

X2M CONNECT LIMITED
ACN 637 951 154
(Company)

INCENTIVE SHARE PLAN

Approved by the Board on 1 March 2021

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X2M CONNECT LIMITED INCENTIVE SHARE PLAN

The Board is empowered to operate the X2M Connect Limited Incentive Share Plan (Plan) on the following terms and in accordance with the ASX Listing Rules (where applicable).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan:

Acceptance Form means the Acceptance Form by which an Eligible Participant or Nominee (as applicable) accepts an Offer for Shares, in substantially the same form as set out in Schedule 2 or as otherwise approved by the Company from time to time.

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the listing rules of the ASX as they apply to the Company from time to time.

Bad Leaver means, unless otherwise determined by the Board in its sole and absolute discretion, a Participant who ceases employment or office with any Group Company in any of the following circumstances:

- (a) the Participant resigns from their employment or office;
- (d) the employment of the Participant is terminated due to poor performance; or
- (e) the Participant's employment is terminated, or the Participant is dismissed from their office, for any of the following reasons:
 - (i) the Participant has committed any serious or persistent breach of the provisions of any employment contract entered into by the Participant with any Group Company;
 - (ii) the Participant being guilty of fraudulent or dishonest conduct in the performance of the Participant's duties, which in the reasonable opinion of the relevant Group Company effects the Participant's suitability for employment with that Group Company, or brings the Participant or the Group into disrepute;

- (iii) the Participant has been convicted of any criminal offence which involves fraud or dishonesty;
- (iv) the Participant has committed any wrongful or negligent act or omission which has caused any Group Company substantial liability;
- (v) the Participant has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that may result in the Participant being banned from managing a corporation under the Corporations Act; or
- (vi) the Participant has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice.

Blackout Period means a period when the Participant is prohibited from trading in the Company's securities by the Company's written policies.

Board means the board of Directors of the Company or committee appointed by the Board for the purposes of the Plan.

Business Day means a day on which banks are open for general banking business in Victoria, excluding Saturdays, Sundays and public holidays in Western Australia.

Change of Control means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Class Order means ASIC Class Order 14/1000 or 14/1001 as applicable, as amended or replaced.

Closing Date means the date on which an Offer is stated to close.

Company means X2M Connect Limited (ACN 637 951 154).

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means any person occupying the position of a director of any Group Company (including an alternate director or managing director appointed in accordance with the relevant constitution).

Eligible Participant means:

- (a) a Director (whether executive or non-executive) of any Group Company;
- (b) a full or part time employee of any Group Company;
- (c) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- (d) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules (a), (b) or (c) above,

who is declared by the Board to be an Eligible Participant for the purposes of the Plan.

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of the corporation;
- (c) any application (not being an application withdrawn or dismissed within 14 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purposes of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
 - (iv) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (d) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 14 days;
- (e) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (f) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Fringe Benefits Tax means the Fringe Benefits Tax Assessment Act 1986 (Cth).

Good Leaver means a Participant who ceases employment or office with any Group Company, including from a resignation, and is not a Bad Leaver.

Group means the Company and any other Group Company.

Group Company means the Company and its Associated Body Corporates.

Issue Date in relation to particular Plan Shares, means the date on which the Plan Shares are issued

Issue Price means the price at which the Company offers to issue a Plan Share to an Eligible Participant in accordance with Rule 4.6.

Nominee means a nominee of an Eligible Participant that is one of the following:

- (a) an immediate family member of the Eligible Participant or (subject to Board approval) a trustee of a superannuation fund whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the participant; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Participant is a director of the trustee.

Notice of Withdrawal of Plan Shares means a duly completed and executed request for permission by a Participant to withdraw some or all of their Plan Shares from the Plan. Such Notice of Withdrawal of Plan Shares shall specify the number of Plan Shares to be withdrawn or sold and be submitted on the form approved by the Board.

Offer means an offer made to an Eligible Participant to subscribe for one or more Shares under the Plan as set out in an Offer Document.

Offer Document means an offer document in substantially the same form as set out in Schedule 2, or such other form as approved by the Board from time to time consistent with the Corporations Act and the Class Order.

Participant means an Eligible Participant to whom Shares have been issued under the Plan, or if Rule 4.4 applies, a Nominee of the Eligible Participant to whom Shares have been issued under the Plan.

Plan means the plan as set out in this document, subject to any amendments or additions made under Rule 10.

Plan Share means a Share issued pursuant to the Plan.

Redundancy means termination of the employment, office or engagement of a Relevant Person due to economic, technological, structural or other organisational change where:

- (a) no Group Company requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or
- (b) no Group Company requires the position held by the Relevant Person to be held by anyone.

Relevant Interest has the meaning given in the Corporations Act.

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant.

Restriction Period means, in relation to a Plan Share, the period commencing on the date of issue of the Plan Share and ending on the date all Vesting Conditions that apply to that Plan Share (if any) are satisfied or waived.

Retirement means where a Relevant Person intends to permanently cease all gainful employment in circumstances where the Relevant Person provides, in good faith, a written statutory declaration to the Board to that effect.

Severe Financial Hardship means the Relevant Person is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

Share means an ordinary fully paid share in the capital of the Company.

Share Payment means, in respect of an Eligible Participant, an amount equal to the Issue Price multiplied by the number of Plan Shares accepted by the Eligible Participant in their Acceptance Form.

Shareholder means a holder of Shares.

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
 - (i) death or Total or Permanent Disability of a Relevant Person; or
 - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) **any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant;** or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

Takeover Bid means a takeover bid (as defined in the Corporations Act) to acquire Shares.

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which he or she is reasonably qualified by education, training

or experience.

Vesting Condition means, in respect of a Plan Share, a condition set out in an Offer that must be satisfied (unless waived in accordance with this Plan) before that Plan Share can be sold, transferred, assigned, charged or otherwise encumbered.

Voting Power has the meaning given to that term in section 9 of the Corporations Act.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Plan;
- (b) any reference in the Plan to any enactment of the ASX Listing Rules includes a reference to that enactment or those ASX Listing Rules as from time to time amended, consolidated, re-enacted or replaced;
- (c) the singular includes the plural and vice versa;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a document includes all amendments or supplements to that document;
 - (iii) a Rule is a reference to a Rule of this Plan;
 - (iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, Rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (v) an agreement other than this Plan includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (vi) a monetary amount is in Australian dollars; and
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

2. PURPOSE

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;

- (b) link the reward of Eligible Participants to performance and the creation of Shareholder value;
- (c) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;
- (d) provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

3. COMMENCEMENT AND TERM

- (a) This Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.
- (b) The Board may terminate the Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Shares shall survive termination of the Plan until fully satisfied and discharged.

4. OFFER OF PLAN SHARES

4.1 Making of Offers

- (a) The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an Offer) to apply for up to a specified number of Plan Shares, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (Offer).
- (b) In exercising its discretion to make an Offer, the Board may have regard to the following (without limitation):
 - (i) the Eligible Participant's length of service with the Group;
 - (ii) the contribution made by the Eligible Participant to the Group;
 - (iii) the potential contribution of the Eligible Participant to the Group; or
 - (iv) any other matter the Board considers relevant.
- (c) For the avoidance of doubt, nothing in this document obliges the Company at any time to make an Offer, or further Offer, to any Eligible Participant.

4.2 Offer Document

An Offer must be made using an Offer Document.

4.3 Personal Offer

Subject to Rule 4.4, an Offer is personal and is not assignable.

4.4 Nominee

- (a) Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the Offer.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.

4.5 Minimum Contents of Offer Document

An Offer Document will advise the Eligible Participant of the following minimum information regarding the Plan Shares offered:

- (a) the maximum number of Plan Shares that the Eligible Participant may apply for, or the formula for determining the number of Plan Shares rights that may be applied for;
- (b) the Issue Price of the Plan Shares, or the formula for determining the Issue Price;
- (c) any applicable Vesting Conditions;
- (d) the date by which an Offer must be accepted (Closing Date); and
- (e) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Plan Shares.

4.6 Number of Shares

Subject to Rule 4.11, the number of Shares to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with applicable law and the ASX Listing Rules.

4.7 Issue Price

The Issue Price of the Plan Shares offered under an Offer shall be determined by the Board in its absolute discretion, which may be a nominal or nil amount.

4.8 Vesting Conditions

- (a) A Plan Share may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Plan Shares.
- (b) If, in the opinion of the Board, the Participant becomes a Good Leaver, **the Vesting Conditions of the Participant's Plan Shares** (if any) will vest pro rata to the proportion of the period from the date of issue of the Plan Shares to the date that the Vesting Conditions are required to be satisfied that has elapsed as at that date, and all rights, entitlements and interests in any remaining unvested Plan Shares held by the Participant will be **forfeited, subject to the Board's discretion to permit some or all of those Plan Shares to vest having regard to the Board's assessment of the circumstances in which the Participant has ceased employment or office with the applicable Group Company.**

4.9 Share Restriction Period

A Share issued under this Plan may be subject to a Restriction Period as determined by the Board in accordance with Rule 6.7 of this Plan.

4.10 Deferred Taxation

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Plan except to the extent an Offer provides otherwise.

4.11 Limits on Offers

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

5. ACCEPTANCE OF OFFER

5.1 Acceptance of Offer

- (a) An Eligible Participant (or Nominee) may accept an Offer in whole or in part, by signing and returning an Acceptance Form to the Company no later than the Closing Date together with payment in full of the Share Payment (if any) for those Plan Shares.

5.2 **Board's** right to reject

- (a) The Board may accept or reject any Acceptance Form in its absolute discretion.
- (b) Before accepting or rejecting the Acceptance Form, the Board may require the Eligible Participant to provide any information that the Board requests concerning the person's entitlement to lodge an Acceptance Form under this Plan.
- (c) The Board must promptly notify an Eligible Participant if an Acceptance Form has been rejected, in whole or in part and must promptly refund any Share Payment paid by the Eligible Participant to the extent an Acceptance Form is rejected.

5.3 Participant Agrees to be Bound

- (a) An Eligible Participant, by submitting an Acceptance Form, agrees to be bound by the terms and conditions of the Offer and the Acceptance Form, the Plan and the Constitution.
- (b) If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree be bound by the terms and conditions of the Offer and the Acceptance Form, the Plan and the Constitution of the Company, as amended from time to time.

5.4 Lapse of Offer

To the extent an Offer is not accepted in accordance with Rule 5.1, the Offer will lapse on the date following the Closing Date, unless the Board determines otherwise.

6. ISSUE OF PLAN SHARES

6.1 Issue of Plan Shares

Subject to Rules 6.2 and 6.3, once the Board has received and accepted a duly signed and completed Acceptance Form for Plan Shares, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly:

- (a) issue the applicable Plan Shares to the Participant, upon the terms set out in the Offer, the Acceptance Form and the Plan and upon such additional terms and conditions as the Board determines;
- (b) despatch a share certificate or enter the Plan Shares in the Participant's uncertificated holding, as the case may be; and
- (c) unless the Plan Shares are subject to Vesting Conditions, apply for quotation on the ASX of Plan Shares issued under the Plan as soon as practicable after the Issue Date in accordance with the ASX Listing Rules.

6.2 Approvals

The Company's obligation to issue Plan Shares is conditional on:

- (a) the issue of the Plan Shares complying with all applicable legislation and the ASX Listing Rules; and
- (b) all necessary approvals required under any applicable legislation and the ASX Listing Rules being obtained prior to the issue of the Plan Shares.

6.3 Blackout, Takeover Restrictions and Insider Trading

If the issue of Plan Shares would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Plan Shares until 10 Business Days following the expiration of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Plan Shares, whichever is applicable.

6.4 Withholding

If a Participant is liable for tax, duties or other amounts on the issue of their plan Shares, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must issue and sell such number of Plan Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

6.5 Rights attaching to Plan Shares

A Participant will, from and including the Issue Date, be the legal owner of the Plan Shares issued under the Plan and will be entitled to dividends and to exercise voting rights attached to the Plan Shares.

6.6 Share ranking

Each Plan Share shall be issued on the same terms and conditions as the **Company's issued Shares** (other than in respect of restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the Issue Date except for entitlements which have a record date before the Issue Date and other than in respect of restrictions imposed by the Plan.

6.7 Quotation on ASX

If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Plan Shares to be quoted on ASX within the later of 10 Business Days after:

- (a) the date the Plan Shares are issued; and
- (b) the date any Restriction Period that applies to the Plan Shares ends.

6.8 Sale of Plan Shares

- (a) Subject to Rule 6.7 (Restriction on Dealing in Plan Shares), there will be no transfer restrictions on Plan Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Plan Shares issued to them would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (b) If a disclosure document is required, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Plan Shares in a manner that would require a disclosure document to be prepared.
- (c) The Company will issue, where required to enable Plan Shares to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under section 708A(5) of the Corporations Act at the time Plan Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will have a prospectus available in relation to the Plan Shares which complies with the requirements of the Corporations Act.

7. RESTRICTIONS ON DEALING IN PLAN SHARES

7.1 Restriction Period

- (a) Subject to Rule 7.1(b) and Rule 7.2, a Participant may not dispose or otherwise deal with any Plan Shares until the end of any Restriction Period applying to that Plan Share.
- (b) Rule 7.1(a) does not apply to any transfers of Shares by force of law, upon death, to the Participant's legal personal representative or, upon bankruptcy, to the Participant's trustee in bankruptcy.

7.2 Restriction Period Exceptions

Notwithstanding Rule 7.1, the Board may in its absolute discretion [except in respect of Rule 7.2(b), where any Restriction Period is deemed to be automatically waived,] by written notice to a Participant, resolve to waive any Restriction Period (including any Vesting Condition) applying to Plan Shares due to:

- (a) Special Circumstances arising in relation to a Relevant Person in respect of those Plan Shares;
- (b) a Change of Control occurring;
- (c) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

7.3 Enforcement of Restriction Period

- (a) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Plan Shares for as long as those Plan Shares are subject to a Restriction Period.
- (b) The Participant agrees to:
 - (i) execute an ASX restriction agreement in relation to the Plan Shares reflecting any Restriction Period applying to the Plan Shares under the Plan;
 - (ii) the Company lodging the share certificates for Plan Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period applying to the Plan Shares or until the Plan Shares are otherwise released from restrictions (at which time the Company shall arrange for the share certificates to be provided to the Participant); and
 - (iii) the application of a holding lock over Plan Shares until any Restriction Period applying to the Plan Shares under the Plan has expired (at which time the Company shall arrange for the holding lock to be removed).

7.4 Lapse of Restriction Period

When a Restriction Period in respect of a Plan Share ends, all restrictions on disposing of or otherwise dealing or purporting to deal with that Plan Share provided in or under these Rules will cease.

This Rule does not include any restrictions in relation to Blackout Periods or Insider Trading periods.

7.5 Hedging Prohibition

A Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Plan Shares.

8. FORFEITURE OF PLAN SHARES

8.1 Forfeiture, Buyback and Cancellation

Except as otherwise provided by this Plan, a Plan Share will be forfeited, and the Company must, subject to the Corporations Act and the ASX Listing Rules, buy back and cancel a Plan Share under Part 2J.1 of the Corporations Act where:

- (a) an unauthorised dealing in, or hedging of, the Plan Share occurs, as governed by Rule 6.7 or an applicable Trust Deed;
- (b) a Vesting Condition in relation to the Plan Share is not satisfied by the due

date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition under Rule 7.2 or Rule 8.1(c)(ii) applies;

- (c) a Relevant Person ceases to be an Eligible Participant and, at that time, there is a Vesting Condition in relation to that Plan Share that is unsatisfied or is incapable of satisfaction in the opinion of the Board, unless the Board:
 - (i) exercises its discretion to waive that Vesting Condition under Rule 7.2; or
 - (ii) in its absolute discretion, resolves to allow the Vesting Condition to continue to apply to the Plan Share after the Relevant Person ceases to be an Eligible Participant;
- (d) the Board deems that a Plan Share is forfeited due to the Eligible Participant becoming a Bad Leaver;
- (e) the Board deems that a Plan Share is forfeited due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under Rule 8.2; or
- (f) the Company undergoes a Change of Control or a winding up resolution or order is made, and the Board does not waive the Vesting Condition in accordance with Rule 7.2.

8.2 Fraud and Related Matters

Notwithstanding any other provision of this Plan, where a Relevant Person:

- (a) in the opinion of the Board, acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct, or causes a material adverse effect on the reputation of the Company;
- (b) has his or her employment or office terminated due to serious or wilful misconduct or otherwise for cause without notice; or
- (c) becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act,

the Board may, by written notice to the Participant, deem any Plan Shares issued in respect of that Relevant Person to be forfeited and require the relevant Participant to do all such things necessary to cancel any Plan Shares issued.

8.3 Consideration for Buyback

A buyback of a Plan Share must be at a price equal to the cash consideration paid by the Participant for the Plan Shares provided that no amount will be payable in the event the Plan Share is bought back under Rules 8.1(a) or 8.1(d).

8.4 Power of Attorney

For the purposes of Rule 7.4, the Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy back of the Participant's Plan Shares including executing all documents and seeking or providing all necessary approvals and the Participant acknowledges and agrees that the power of attorney is given for valuable consideration (in the form of the Plan Shares).

9. PARTICIPATION RIGHTS AND REORGANISATIONS

9.1 Participation Rights

Subject to the Plan, a Participant, upon issue of Plan Shares, will enjoy all rights attaching to Shares of the Company.

9.2 Adjustments for Reorganisation

If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Plan Shares will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

10. OVERRIDING RESTRICTIONS ON ISSUE

Notwithstanding the Rules or the terms of any Plan Share, no Plan Share may be offered or issued under the Plan if to do so:

- (a) would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

11. AMENDMENTS

11.1 Power to amend Plan

Subject to Rule 11.2, the Corporations Act and the ASX Listing Rules:

- (a) the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, an Offer or the terms or conditions of any Plan Shares granted under the Plan; and
- (b) any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

11.2 Adjustment to Plan Share Terms

No adjustment or variation of the terms of a Plan Share will be made without the consent of the Participant who holds the relevant Plan Share if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Plan Shares), other than an adjustment or variation introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to enable a member of the Group to comply with the Corporations Act, the ASX Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or

- (d) to take into consideration possible adverse taxation implications in respect of the Plan, including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

11.3 Notice of amendment

As soon as reasonably practicable after making any amendment under Rule 11, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

12. MISCELLANEOUS

12.1 Rights and obligations of Participant

- (a) The rights and obligations of an Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. This Plan will not form part of, and are not incorporated into, any contract of any Eligible Participant (whether or not they are an employee of a Group Company).
- (b) No Participant will have any rights to compensation or damages in consequence of:
 - (i) the termination, for any reason, of the office, employment or other contract with a Group Company of the Participant (or, where the Participant is a Nominee of the Eligible Participant, that Eligible Participant) where those rights arise, or may arise, as a result of the Participant ceasing to have rights under the Plan as a result of such termination; or
 - (ii) the forfeiture of Plan Shares in accordance with this Plan.
- (c) Nothing in this Plan, participation in the Plan or the terms of any Plan Share:
 - (i) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
 - (ii) affects the rights and obligations of any Eligible Participant or Participant under the terms of their employment, engagement or office with any Group Company;
 - (iii) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against any Group Company in respect of their employment, engagement or office;
 - (iv) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
 - (v) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in

respect of any taxation liabilities of the Eligible Participant or Participant.

- (d) If a Vesting Condition attached to a Share requires a Participant to remain an employee of a Group Company, then the Participant will be treated as having ceased to be an employee of a Group Company at such time the Participant's employer ceases to be a Group Company.
- (e) A Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation will be treated for those purposes as not having ceased to be such an employee.

12.2 Power of the Board

- (a) The Plan is administered by the Board which has power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with this Plan; and
 - (ii) delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan or any Plan Share under the Plan and in the exercise of any power or discretion under the Plan.

12.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Plan Share issued under it, the decision of the Board is final and binding.

12.4 ASIC relief

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.
- (b) To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

12.5 Non-residents of Australia

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights. Any additional rule must conform to the basic principles of the Plan.

- (b) When a Plan Share is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulation or similar factors which may apply to the Participant or to any Group Company in relation to the Plan Share.

12.6 Communication

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by email or post.
- (b) In the case of post delivery:
 - (i) in the case of a company, to its registered office;
 - (ii) in the case of an individual, to the individual's last notified address; or
 - (iii) where a Participant is a Director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.
- (c) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice is given by electronic transmission, the notice is taken to have been received at the time the electronic transmission is sent.

12.7 Attorney

Each Participant:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an attorney), severally, as the Participant's attorney to complete and execute any documents, including applications for Shares and Share transfers, and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of this Plan;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each Group Company and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each Group Company and the attorney in respect thereof.

12.8 Costs and Expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all

costs incurred in or associated with the issue or purchase of Shares for the purposes of the Plan.

12.9 Adverse Tax

- (a) Where a Participant may suffer an adverse taxation consequence as a direct result of participating in the Plan that was not apparent to the Participant or the Company at the time the Participant was issued Shares under the Plan, the Board may, in its absolute discretion, agree either not to compensate the Participant, or otherwise in whole or in part.
- (b) For the avoidance of doubt, a tax liability on a gain arising from the difference between share sale proceeds received by the Participant and the Share Payment for the corresponding number of Shares shall not be considered an adverse taxation consequence.

12.10 Data protection

By lodging an Acceptance Form, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

12.11 Error in Allocation

If any Shares are provided under this Plan in error or by mistake to a person (Mistaken Recipient) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in those Shares and those Shares will immediately be forfeited.

12.12 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by this Plan in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

12.13 ASX Listing Rules

While the Company remains admitted to the ASX, the provisions of the ASX Listing Rules of the ASX will apply to the Plan, and to the extent that the Plan and the ASX Listing Rules are inconsistent, the provisions of the ASX Listing Rules will prevail.

12.14 Enforcement

This Plan and any determination of the Board made pursuant to this Plan will be deemed to form a contract between the Company and the Participant.

12.15 Laws governing Plan

- (a) This Plan, and any Plan Shares issued under it, are governed by the laws of Victoria and the Commonwealth of Australia.
- (b) The Company and the Participants submit to the non-exclusive jurisdiction of the courts of Victoria.

SCHEDULE 1 – SHARE PLAN – OFFER DOCUMENT

[insert date]

[Name and address of eligible participant]

Dear [*]

X2M CONNECT LIMITED – INCENTIVE SHARE PLAN

The board of directors of X2M Connect Limited (ACN 637 951 154) (Company) is pleased to make an offer to you of ordinary fully paid shares in the capital of the Company (Shares) under its Incentive Share Plan (Plan) on the terms of this offer letter (Offer). Terms used in this Offer have the same meaning as used in the Plan.

The Company is pleased to advise you of the following.

(a) This Offer is subject to the terms and conditions of the Plan, a copy of which is attached to this Offer.

(b) The Company is willing to offer you the following number of Shares (Plan Shares):

[insert number of Shares or formula for calculating number of Shares eg 'that number of Shares determined by dividing \$[insert] by the issue price of the Shares.']

(c) The issue price per Plan Share (Issue Price) will equal:

[[nil/\$insert]/the volume weighted average price (VWAP) at which the Company's Shares were traded on the ASX over the 5 trading days up to and including the later of:

(i) the trading day on which this Offer is accepted; and

(ii) the first trading day after Shareholder approval for the issue of the Plan Shares is obtained (if required).

Based on an Issue Price equal to the 5 trading day VWAP of Shares to the date before this Offer (being \$[insert]), you would be entitled to a maximum of [insert] Plan Shares.]

(d) The issue of the Plan Shares is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder approvals and you remaining an Eligible Participant at the time the Plan Shares are to be issued.

(e) Subject to the terms of the Plan, the Plan Shares cannot be sold, transferred, assigned, charged or otherwise encumbered until the following Vesting Conditions are satisfied, unless waived by the Board in accordance with the Plan (such period being the Restriction Period):

(i) [insert];

(ii) [insert];

If a Vesting Condition in relation to particular Plan Shares is not satisfied, and is not waived by the Board in accordance with the Plan, you will forfeit your right to those Plan Shares. The Company may buy back and cancel or sell those Plan Shares in accordance with the Plan.

- (f) [You must either:
- (i) enclose with the completed Acceptance Form a cheque for the amount due for the number of Plan Shares that you (or your Nominee) have accepted; or
 - (ii) at the time the completed Acceptance Form is lodged with the Company, pay the amount due for the number of Plan Shares that you (or your Nominee) have accepted by electronic funds transfer.]
- (g) This Offer remains open for acceptance by you until 5pm WST on [insert date] (Closing Date) at which time the Offer will close and lapse.
- (h) You may apply for the Shares by filling out Acceptance Form below and returning to the Company Secretary before the Closing Date.
- (i) You may apply for the Shares to be registered in your name, or in a **Nominee's** name. Examples of acceptable Nominees are set out in the Plan. Please discuss this with the Company Secretary if you have any queries.
- (j) Unless the Plan provides otherwise, the Shares to which you are entitled will be issued to you as soon as practicable after the exercise date.
- (k) If the issue of Plan Shares would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Plan Shares until 10 Business Days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Plan Shares.
- (l) A completed Acceptance Form should be returned to the Company at:
[insert address]
- Electronic funds transfers must be to the Company's account as set out below:**
- | | |
|-----------------|----------|
| Bank: | [insert] |
| Account Name: | [insert] |
| BSB: | [insert] |
| Account Number: | [insert] |
- (m) The Company will apply for the Shares to be quoted on the ASX in accordance with the ASX Listing Rules within 10 Business Days of the later of the date the Shares are issued and the date any Restriction Period that applies to the Shares ends.
- (n) The Shares may be subject to restrictions on disposal in accordance with the Plan in which case **the Company will impose a holding lock with the Company's share registry** and will not be able to be traded until the holding lock is lifted by the Company.
- (o) The Company will issue, where required to enable Shares issued to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will

have a prospectus available in relation to the Shares which complies with the requirements of the Corporations Act.

- (p) The Company undertakes that, during the period commencing on the date of this Offer and expiring on the Closing Date, it will, within a reasonable period of you so requesting, make available to you the current market price of the **Company's** Shares and, where the Issue Price is determined by a formula, the issue price in Australian Dollars of the Plan Shares applying that formula on the date of your request. The Company will provide this information to you, unless you agree otherwise, by sending this information to you at the address to which this Offer is sent.
- (q) The current market price of the **Company's** Shares on the ASX can be found on the **Company's ASX website at [insert]**.
- (r) Subdivision 83A-C of the *Income Tax Assessment Act 1997*, which enables tax deferral on Shares, **[will/will not]** apply (subject to the conditions in that Act) to Shares granted to you under this Offer.

You should be aware that the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company, including Shares offered under the Plan.

Any advice given by the Company in relation to the Shares and the Plan does not take into account your objectives, financial situation and needs (including financial or taxation issues).

This Offer and all other documents provided to you at the time of this Offer contain general advice only and you should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.

You are advised to seek independent professional advice regarding the Australian tax consequences of the issue of Shares and the disposing of any Shares that are issued under the Plan according to your own particular circumstances.

Please confirm your (or your **Nominee's**) acceptance of the Offer set out in this letter by completing the Acceptance Form below and returning it to the Company by no later than **[insert]**.

Acceptance Form received after the Closing Date may be refused.

Yours faithfully

[insert Director's Name]

For and on behalf of
X2M Connect Limited

SCHEDULE 2 - X2M CONNECT LIMITED INCENTIVE SHARE PLAN - ACCEPTANCE FORM

Under the Offer, to which this Acceptance Form is attached, X2M Connect Limited (ACN 637 951 154) (Company) has invited you (or your Nominee) under its incentive share plan (Share Plan) to apply for the issue of:

- (a) up to [insert] fully paid ordinary shares in the Company (Plan Share);
- (b) at an issue price (Issue Price) equal to [insert] per Plan Share.

An Applicant should read the X2M Connect Limited Incentive Share Plan and the Offer in entirety before completing this Acceptance Form.

Please complete the details below to apply for Plan Shares at the Issue Price.

Name: _____

Address: _____

Ph: _____ Email: _____

hereby applies for _____ Plan Shares at an Issue Price per Plan Share to be calculated as set out in the terms of the Offer, this Acceptance Form and the Share Plan.

Tax file number(s) or exemption: _____ CHESS HIN (where applicable):

Acknowledgement

In applying for the Plan Shares, the Applicant acknowledges and agrees:

- (a) to be entered on the register of members of the Company as the holder of the Plan Shares applied for;
- (b) to be bound by the terms of the constitution of X2M Connect Limited;
- (c) to be bound by the terms and conditions of the Share Plan;
- (d) to be bound by the terms and conditions of the Offer;
- (e) a copy of the full terms of the Share Plan has been provided to me;
- (f) that, by completing this Acceptance Form, I will be taken to have agreed to appoint the Company Secretary as my attorney to complete and execute any documents and do all acts on my behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Share Plan;
- (g) that I have been offered the opportunity to obtain share price information in relation to Shares in the Company; and

- (h) any tax liability arising from the Company accepting my acceptance of Plan Shares under the Share Plan is my responsibility and not that of the Company;
- (i) that a prospectus has not been prepared or lodged by the Company in respect of the offer of the Plan Shares to me;
- (j) that an investment in the Company is speculative and there is no guarantee that there will be any return on Plan Shares (whether by way of dividends or return of capital or any other manner whatever);
- (k) that secondary trading in Plan Shares may be limited and there is no guarantee that there will be any market (whether official or unofficial) for trading of the Company's Shares generally; and
- (l) that this application is irrevocable and, except for the terms provided above, is unconditional.

Where an individual

SIGNED by [INSERT NAME OF INDIVIDUAL])
 in the presence of:)
)

 Signature of witness

 Signature

 Name of witness

Where a company

EXECUTED by [INSERT COMPANY NAME])
 ACN [INSERT ACN])
 in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

 Signature of director

 Signature of director/company
 secretary*

 Name of director

 Name of director/company secretary*

*please delete as applicable