



Ichor Coal N.V.

Stock Option Plan

ICHOR COAL N.V. 2014 OPTION PLAN

(As adopted by the General Meeting of Shareholders on 30 June 2014)

This Option Plan is designed in order to grant options on ordinary shares in the capital of Ichor Coal N.V. to certain management board members and employees of Ichor Coal N.V. and its Subsidiaries following a consistent course of action as regards the conditions and periodicity of the grants.

This Option Plan was approved and adopted by the General Meeting of Shareholders on 30 June 2014 and was subsequently stated effective by the Supervisory Board on 22 October 2014.

1. Definitions

The following terms apply:

Administrator means the Supervisory Board, a committee of the Supervisory Board or a third party designated at the discretion of the Supervisory Board to administer this Option Plan.

Affiliate means a Person in which the Company directly or indirectly holds an interest of at least one third, or any other Person that has been designated as such by a resolution of the Management Board.

Change of Control means (i) any merger or consolidation of the Company with or into another Person or a purchase or sale of Shares, a reorganisation, recapitalisation or other transaction or series of transactions due to which, immediately after (such) transaction(s) has/have taken place, one Person or group of Persons under Control of one Person acquire(s) the Control over the Company or its legal successors; or (ii) a sale, transfer, transmission or otherwise, directly or indirectly, of all or almost all of the assets of the Company, by means of one transaction or by a series of transactions. For the purpose of the definition of Change of Control, Person does not include Sapinda Holding B.V. or any of the companies with which Sapinda Holding B.V. forms a group (within the meaning of Section 2:24b of the Dutch Civil Code).

Closed Period A closed period of the Company as defined in the Ichor Coal Insider Trading Policy.

Company means: (i) Ichor Coal N.V., a public company (*naamloze vennootschap*), incorporated under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands, its registered office at 30 Jellicoe Avenue,

third floor, Rosebank 2196, South Africa and registered with the commercial register of the Chamber of Commerce (*Kamer van Koophandel*) for Amsterdam under number 53748662, (ii) its Affiliates, and (iii) its legal successor(s).

Compliance Officer

means the Company's Chief Financial Officer (CFO).

Control

means, in relation to a Person, the power to exercise, directly or indirectly, more than 50% of the controlling rights of that Person or the possibility to appoint or designate more than 50% of the total number of members of the Management Board or any other similar managerial body, through ownership of the Shares or other securities, by means of agreement, power of attorney or otherwise.

Date of Grant

means the day that an Option is granted hereunder by the Management Board subsequent to authorization of the grant by the Supervisory Board. For Options granted in fulfillment of certain binding promises made prior to the adoption of this Option Plan, the Date of Grant shall be the date of such earlier promises, as determined in good faith by the Supervisory Board and in accordance with Dutch law.

Designated Person

means a (legal) person designated by the Supervisory Board.

Fair Market Value

means: the closing price of the Shares on the Principal Exchange on the Date of Grant.

General Meeting of Shareholders

means the general meeting of shareholders (*algemene vergadering van aandeelhouders*) of the Company.

Ichor Coal Insider Trading Policy

means the Ichor Coal Insider Trading Policy, as amended from time to time.

Inside Information

means information as defined in the Ichor Coal Insider Trading Policy.

Management Board

means the management board of the Company.

Nominee

means (i) an employee or manager of the Company or one of its Subsidiaries or (ii) an individual, otherwise having a business relationship with the Company or its Subsidiaries, as nominated by the Management Board.

Open Period

Means an open period of the Company as defined in the Ichor Coal

Insider Trading Policy.

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| Option Agreement | means an agreement between a Nominee and the Company in relation to the grant of Options. |
| Option Plan | means this Ichor Coal N.V. 2014 Option Plan, as amended from time to time. |
| Option Price | means the exercise price of Options as laid down in the relevant Option Agreement. |
| Optionee | means a Nominee who has accepted Options offered under an Option Agreement. |
| Options | means options on Shares that are subject to the terms of the Option Plan and the Option Agreement. |
| Person | means natural person, body, company, legal person, association, foundation, special-purpose fund and other entities. |
| Principal Exchange | means the Frankfurt Stock Exchange (Entry Standard - XETRA). |
| Shares | means ordinary shares in the capital of the Company. |
| Start Date | means the date from which vesting of Options granted hereunder commences and is in principle the same date as the Date of Grant, unless the Supervisory Board determines otherwise. |
| Subsidiaries | means any subsidiary (<i>dochtermaatschappij</i> : within the meaning of section 2:24a of the Dutch Civil Code) of the Company. |
| Supervisory Board | means the supervisory board of the Company. |
| Termination for Cause | means termination of the employment, management and/or other relevant business relationship, of an Optionee with the Company or a Subsidiary resulting from dishonesty, fraud, willful misfeasance, gross negligence or other gross misconduct. |
| Termination of Employment Event | means the termination of the employment, management or other relevant business relationship, between an Optionee and the Company or any Subsidiary for any reason, including but not limited to the death of an Optionee. |

**Termination Without
Cause**

means the occurrence of a Termination of Employment Event with respect to an Optionee that is not a Termination for Cause.

2. **Duration**

2.1 The Option Plan applies to all Nominees and members of the Management Board.

2.2 Unless extended by the General Meeting of Shareholders, this Option Plan shall be effective for a period of ten (10) years from the date of initial adoption thereof by the General Meeting of Shareholders as set forth above; provided that Options granted during the term of this Option Plan shall continue to vest and be exercisable as set forth in the relevant Option Agreement after the expiration of such 10-year term.

3. **Purpose of the Option Plan**

The purpose of the Option Plan is to provide Nominees and members of the Management Board with an opportunity to participate directly in the growth of the value of the Company by receiving Options for Shares.

4. **Administration of the Option Plan**

4.1 The Option Plan shall be administered by the Supervisory Board, a committee of the Supervisory Board or a third party designated at the discretion of the Supervisory Board. Such designation can at all times be revoked by the Supervisory Board.

4.2 The Administrator shall be authorized to take all actions required or advisable for the administration and proper implementation of the Option Plan.

4.3 The Administrator shall be authorized:

- (i) to interpret the Option Plan;
- (ii) to authorize the Company to enter into Option Agreements with Nominees and members of the Management Board; and
- (iii) to make all other decisions necessary or advisable to enable the administration and proper implementation of the Option Plan.

5. **Grant of Options**

5.1 The total number of Shares in respect of which Options may be granted under the Option Plan shall not exceed 3% of the Company's issued and outstanding share capital on a fully diluted basis at the time of the first issuance of shares pursuant to the exercise of the Options taking into account the limitations set out in Articles 5.5 and 5.6.

Shares in respect of which Options are granted will again be available for the grant of Options hereunder to the extent that the relevant Options lapse or are forfeited, without having been exercised in full subject to the provisions of this Option Plan and the decision of the Supervisory Board as to the terms and conditions of such new grants of Options. Options can only be granted to members of the Management Board and the Supervisory Board after prior approval of the General Meeting of Shareholders to the extent required under Dutch law.

- 5.2 Options may only be granted by the Supervisory Board once a year. The Supervisory Board will not resolve to grant Options to Nominees until after the Management Board has made a proposal to the Supervisory Board consisting of the the Nominees that are eligible for participation in the Option Plan. The Supervisory Board may only grant Options at a fixed day, that falls within an Open Period of the Company, as shall be determined in joint consultation between the Supervisory Board and the Management Board at least one year in advance, however the aforementioned fixed day must fall in the period between March 1 and March 31 of each year, provided that an Option may be granted at any other time during the year only if:
- (i) the Supervisory Board considers the circumstances to be exceptional to do so; or
 - (ii) the Management Board considers it necessary for a Nominee that is a newly appointed key employee.
- 5.3 The nomination and grant of an Option for a newly appointed key employee is in principle to take place quarterly, at a fixed days, during an Open Period of the Company, as shall be determined in joint consultation between the Supervisory Board and the Management Board at least one year in advance.
- 5.4 The maximum total amount of Options that can be granted in one year to a member of the Management Board of the Company cannot exceed 200,000. For a Nominee not being a member of the Management Board this amount cannot exceed 60,000, unless:
- (i) the Supervisory Board considers the circumstances to be exceptional to grant a larger amount; or
 - (ii) the Supervisory Board considers it necessary for a newly appointed key Nominee to grant a larger amount.
- 5.5 The total amount of Options that are granted under the Option Plan to members of the Management Board shall at no time exceed the total of 2% of the Company's issued and outstanding share capital on a fully diluted basis at the time of the first issuance of shares pursuant to the exercise of any of the Options.
- 5.6 The total amount of Options that are granted under the Option Plan to Nominees, not being a member of the Management Board, shall at no time exceed the total of 1% of the Company's issued and outstanding share capital on a fully diluted basis.

5.7 The Supervisory Board and Management Board will take account of any issues arising under the Ichor Coal Insider Trading Policy and any applicable securities regulations.

6. Price

An Optionee is not under any obligation to pay any amount to the Company in respect of the grant of Options. Subject to the provisions of Articles 8.4 and 9.2, an Optionee is obliged to pay the Option Price upon exercise as laid down in the Option Agreement.

7. Transfer and Vesting of Options

7.1 Except as provided for under the Option Plan, the Options may not be sold, assigned, transferred, pledged, mortgaged or otherwise disposed of, unless otherwise agreed by the Supervisory Board. The aforementioned prohibition does not apply to the transmission of vested Options to the heirs of an Optionee, subject to the terms of the relevant Option Agreement.

7.2 The Option Agreement shall contain a vesting schedule relating to each Option. Unless otherwise determined by the Supervisory Board at the time the Option is granted, each Option will vest (*i.e.*, such Option will actually become exercisable) annually over a period of 3 years in equal portions. No Options may be exercised more than 10 years from the Start Date, unless the vesting is postponed pursuant to the terms of the relevant Option Agreement. If the vesting of Options for any year is postponed, the 10-year exercise period shall be extended once by a maximum period of one year.

7.3 The exercisability of Options may in the sole discretion of the Supervisory Board be made subject to satisfaction of financial performance criteria relating to the earnings, revenues, profits or other results of the Company and/or the Subsidiaries and/or other financial or performance criteria. Such financial performance or other financial or performance criteria contained in any Option Agreement may be waived by the Supervisory Board in its sole discretion, in whole or in part, as to some or all Options thereunder.

7.4 The Options that have not vested in accordance with the vesting scheme as laid down in the Option Agreement are, unless otherwise agreed by the Supervisory Board, forfeited upon:

- (i) a moratorium of payments, bankruptcy, debt restructuring (*schuldsanering*) or similar proceedings being imposed on an Optionee; or the appointment of a guardian by a court (*onder curatelestelling*) or curator in bankruptcy over an Optionee; or
- (ii) the occurrence of a Termination of Employment Event with respect to such Optionee.

7.5 Upon the occurrence of a Termination of Employment Event the Optionee's Options shall either be forfeited, lapse or continue to be exercisable as set forth below:

- (i) in case of Termination for Cause, both the Options of such Optionee that have vested (to the extent not exercised) and the Options of such Optionee that have not vested shall be forfeited at the moment of Termination for Cause, unless agreed otherwise by the Supervisory Board;
- (ii) in case of a Termination Without Cause, the Options of such Optionee that have not vested shall be forfeited at the moment of Termination Without Cause and the Options that have vested (to the extent not exercised) may be exercised by such Optionee within 90 days after the date of such Termination Without Cause, unless the Supervisory Board otherwise agrees. If such vested Options are not exercised within such 90-day period, such vested Options will, unless agreed otherwise by the Supervisory Board otherwise, be forfeited.

7.6 An Optionee incurs no right whatsoever to damages in respect of the lapse, annulment or the forfeiture of any Option pursuant to this Option Plan.

7.7 The Option Price will in principle be 100% of the Fair Market Value of a Share as of the Date of Grant, unless the Supervisory Board otherwise determines.

8. **Exercise of Options**

8.1 A Nominee who possess Inside Information or who should reasonably suspect that he or she possess Inside Information relating to the Company shall be prohibited from making use of that Inside Information by exercising an Option.

8.2 An Option can only be exercised by Management Board member a Supervisory Board member or an Executive as defined in the Ichor Coals Insider Trading Policy during a period other than a Closed Period, unless the Compliance Officer in joint consultation with the Supervisory Board determines otherwise.

8.3 Irrespective of Article 8.1 and 8.2 an Optionee is always entitled to exercise an Option on the expiry date of the Option or within a period of five business days prior thereto in accordance with the Ichor Coal Insider Trading Policy. The subsequent sale of Shares obtained through the exercise of Options is only allowed in as far as such is allowed under the Ichor Coal Insider Trading Policy.

8.4 An Optionee is required to notify the Administrator in writing of the exercise of Options. Options to the extent vested and exercisable can be exercised partially or all at once.

8.5 An Optionee shall not be entitled to any fractional Shares upon exercise of an Option. If any exercise of an Option would but for the provisions of the preceding sentence result in the issuance

of fractional Shares, the number of Shares issued upon such exercise shall be rounded down to the nearest whole number.

8.6 Within one (1) month after written notice by an Optionee of his exercise of Options the Shares in respect of which the Option has been exercised will be issued or transferred – at the sole discretion of the Company - to the Optionee, against prior payment of the Option Price in cash or in such other manner as is agreed by the Administrator or as is set forth herein. Subject to the provisions of Articles 8.7 and 9, no Shares will be issued or transferred to the Optionee as long as the Optionee has not paid the Option Price to the Company in full by wire transfer of immediately available funds to a bank account of the Company designated by the Company.

8.7 At the sole discretion of the Administrator, the Company may settle its obligation to deliver Shares to an Optionee pursuant to this Option Plan or an Option Agreement by paying to the Optionee cash equal to the Fair Market Value of the Shares issuable upon exercise of the Options less the applicable Option Price for such Shares. After the occurrence of a Termination of Employment Event with respect to an Optionee, then unless the Optionee chooses otherwise all vested Options (to the extent not forfeited) will be settled in the manner specified in the preceding sentence. The payment to be made to an Optionee upon settlement of Options by payment of cash pursuant to the preceding sentence shall be made by the Company within 120 days after exercise by the relevant Optionee of the Options.

8.8 Subject to Articles 9 and 13 and except as provided below, the Option Price in respect of any Options granted hereunder shall upon exercise of such Options be reduced by the hypothetical amount of dividends (including ordinary dividends) or other distributions that would have been payable on the Shares in respect of which the Option is exercised if such Shares had been issued to the relevant Optionee immediately after the Options with respect to such Shares first vested. Notwithstanding the foregoing, in respect of any Option granted to an Optionee who is subject to taxation in the United States, the Option Price shall not be reduced by the hypothetical amount of ordinary dividends and any adjustment with respect to extraordinary dividends or other distributions shall not be made contingent on the exercise of the Option. The Option Price shall not in any event be reduced below EUR 0.10 per Share as a result of the operation of this Article 8.8.

8.9 All the provisions in this Option Plan relating to exercise of Options are subject to restrictions regarding the exercise of options laid down in any applicable law and the Ichor Coal Insider Trading Policy.

9. **Change of Control**

9.1 Subject to Clause 9.2, in the event of a Change of Control, all the outstanding Options will vest fully at the moment of the Change of Control.

9.2 In the event of a Change of Control due to a sale, merger, demerger or consolidation of the Company, all the outstanding Options will be included for the purpose of the purchase agreement or the merger agreement, as applicable at such time. Such agreement may, without the approval or the advice of the Optionees being required, provide in the following:

- (i) the continuation of the outstanding Options by the Company (if the Company is the company that continues to exist);
- (ii) the take-over of the Option Plan and the outstanding Options by the acquiring company or the company that continues to exist, or its parent company;
- (iii) the replacement of the outstanding Options by new option rights with conditions that are the same of the conditions of the outstanding Options by the acquiring company or the company that continues to exist, or its parent company;
- (iv) the cancellation of each outstanding Options in return for payment to the Optionee of an amount per Option equal to the difference between the value in commercial transactions of a Share at the time of the purchase, merger, demerger or consolidation of the Company less the Option Price of the Option.

10. **Taxes**

10.1 The Company and/or its Subsidiaries shall have the right to withhold from any salary, severance or other amounts payable by the Company or a Subsidiary to an Optionee, or to otherwise require payment by the Optionee of, any taxes and/or social security contributions payable by the Optionee in connection with his participation in the Option Plan as well as any taxes and/or social security contributions payable by the Optionee in connection with any exercise of Options.

10.2 An Optionee is and remains at all times fully responsible for the payment of any taxes and/or social security contributions payable by the Optionee in connection with his or her participation in the Option Plan.

11. **Reporting obligations**

An Optionee is obliged to fully cooperate with notification obligations towards regulators that result from or are connected with a grant or exercise of Options or otherwise connected to this Option Plan or the Option Agreement.

12. **No employment condition**

The participation of an Optionee in the Option Plan does not constitute remuneration for any employment activity. The Options are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, redundancy,

and/or service payments, bonuses, long service awards, pension or retirement benefits or similar payments.

13. **Anti-dilution adjustment**

If at any time after the Date of Grant

- (i) a share split is carried out;
- (ii) capital on the Shares is repaid;
- (iii) Shares in the capital of the Company are issued at the expense of the profit reserve or the share premium reserve; or
- (iv) any other comparable recapitalisation, requalification, combination, merger or other corporate transaction takes place;

and such event causes a change in the value of the Options, the Supervisory Board shall have the authority to adjust the Option Price and/or the number of Options, so that the value in commercial transactions of the granted Options at the time after one of the above-mentioned events shall be equal to the value in commercial transactions of the Options at the time immediately prior to one of the above-mentioned events. The adjustment of the Option Price and/or the number of Options will be carried out in conformity with the applicable listing and trading rules. The Company will inform the Optionee of an adjustment of the Option Price and/or the number of Options.

14. **Confidentiality**

By executing an Option Agreement, the Optionee accepts an obligation not to disclose any information regarding the Option Plan, or any information in connection therewith, unless such Optionee is legally obliged to disclose such information by law or exchange regulations.

15. **Governing Law**

15.1 This Option Plan is governed by the laws of the Netherlands.

15.2 All disputes relating to this Option Plan or agreements based on or pursuant to this Option Plan shall be submitted exclusively to the competent court of law in Amsterdam, the Netherlands.

16. **Amendment and Revocation**

16.1 The Supervisory Board shall have the right to alter, amend or terminate the Option Plan or any part thereof at any time and from time to time, provided, however, that no such alteration or amendment shall adversely affect the rights relating to any Options granted or Shares acquired upon exercise of Options prior to that time, unless required pursuant to Article 16.2 and further

provided that any increase in the number of Shares issuable hereunder shall require the approval of the General Meeting of Shareholders or other body then authorized to issue Shares pursuant to the Articles of Association of the Company.

- 16.2 The Supervisory Board has the authority to take any action consistent with the terms of the Option Plan, which it deems necessary or advisable to comply with any laws or regulatory requirements, including but not limited to, modifying or amending the terms and conditions governing Option Agreements, or establishing any local country plans as sub-plans to this Option Plan.

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