



Non-executive Director Equity Plan

Qube Holdings Limited

1. Definitions

Board means the board of directors of Qube.

Company Secretary means a Company Secretary of Qube.

Employee Share Trust means the Qube Holdings Limited Employee Share Trust, the current trustee of which is Qube Employee Share Accumulation Plan Pty Ltd.

EquatePlus Trust means the trust established under the equity plans management platform known as EquatePlus which Qube utilises to manage Qube's employee equity plans.

MSR means the Minimum Shareholding Requirement as set out in the MSR Policy.

MSR Policy means the Minimum Shareholding Requirement Policy for NEDs, as amended from time to time.

NED Fees means the total monetary fees received by a NED as remuneration for the NED's Board and Board committee appointments.

Non-executive Director or **NED** means a member of the Board who is not a Qube executive.

NRC means the Nomination and Remuneration Committee of the Board.

Qube means Qube Holdings Limited.

Securities Dealing Policy means Qube's Securities Dealing Policy, as amended from time to time.

Share means a fully paid ordinary share in Qube.

Share Right or **Right** means a right to acquire a Share.

VWAP means the volume-weighted average price of Shares traded on the Australian Securities Exchange.

2. Purpose

The purpose of this NED Equity Plan (**Plan**) is to assist in aligning the interests of NEDs with the interests of Qube's shareholders by providing a facility for NED Fees to be delivered in share rights in lieu of cash.

3. Minimum Shareholding Requirement

NEDs must maintain a level of Share ownership equal to the MSR as defined and set out in the MSR Policy for NEDs.

4. NED Equity Eligibility

All NEDs are eligible to participate in the Plan.

5. Participation

NEDs are entitled to make an election before the beginning of a financial year to receive some or all of their NED Fees for that financial year in Rights. NEDs who do not make an election or who elect to receive less than 100% of their NED Fees in Rights, will receive their NED Fees, or the balance thereof (as the case may be), in cash less any PAYG taxation and superannuation consistent with statutory obligations.

An election to receive a proportion of NED Fees in Rights for a financial year must be made prior to the beginning of that financial year. However, the NRC Chair may, in their discretion, give approval for a NED appointed during a financial year to make an election for the remaining period of that year prior provided the election is made upon commencement of their appointment.

Management will issue invitations to NEDs or NED appointees prior to the commencement of each financial year.

6. Taxation, Finance and Legal

The NED will be liable for income tax on the Rights under the employee share scheme rules of Division 83A of the *Income Tax Assessment Act 1997* (Cth).

It is the obligation of the NED to obtain their own independent and professional taxation, financial and legal advice.

7. Equity Vehicle

Equity is provided in Share Rights. Rights do not have any voting rights or dividend payments. Rights are not subject to the Superannuation Guarantee Act obligation.

On exercise, each vested Right entitles the NED to receive a Share plus additional Shares for dividends foregone. Dividends foregone is equal to the dividends paid by Qube from the date of grant to date of exercise, reinvested on the ex-dividend date. The formula for additional Share entitlement is:

- $E = \left(1 + \frac{div_1}{P_{div_1}}\right) \times \left(1 + \frac{div_2}{P_{div_2}}\right) \times \dots \times \left(1 + \frac{div_n}{P_{div_n}}\right)$
 - E is the entitlement conversion factor
 - $div_1, div_2, \dots, div_n$ are the dividends paid on a Qube Share from grant to the Exercise Date (with n being the total number of dividends paid over that Period);
 - $P_{div_1}, P_{div_2}, \dots, P_{div_n}$ are the close prices on the ex-dividend dates (i.e. immediate reinvestment of dividends on the ex-dividend date).

The total number of Qube Shares that will be received upon exercise will be the number of vested Rights multiplied by E, with the result rounded up to the nearest whole number.

8. Rights Grant, Allocation Timing and Value

All Rights for a financial year are granted (issued) and allotted on or about 20 September of that year (**Grant Date**).

The number of Rights allocated to a NED is determined as follows:

$$\frac{(\text{Annual NED Fees}) \times (\text{Elected \% of fees as Rights})}{(10\text{-trading day VWAP following release of annual financial results relating to the prior financial year})}$$

(10-trading day VWAP following release of annual financial results relating to the prior financial year)

9. Vesting

Rights vest in equal quarterly instalments throughout the financial year in which they were granted. One-quarter of the Rights vest at the end of each calendar quarter (**Vesting Date**). That is, the Rights vest in line with service as a NED and align with the otherwise quarterly payment of cash fees.

10. Exercise

Unvested Rights may not be exercised.

If a NED has not fulfilled their MSR at a Vesting Date, vested Rights will automatically be exercised on the later of:

- that Vesting Date; and
- 6 months after the Grant Date.

If a NED has fulfilled their MSR at a Vesting Date, vested Rights can be exercised during the period commencing 6 months after the Grant Date and ending 15 years after the Grant Date (**Exercise Period**), subject to compliance with Qube's Securities Dealing Policy.

Vested Rights not exercised within the Exercise Period will automatically lapse at the end of that period.

On exercise of a Right, the Board will in its discretion, either:

- a) arrange for Shares to be acquired for the benefit of Participants by the EquatePlus Trust by on-market purchase;
- b) arrange for the Employee Share Trust to purchase shares on-market and transfer the Shares to the Participant; or
- c) a combination of the above.

An illustration of the grant, allotment, vesting and exercise in respect of a financial year is set out in the **Attachment**.

11. Disposal of Shares

If a NED has not fulfilled their MSR, any Shares received on exercise of Rights under section 10 are restricted from sale or transfer until the NED retires from the Board. An exception to this restriction may be permitted as set out in the MSR Policy.

The restriction on sale may be enforced by an ASX holding lock, the trustee of the Employee Share Trust or EquatePlus Trust, or such other manner as the Company Secretary determines.

If a NED has fulfilled their MSR, any Shares received on exercise of Rights can be sold or transferred, subject to compliance with Qube's Securities Dealing Policy.

12. Bonus Issues, Rights Issues and Capital Reorganisation

In the case of bonus issues, rights issue or capital reconstructions, the NRC may approve such adjustments to the Rights as it considers appropriate with a view to ensuring that holders of Rights are neither advantaged nor disadvantaged.

13. Cessation of Appointment

Where a NED retires from the Board, a pro-rata number of Rights will vest based on service over the vesting period to the date of cessation. Notwithstanding an election under section 5, where a NED's appointment ceases prior to the Grant Date for a financial year, the election will not be effective and the NED will be paid cash (less tax and superannuation) for the service period to cessation.

A NED will have up to ninety (90) days from the date of their retirement to exercise any vested but unexercised Rights. Should the Rights not be exercised within the ninety (90) days, they will be automatically exercised at that time.

All unvested Rights will lapse upon cessation of appointment.

14. Change of control

If a change of control occurs during the vesting period, a pro-rata number of Rights will vest based on service over the vesting period up to the date of change of control.

15. Transfer or sale of Rights

Not permitted.

16. Individual Responsibilities

When acquiring or disposing of Qube shares and securities, NEDs must comply with insider trading provisions of the *Corporations Act 2001* and the Qube Securities Dealing Policy.

17. Review of the Plan

This Plan will be reviewed by the NRC periodically and any recommendations made to the Board for approval.

18. Further information

If you have any questions regarding this Plan, please contact the Company Secretary or the NRC Chair.

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ATTACHMENT

Illustration of Grant, Vesting and Exercise of Rights for a Financial Year

Date	Action
20 September Y1	'Grant Date' - annual FY grant and allocation
30 September Y1	Tranche 1 - $\frac{1}{4}$ of Rights vest but cannot be exercised until at least 6 months after Grant Date
31 December Y1	Tranche 2 - $\frac{1}{4}$ of Rights vest but cannot be exercised until at least 6 months after Grant Date
21 March Y2	All previously vested Rights (i.e. Tranches 1 and 2) may now be exercised at NED election (as 6 months after the Grant Date now elapsed). Where the MSR has not been met Rights will be auto-exercised (or sufficient number to meet the MSR)
31 March Y2	Tranche 3 - $\frac{1}{4}$ of Rights vest and these may be exercised at NED election (as this is more than 6 months after Grant Date). Where the MSR has not been met Rights will be auto-exercised (or sufficient number to meet the MSR)
30 June Y2	Tranche 4 - $\frac{1}{4}$ of Rights vest and these may be exercised at NED election (as this is more than 6 months after Grant Date). Where the MSR has not been met Rights will be auto-exercised (or sufficient number to meet the MSR)