

SPORTS ENTERTAINMENT GROUP PERFORMANCE RIGHTS PLAN

PLAN RULES

KEY DATES TO NOTE

Tranches	Rights	Testing Date	Vesting Date
First Tranche	(33 ¹ /3% of Eligible Rights)	30 June 2022	Date of audited financial statements in respect of period to Testing Date
Second Tranche	(33 ¹ /3% of Eligible Rights)	30 June 2023	
Third Tranche	(33 ¹ /3% of Eligible Rights)	30 June 2024	

1 Overview

Subject to the Plan Terms & Conditions and this Invitation, the Rights awarded to you become eligible to vest in three equal tiered tranches (of 33¹/3%, 33¹/3% and 33¹/3% respectively) over three successive complete financial year periods - these will be your **Eligible Rights**.

Eligible Rights may only vest and entitle you to receive Shares if you are employed with SEG on the corresponding Vesting Date (and you have not given or received a valid notice to terminate your employment) and only if the Performance Hurdles are achieved as at the Testing Date in respect of the relevant Tranche.

If the Performance Hurdles are achieved on the Testing Date in respect of Eligible Rights that are due to vest on a Vesting Date, the Eligible Rights in that Tranche will vest on the Vesting Date.

Eligible Rights that do not vest on their Vesting Date and are not rolled into a future period in accordance with the terms set out in this Invitation will automatically lapse.

On vesting, your Eligible Rights will become exercisable and entitle you to receive Shares at no cost to you on a one-for-one basis (subject to any adjustment in accordance with the Plan Terms & Conditions). SEG will deliver the Shares to you and register them in your name upon you electing to exercise your Eligible Rights.

You are not required to pay or provide any consideration in respect of the grant to you of the Rights.

2 Vesting

Your Eligible Rights will either vest and be exercisable, roll over to be tested again in a later financial year (as specified in this Invitation) or lapse on their Vesting Date.

You are not required to pay or provide any consideration on the vesting or exercise of the Eligible Rights. In order to receive your Shares once your Eligible Rights have vested you need to exercise your right to receive them by giving written notice to the Company Secretary within 12 months.

3 Testing and Vesting Dates

Performance Hurdles will be tested in respect of the Tranche of Eligible Rights that are eligible to be tested based on financial performance as at the applicable Testing Date. Financial performance will be assessed based on the audited financial statements of SEG in respect of the applicable period.

As noted in the "Key Dates to Note" table above:

- the Testing Date for the First Tranche of Eligible Rights (33¹/₃% of all Eligible Rights) will be 30 June 2022 and the Vesting Date will be the date of issue of the audited financial statements of SEG in respect of the financial year ending on that date;
- the Testing Date for the Second Tranche of Eligible Rights (33¹/₃% of all Eligible Rights) will be 30 June 2023 and the Vesting Date will be the date of issue of the audited financial statements of SEG in respect of the financial year ending on that date; and
- the Testing Date for the Third Tranche of Eligible Rights (33¹/₃% of all Eligible Rights) will be 30 June 2024 and the Vesting Date will be the date of issue of the audited financial statements of SEG in respect of the financial year ending on that date.

The Vesting Date will be delayed if all information required to complete the testing of the Performance Hurdles is not available and/or the testing has not been completed. If delayed, a Vesting Date will become the date that all information is available and the testing is completed.

4 Performance Hurdles

The Performance Hurdles that will be applied on each of the Testing Dates are referenced to the expectations for the performance of SEG and its subsidiaries being the achievement of the last twelve month EBITDA (**LTM EBITDA**) on a graduated basis.

The LTM EBITDA Performance Hurdles vary for each Tranche and its corresponding performance period (**Performance Period**), and are as follows:

First Tranche	\$11,006,000 LTM EBITDA, as set out in the audited financial statements of SEG in respect of the financial year ending 30 June 2022
Second Tranche	\$12,750,000 LTM EBITDA, as set out in the audited financial statements of SEG in respect of the financial year ending 30 June 2023
Third Tranche	\$14,200,000 LTM EBITDA, as set out in the audited financial statements of SEG in respect of the financial year ending 30 June 2024

The LTM EBITDA for each (and each subsequent) Performance Period will be subject to adjustments for:

- Share issues by SEG, in respect of which the LTM EBITDA required to achieve the Performance Hurdle will increase in the same proportion as the dilution to shareholders as a result of the issue;
- the levels of net debt of SEG (being the consolidated liabilities of SEG and its subsidiaries minus cash) (**Debt Levels**) during a Performance Period being in excess (in aggregate) of the amount of the Debt Levels immediately before the issue of Performance Rights under this plan (**Leverage Threshold**), in respect of which the LTM EBITDA required to achieve the Performance Hurdle will be increased by 20% of the amount of any Debt Levels above the Leverage Threshold;
- acquisitions of new businesses by SEG or any of its subsidiaries, in respect of which the LTM EBITDA required to achieve the Performance Hurdle may be increased by the amount of the LTM EBITDA attributed to the acquired entity or asset determined by the Board of SEG, or a committee appointed by the Board of SEG; and
- disposals of businesses by SEG or its subsidiaries, in respect of which the Performance Hurdle will decrease by the greater of: (i) the actual LTM EBITDA attributed to the entity or asset that is disposed of; or (ii) the amount of LTM EBITDA built into the Performance Hurdle in respect of the entity or asset that is disposed of, provided that the Board of SEG, or a committee appointed by the Board of SEG may determine (in its absolute discretion) that no, or a different adjustment be made,

as determined by the Board of SEG, or a committee appointed by the Board of SEG, in its absolute discretion.

At each Vesting Date, Eligible Rights that are available to vest and have been tested, but do not vest on their Vesting Date, will be rolled forward according to the following:

Tranche 1	50% of the Tranche 1 Eligible Rights will be rolled into the future and tested against the Performance Hurdles for Tranche 2 on 30 June 2023; and
	50% of the Tranche 1 Eligible Rights will be rolled into the future and tested against the Performance Hurdles for Tranche 3 at any time prior to 30 June 2024.
Tranche 2	50% of the Tranche 2 Eligible Rights (excluding those rolled from Tranche 1) will be rolled into Tranche 3 and tested against the Performance Hurdles on 30 June 2024; and
	50% of the Tranche 2 Eligible Rights (excluding those rolled from Tranche 1) will be rolled into the future and tested on 30 June 2024, but will have an LTM EBITDA Performance Hurdle of \$15,700,000 (subject to adjustment as set out above).

Eligible Rights that are available to vest and have been tested, but do not vest by the issue of the audited financial statements by SEG in respect of the financial year ending 30 June 2024 will lapse.

5 No clawback of Eligible Rights or Shares

Subject to section 11 of the Invitation, any Eligible Rights that have vested or Shares that have been delivered as a result of the achievement of any Performance Hurdle cannot later be recouped by SEG, unless restatement of SEG's financial statements is required or undertaken as a result of a fraud and the (previously achieved) Performance Hurdle is not achieved under the restated LTM EBITDA for that period.

6 Ceasing Employment with SEG

If you cease employment with SEG then unless any of the exceptions set out in the following paragraph apply, your Eligible Rights will lapse and expire. If you have given or received notice of termination of your employment, Eligible Rights that have not vested prior to the date of the notice will cease to be eligible to vest.

There are two exceptions under which your Eligible Rights may not lapse and expire if your employment with SEG ceases. They are where your employment ceases:

- due to your death or permanent disability; or
- in circumstances where the Board considers it is appropriate for you to retain your Eligible Rights.

If either of these exceptions apply then your Eligible Rights will not lapse, and they will continue to be subject to the Performance Hurdles, which will be tested and vest on the applicable Testing and Vesting Dates.

7 Early vesting on change of control

Clause 7.4 of the Plan Terms & Conditions covers the situations where early exercise is permitted on the occurrence of a Control Event (such as a takeover or change of control of SEG). In such circumstances the Board may determine that some of your Eligible Rights vest.

The number of Eligible Rights that can vest will equate to the period of time that has elapsed since the determination of Eligible Rights was first made as a proportion of the total vesting period. That vesting period will end upon the occurrence of the Control Event. SEG will ensure that any Eligible Rights vest and that your Shares are issued to you in respect of those Eligible Rights in time for you to participate in the Control Event. For example if a takeover of SEG occurs two years after the determination of Eligible Rights was first made and those Eligible Rights vest over three years, then two-thirds of your Eligible Rights would be able to vest, subject to the Performance Hurdles being applied to those Eligible Rights, as at the vesting date determined by the Board prior to the Control Event occurring.

Alternatively, the Board may, in its sole discretion, determine that a different proportion (including all) of your Eligible Rights will vest in connection with the Control Event.

8 Disposal Restrictions and Insider Trading

There will be no disposal restrictions on Shares that are issued to you on vesting of any Eligible Rights other than as are stipulated in the Listing Rules of the ASX or under any applicable laws and SEG's "Policy on Securities Trading By Directors, Officers, Senior Executives and Other Employees".

The sale of the Shares resulting from the vesting of Eligible Rights must only occur in accordance with SEG's "Policy on Securities Trading By Directors, Officers, Senior Executives and Other Employees" or any update or replacement of that policy, a copy of which is available on SEG's website.

Acceptance of this offer is a representation by you that you have read, understood and accepted that policy. The policy requires that you should not buy or sell Shares when you are in possession of price sensitive information that is not generally available to the market. Please refer to this important policy document.

9 Rights not transferable

Eligible Rights that you receive under the Plan and pursuant to this Invitation may not be transferred or otherwise dealt with except with the approval of the Board, or by operation of law on death or legal incapacity.

10 Registration of the resulting Shares

You will be notified when, following the vesting of the Eligible Rights and your exercise of those vested Eligible Rights into Shares, the relevant number of Shares have been allocated to you and registered in your name. Thereafter, you will be entitled to all dividends and voting rights arising from ownership of those Shares.

Until any Eligible Rights vest, you do not have any entitlement to shares in SEG in respect of the Eligible Rights and you cannot exercise rights in respect of the Shares you will receive or deal with them in any way until the Eligible Rights are exercised and you receive your Shares.

11 Breach of obligation, fraud

If, in the reasonable opinion of the Board, you have acted fraudulently or dishonestly or are in breach of your obligations to SEG or otherwise bring any company within the Group into disrepute, the Board may cause any Eligible Rights to lapse.

12 Taxation

This taxation summary is general in nature and is based on Australia's tax laws as at September 2021. Australian tax laws can be complex and their application will depend on your own particular circumstances. The tax treatment of your Eligible Rights may change from time to time, so it is strongly recommended that you seek your own professional advice in relation to your personal circumstances. SEG, its subsidiaries, employees, advisers and agents shall not be responsible to any person who relies on this taxation summary.

This summary also assumes that you:

- (a) are an employee of the Group at the time the Eligible Rights are issued to you;
- (b) participate in the Performance Rights Plan and acquired the Eligible Rights at a discount to their market value;
- (c) (together with your associates) do not own more than 10% of the issued shares in SEG, taking into account the Shares that you would acquire on vesting of the Eligible Rights granted to you;
- (d) (together with your associates) do not control the casting of more than 10% of the votes that can be cast in the general meeting of SEG, taking into account the Shares that you would acquire on vesting of the Eligible Rights granted to you;

- (e) hold your Eligible Rights and Shares that you would acquire on exercise of the Eligible Rights on capital account; and
- (f) are, and remain at all times, a resident of Australia for tax purposes.

There are specific rules regarding individuals whose residency status changes. These rules need to be considered on a case-by-case basis and you should consult your tax adviser in these circumstances.

On the basis of the above assumptions and the terms of the Plan, we consider that the grant of your Eligible Rights should qualify for deferral under the employee share scheme rules.

In this regard, you should not be required to include an amount in your assessable income when the Eligible Rights are issued to you. You should also not be assessable in respect of the Eligible Rights if they lapse and do not vest (such as where the Performance Hurdles are not satisfied).

You should only be subject to tax in respect of the holding of your Eligible Rights at the earliest of the following:

- (a) when employment with SEG ceases (where the Eligible Rights are not forfeited or do not lapse); and
- (b) when the Eligible Rights vest and convert to Shares, if there is no restriction or forfeiture condition on the underlying Shares into which your Eligible Rights convert. Please note that if a restricted period or other restriction prevents you from trading your Shares at the time when the Eligible Rights vest and you are automatically entitled to Shares, and you are therefore restricted from trading in the Shares, then this should defer any tax that is otherwise due. The taxation point will be when the trading restriction is lifted or when the restricted period ends (subject to the maximum period of tax deferral of 15 years from the Date of Grant).

(This is the "**taxation time**").

In the financial year that the taxation time occurs, income tax is payable on the market value of the Shares at the taxation time. If you sell the underlying Shares within 30 days of the taxation time then income tax should be payable on the sale proceeds. If you sell the underlying Shares more than 30 days after the taxation time, then, in addition to income tax assessed at the taxation time, capital gains tax may be payable.

Your capital gain will be the difference between the sale proceeds less any COST. You may make a capital loss if the sale proceeds are less than the total COST. Your COST will generally include the market value of the underlying Shares at the taxation time PLUS any brokerage fees or other non-deductible costs associated with the sale of the underlying Shares.

If you have held the Shares for 12 months after your Eligible Rights were converted to Shares, only 50% of any capital gain may be subject to capital gains tax.

SEG will provide you with a statement to assist you in preparing your tax return. Broadly, statements must be provided to you in the year in which the Rights are issued to you and the year in which the taxation time occurs. This information is also required to be provided to the Australian Taxation Office (ATO).

If you do not provide SEG with your Tax File Number or Australian Business Number (as applicable), SEG has an obligation to withhold and remit to the ATO an amount equal to 47% of the amount included in your assessable income under the employee share scheme taxation rules.

Financial circumstances vary from person to person. You are strongly encouraged to consult your tax adviser as to the tax consequences of your participation in the Plan.

13 Financial consequences

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

In the event SEG does provide you with any advice in relation to the offer or securities the subject of this Invitation, such advice does not take into account your objectives, financial situation and needs. You should consider obtaining your own financial product advice from a person who is licensed by ASIC to give such advice.

Nothing in this Invitation:

- a) constitutes financial product advice and any advice or information provided by SEG in relation to this Invitation does not take into account your objectives, financial situation or needs; or
- b) should be taken to constitute a recommendation or statement of opinion that is intended to influence anyone in making a decision to acquire Rights or Shares.

14 Risk

As with any investment in securities there can be no guarantee that the market value of SEG's shares or other securities will not fall in the future. There is also no assurance as to dividends or distributions since these are dependent on earnings and the financial condition of SEG. The acquisition of the Rights, their vesting and exercise and the acquisition and disposal of any resulting shares in SEG may have taxation consequences for you. As set out above it is recommended that you seek tax and financial advice.

15 Market Price of Shares

Participants are advised that they can ascertain the market price of Shares from time to time by referring to the financial pages of some daily newspapers, consulting their stockbroker or financial adviser or checking price information available on the ASX's website (www.asx.com.au).

16 Trust Deed

A trust has been established for the purpose of acquiring, holding and transferring Shares in connection with the Plan.

17 Confidentiality

Participation in the Plan is available to only a select number of key SEG executives. Your invitation, the copy of the trust deed accompanying this invitation and **their terms are confidential**.

18 Representations and warranties

As consideration for this Invitation, you give and make the following acknowledgments, representations, warranties and agreements for the benefit of SEG and its associates and related bodies corporate:

- a) you acknowledge that SEG and the other shareholders of SEG have not taken into account your objectives, financial situation or needs in making this Invitation;
- b) if you accept this Invitation, you do so on the basis of your own independent investigation and assessment and after making your own enquiries and you acknowledge that you have not relied on any recommendation or representation of any director or shareholder of SEG to acquire Rights or Shares in SEG or the participation of any other shareholder of SEG as an investor in SEG as a basis for you to acquire Rights or Shares;

- c) you acknowledge that neither SEG nor other shareholders of SEG nor any of their respective officers or employees has made:
- i) any representation or warranty in relation to the proposed business strategy or potential exit strategy or returns achievable on an exit; or
 - ii) any recommendation on the suitability of an acquisition of Rights or Shares;
- d) to the maximum extent permitted by law, SEG and other shareholders of SEG and their respective officers and employees disclaim all liability in relation to these matters;
- e) you agree that you may not take any action against SEG and/or any other shareholders of SEG (or their respective related bodies corporate or their officers or employees) for any loss or damage suffered as a result of your decision to acquire Rights or Shares, or in relation to the proposed business strategy, business performance, potential exit strategy or returns achievable on exit; and
- f) any decision made or action taken by you in respect of the Invitation has been made or will be made entirely on the basis of your own analysis, investigations and decisions and you warrant that you have not relied on any act, representation or omission made SEG or any other person.

Questions and Answers

1. Am I eligible to participate in the Plan?

You are only eligible to participate if you have been invited to participate in the Plan, i.e. you have received an Invitation letter.

2. How many Rights will I receive?

The Board of SEG has determined the number of Rights available to you, which is as set out in the letter that forms part of this Invitation.

3. How do I keep track of my Rights?

SEG has appointed its Company Secretary to manage the Plan. The Company Secretary will keep track of your Eligible Rights and provide you with relevant information about your Eligible Rights and any shareholding that flows from the vesting of your Eligible Rights into SEG shares. You may contact the Company Secretary in relation to information about your Eligible Rights and the vesting of your Eligible Rights into Shares:

Company Secretary
Email: jodie@sen.com.au
Ph: 03 8825 6600

4. What fees do I have to pay?

SEG will pay all administration fees payable in relation to the Plan. However, you will be responsible for the costs associated with selling your Shares after any Eligible Rights vest and you are awarded Shares and also for the tax applicable to such vesting.

5. Will I get dividends and voting rights?

Eligible Rights will not attract dividends or voting rights. However if any Eligible Rights vest and you receive Shares, these Shares will attract the same rights and entitlements as all SEG fully paid ordinary shares including dividends, voting rights and rights to participate in offers of further shares to all shareholders with a record date on or after the date of delivery.

6. What happens if I leave the Company?

If you leave SEG due to death or permanent disability or in some other circumstances as a result of which the Board considers it is appropriate for you or your legal personal representative to retain your Rights, then Eligible Rights which have not lapsed at the date you leave SEG may continue to be available to you subject to the Performance Hurdles.

If you leave SEG for any other reason, all Eligible Rights lapse.

If you are dismissed with cause then all Eligible Rights lapse on the date that you leave SEG and will cease to be eligible for vesting from the date a valid notice of termination is given.

7. Will my award count towards my superannuation?

No. The award is discretionary and will not form part of your superannuation or overall remuneration entitlements.

8. Will Rights be offered on an annual basis?

This is at the discretion of the Board. Whilst it is currently proposed that you may be invited to participate in future grants of performance rights, this may change at any time and at the entire discretion of the Board of SEG. The fact that you are invited to participate in the Plan for this year does not mean that you will receive any similar offer in any subsequent year.

9. What happens if I go on leave?

Rights will not be affected if you go on leave, long service leave, annual leave or parental leave. If you are absent from or not fulfilling your work duties at SEG outside of your leave entitlements contained in your employment contract then the terms of your employment contract will apply to determine whether your employment has ceased. If your employment does cease because of an extended absence or leave outside of your leave entitlements, then unless the Board decides otherwise (as per question 6 above), any Eligible Rights will lapse.