

VONEX LIMITED

PERFORMANCE RIGHTS PLAN

1. Definitions and Interpretation

1.1 Definitions

In this Agreement the following terms shall bear the following meanings:

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

Board means the board of directors of the Company, any committee of the Board or a duly authorised person or body to which the Board has delegated its powers under this Plan.

Change of Control Event has the meaning given in clause 1.1(r).

Company means Vonex Limited ACN 063 074 635.

Control has the meaning given in section 50AA of the Corporations Act.

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

Deal or **Dealing** means in relation to a Performance Right or a Share (as the case may be), any dealing, including but not limited to:

- (a) a sale, transfer, assignment, encumbrance, option, swap, or any other alienation of all or any part of the rights attaching to the Performance Right or the Share;
- (b) any attempt to do any of the actions set out in paragraph (a) of this definition; and
- (c) any hedging (including any dealing with a derivative instrument intended to 'lock in' a profit relating to a Performance Right, and any other transactions in financial products that operate to limit the economic risk associated with holding a Performance Right).

Employment means the employment of the Participant by the Company and includes an appointment as a director or other officer and an appointment under a consulting or similar agreement where applicable, and **Employed** has a corresponding meaning.

Group means the Company and its 'related bodies corporate' (as that term is defined in the Corporations Act), and a Group Company means any member of the Group.

Listing Rules means the official Listing Rules of the ASX and any other exchange on which the Company is listed as they apply to the Company from time to time.

Plan means the performance rights plan of the Company governed by these Rules.

Offer means an invitation to an Eligible Employee made by the Board under clause 1.1(h) to apply for, or participate in a grant of, Performance Rights.

Participant means a person who holds a Performance Right or a Share under the terms of this Plan from time to time.

Performance Right means a conditional entitlement to subscribe for a Share and a corresponding obligation of the Company to issue a Share, subject to satisfaction or waiver of applicable conditions (including any Vesting Condition).

Rules means the terms and conditions of the Plan as set out in this document as amended from time to time.

Share means one fully paid ordinary share in the Company.

Vest or **Vesting** means the process by which the holder of a Performance Right becomes entitled to be issued a Share on exercise in accordance with clause 1.1(j) following the satisfaction or waiver of all Vesting Conditions that apply to that Performance Right.

Vesting Condition means performance, service or other conditions that must be satisfied or waived by the Board or circumstances which must exist before a Performance Right Vests under these Rules.

1.2 Interpretation

- (a) Words importing gender mean each other gender; words denoting the singular include the plural and vice versa; headings are for convenience only and do not affect the interpretation of these Rules.
- (b) A reference to any statute or any section of any statute includes any statute or section amending, consolidating or replacing the statute or section referred to.
- (c) A reference to an offer, issue or distribution to the Company's shareholders generally is a reference to an offer, issue or distribution to the generality of the Company's shareholders, whether or not such offer, issue or distribution is extended to the holders of other securities issued by the Company and whether or not such offer, issue or distribution excluded persons in particular places outside Australia or other minority groups who may for a particular reason be precluded from participating.

- (d) Where any calculation or adjustment to be made pursuant to these Rules, produces a fraction of a cent or a fraction of a share, the fraction shall be rounded to the nearest whole number, favourable to the Participant.

1.3 Performance Rights Plan

The terms and conditions of the Vonex Limited Performance Rights Plan are set out below.

- (e) **Eligibility:** Directors, employees and contractors selected by the Board of Directors may be offered the benefit of performance rights over shares (**Performance Rights**) under the Vonex Rights Share Trust (**Participants**).
- (f) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Performance Rights under the Plan.
- (g) The Performance Rights Plan is a tax deferred plan in accordance with 83A-C of the Income Tax Assessment Act 1997.
- (h) **Performance Rights:** Performance Rights may be offered to Participants, being:
- Retention rights, being rights that vest and may be exercised into Restricted Shares, based on completion of a period of service; or
 - Performance rights, being rights that vest and may be exercised into Shares, based on achievement of specified performance objectives.
- (i) **Restriction on Transfer:** A Performance Right may not be transferred or otherwise dealt with (including being disposed of, encumbered, made subject to any interest in favour of any other person) and lapses immediately on purported transfer or dealing unless the Board, in its absolute discretion, approves the transfer or the dealing or transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.
- (j) **Vesting and Exercise:** Upon vesting and exercise of the Performance Rights, the Company will issue Shares for the Participant's benefit to be held by the Vonex Rights Share Trust (RST). The Performance Rights have a nil exercise price.

For the avoidance of doubt, the Company must receive an exercise notice from the holder prior to the Expiry Date.

- (k) **Rights attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer 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.
- (l) **Bonus Issues:** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules (if applicable) at the time of the bonus issue.
- (m) **Participation in new issues:** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the term of the Performance Rights without the Performance Rights first being vested.
- (n) **Pro-rata Issues:** Subject to any requirements of the Corporations Act and the ASX Listing Rules, in the case of general pro-rata issues to the Company's shareholders, there will be no adjustment to the Performance Rights. However, the Board may consider issuing options:
- of a number up to the number of Shares to which the Participant would have been entitled under the pro-rata issue, had the Performance Rights been fully paid ordinary shares in the Company, and
 - the exercise price of such options will be equal to the amount payable by the Company's shareholders to acquire a Share pursuant to that pro-rata issue.
- (o) **Capital Reconstructions:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (p) **Forfeiture:** The Performance Rights will be forfeited in the event that the Participant is dismissed for cause, resigns (unless otherwise determined by the Board) or where the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company.
- (q) **Lapse:** if Performance Rights have not vested and are not capable of being vested at a later date, they will lapse.
- (r) **Voting:** the Performance Rights do not carry voting rights.
- (s) **Change in Control Including Takeover:** In the event of a change in control including a takeover, the vesting conditions attached to the Performance Rights will cease to apply and unvested Performance Rights will vest in the proportion to which the vesting conditions have been met or as determined by the Board, up to 100%. The Board will have discretion to vest some or all of the remaining unvested Performance Rights with any Performance Rights that do not vest lapsing.
- (t) **Distribution of Capital to Shareholders:** A participant is not entitled to participate in or receive any dividend or other shareholder benefits until its Performance Rights have vested and exercised in accordance with clause (v) and Shares have been allocated to the participant as a result of the exercise of those Performance Rights.
- (u) **Plan Limit:** The Company must take reasonable steps to ensure that the number of Shares issued pursuant to the vesting and exercise of any Performance Rights offered by the Company under the Plan, when aggregated with:
 - the number of Shares, which would be issued were each outstanding offer with respect to Performance Rights, or other Shares or options under an employee incentive scheme accepted and all convertible securities under such a plan converted; and
 - the number of Shares that would be issued if each outstanding offer for Shares (including options or rights to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted, does not exceed 15% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or

option or right to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).

- (v) **Notice of Exercise:** The Performance Rights may be exercised by notice in writing to the Company (**Notice of Exercise**). Any Notice of Vesting of a security received by the Company will be deemed to be a notice of vesting of that security as at the date of receipt.
- (w) **Deferred Taxation:** Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the Performance Rights.

1.4 Rights and obligations of Participants

- (a) Unless the subject of an express provision in an Employment contract, the rights and obligations of any Participant under the terms of their Employment with the Group are not affected by their participation in the Plan.
- (b) Participation in the Plan does not confer on any Participant any right to future Employment and does not affect any rights which any member of the Group may have to terminate the Employment of any Participant.
- (c) These Rules will not form part of and are not incorporated into any contract of any Participant (whether or not they are an Eligible Employee).
- (d) The grant of Performance Rights on a particular basis in any year does not create any right or expectation of the grant of Performance Rights on the same basis, or at all, in any future year.
- (e) No Participant has any right to compensation for any loss in relation to the Plan, including:
 - (i) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of Employment);
 - (ii) any exercise of a discretion or a decision taken in relation to a grant of Performance Rights or in relation to the Plan, or any failure to exercise a discretion under these Rules;
 - (iii) the operation, suspension, termination or amendment of the Plan; or
 - (iv) forfeiture of any Performance Rights.
- (f) The Participant appoints each company secretary of the Company (or any other officer of the Company authorised by the Board for this purpose) as his or her agent to do anything necessary to:

- (i) issue Shares to the Participant in accordance with these Rules;
- (ii) effect a forfeiture of Shares in accordance with the Plan;
- (iii) execute transfers of Shares in accordance with these Rules; and
- (iv) deal with Performance Rights in accordance with these Rules.

1.5 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 these Rules; 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 the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan and in the exercise of any power or discretion under the Plan.

1.6 Application of Corporations Act and Listing Rules

Notwithstanding any Rule, Performance Rights and Shares will not be issued, acquired, transferred or otherwise dealt with under the Plan if to do so would contravene the Corporations Act, the Listing Rules, or any other applicable laws (including any applicable foreign law).

1.7 Dispute or disagreement

In the event of any dispute, disagreement or uncertainty as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights or Shares granted under it, the decision of the Board is final and binding.

1.8 Approved leave of absence

Subject to applicable laws, at the discretion of the Board, 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 may be treated as not having ceased to be Employed. Whether a Participant who is granted leave without pay is deemed to have ceased Employment will be determined with reference to the Group's policies and any applicable laws.

1.9 Communication

- (a) Any notice or other communication provided under or in connection with the Plan may be given by personal delivery or by sending the same by post, email or facsimile to:
 - (i) in the case of a body corporate, to its registered office;
 - (ii) in the case of an individual, to the individual's last notified address;
 - (iii) where a Participant is a director, employee or consultant of the Group, either to the Participant's last known address, email 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, employment or consultancy.
 - (iv) Where a notice or other communication is given by post, it is deemed to have been received 48 hours (or, where given by post to an address outside of Australia, three days) after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile or email, it is deemed to have been received on completion of transmission.

1.10 Data protection

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant to the Company for all purposes relating to the operation of the Plan.

1.11 Governing law

The Plan, and any Performance Rights granted and Shares issued under it, are governed by the law of Western Australia.

Schedule 1 -- Notice of Exercise

The Company Secretary

XXXXXXXXXX

Dear Sir/Madam

[Name of person holding the Performance Rights] hereby gives notice of the exercise of [insert number] Performance Rights granted pursuant to the Company's Performance Rights Plan and exercisable for nil consideration.

[The tax file number for [name of employee/consultant to whom the Offer of Performance Rights was initially made] is [XXXXXXXXXX].]

Signed by [name of individual holder] in the
presence of:

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Signature

Signature of Witness

Name of Witness in full

Executed by [name of corporate holder] in
accordance with section 127 of the
Corporations Act:

Signature of Sole Director/Director

Signature of Secretary/other Director

Name of Sole Director/Director in full

Name of Secretary/other Director in full