGIBILITY

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Only Senior Managers are eligible to receive Awards under this EIP.

## **5 AWARDS**

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### **5.1 Awards under the EIP**

The Company may, at the discretion of the Board, offer and issue Awards to Senior Managers based on the manager achieving KPIs, as agreed between the Company and the manager in the relevant employment agreement or other such document.

### **5.2 Options**

- (a) The Company may offer or issue Options, which are rights to be issued a Share upon payment of the Exercise Price upon satisfaction of specific KPIs.
- (b) The Board may, at its discretion set the KPIs, Exercise Price, Period and all other terms relating to the issue and exercise of Options.

### **5.3 Performance Rights**

- (a) The Company may offer or issue Performance Rights, which are rights to be issued a Share for nil Exercise Price upon satisfaction of specific KPIs.
- (b) The Board may, at its discretion set the KPIs, Period and all other terms relating to the issue and exercise of Performance Rights.

### **5.4 Maximum potential Award**

The Board may grant such number of Options and/or Performance Rights under the EIP as the Board determines as long as no limit specified, imposed or calculated by any relevant policy or guideline of ASIC, including any regulatory guide, class order or condition for relief, is exceeded.

### **5.5 Method for calculating Award**

The Board will determine the extent to which each KPI has been achieved and the Award earned in respect of the KPIs.

### **5.6 Non-transferrable**

Awards are not transferrable, except on a participant's death, to their legal personal representative.

## **6 ULTIMATE DISCRETION OF THE BOARD**

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Notwithstanding anything else in this document, the Board retains the ultimate discretion to:

- (a) make decisions on the EIP subject to complying with the Corporations Act and Listing Rules;
- (b) trigger, accelerate or vest the Award in the case of termination, provided that the limitations on termination benefits as outlined in the Corporations Act are not breached; and
- (c) abandon the EIP in any Period for that Period or adjust Award payments if the Company's overall performance during the relevant Period is substantially lower than expected and result in significant loss of value for shareholders.

## **7 GENERAL**

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### **7.1 Performance Assessment and Calculation Date**

Where a KPI is linked to Share Price, then unless the Board specifies otherwise, the method of calculating the Share price for the purposes of determining whether or not the Senior Manager has met the KPI will be volume weighted average price of the Shares for the five trading days commencing seven days after the Company's results for the relevant financial year (e.g., 1 July 2019 to 30 June 2020) are announced to the ASX.

## **7.2 Termination of employment during the Period**

- (a) If the Senior Managers employment is terminated other than by reason of retirement, redundancy, or by resignation with the express written consent of the Board (given expressly for the purposes of this EIP), the Senior Manager forfeits any and all entitlements or right to be considered for an EIP Award for the relevant financial year in which the termination occurred unless otherwise permitted by the Board in its absolute discretion.
- (b) If the Senior Managers is considered a “Good Leaver” and his employment is terminated (other than by reason of resignation), the Board retains discretion whether or not to Award the EIP for the Period.
- (c) If termination of employment is the result of a change of control including a takeover, the Board may in its absolute discretion determine whether or not it will terminate the EIP for the Period and pay pro-rata Awards in cash based on the completed proportion of the Period and taking into account performance up to the date of the change of control

## **7.3 Governing law and jurisdiction**

- (a) This document is governed by the laws of Queensland.
- (b) All parties to this EIP irrevocably submit to the non-exclusive jurisdiction of the courts of Queensland.
- (c) All parties to this EIP irrevocably waive, any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.