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RULES OF EMPLOYEE SHARE PLAN

Dated

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1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this document, unless the contrary intention appears:

- 1.1.1. **Acceptance Period** has the meaning given to it in rule 3.1.6.
- 1.1.2. **ASIC** means the Australian Securities and Investments Commission.
- 1.1.3. **ASX** means ASX Limited ACN 008 624 691.
- 1.1.4. **Applicable Law** means any laws or regulatory obligations that apply to the Company or the Plan including the Corporations Act, tax laws including the Tax Act, the Constitution, if and for so long as the Company is listed on ASX, the ASX Listing Rules, ASX Settlement Operating Rules, any subordinate legislation, orders, rulings or other binding instruments passed or made by parliament, ASIC or the Australian Taxation Office to clarify or expand other laws or regulatory obligations.
- 1.1.5. **Board** means the board of directors of the Company, as constituted from time to time.
- 1.1.6. **Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in the place where an act is to be performed or a payment is to be made.
- 1.1.7. **Commencement Date** has the meaning given to it under clause 2.1.
- 1.1.8. **Company** means 5G Networks Limited ACN 163 312 025.
- 1.1.9. **Constitution** means the constitution of the Company as amended from time to time.
- 1.1.10. **Corporations Act** means the *Corporations Act 2001* (Cth).
- 1.1.11. **Employee** means an employee or director, either holding full time or part time Employment, with the Company or a member of the Group as at the Commencement Date of the Plan.
- 1.1.12. **Employment** means employment of an Employee by any Group Company, on the terms and conditions set out in an Employment Agreement.
- 1.1.13. **Employment Agreement** means an employment agreement between an Employee and the Company or a member of the Group, or in the case of a Participant who is a non-executive director, the terms and conditions of the director's retainer agreement.
- 1.1.14. **Issue Date** means the date on which Plan Shares are issued to a Participant in accordance with clause 4.2.
- 1.1.15. **Issue Price** means the price (if any) at which a Plan Share will be issued as determined by the Board and stated in the Offer.

- 1.1.16. **Group** means the Company and its Related Bodies Corporate from time to time.
- 1.1.17. **Group Company** means any member within the Group.
- 1.1.18. **Offer** has the meaning given to it in rule 3.1.
- 1.1.19. **Participant** means an Employee who accepts an Offer to participate in the Plan and agrees to be bound by this document or the Employee's legal representative duly appointed on the death or legal incapacity of that Employee.
- 1.1.20. **Plan** means the 5G Networks Limited – Employee Share Plan governed by these Rules and any special conditions or other document created in accordance with these Rules.
- 1.1.21. **Plan Share** means a share acquired or issued under the Plan.
- 1.1.22. **Pro-rata Issue** has the meaning ascribed to it in Chapter 19 of the ASX Listing Rules.
- 1.1.23. **Register** means the register of holders referred to in clause 4.6.
- 1.1.24. **Related Body Corporate** has the meaning given in section 9 of the Corporations Act.
- 1.1.25. **Restricted Share** means a Plan Share that is subject to the conditions imposed by the Board in the Offer and / or the restriction under clause 5.1.
- 1.1.26. **Restriction Period** means the period commencing on the Issue Date and ending on the earlier of:
- 1.1.26.1. 3 years from the Issue Date; or
- 1.1.26.2. the date on which the Employment Agreement terminates.
- 1.1.27. **Rules** means this document and includes any schedule or annexure to it.
- 1.1.28. **Share** means a fully paid ordinary share in the Company.
- 1.1.29. **Tax Act** means the *Income Tax Assessment Act 1936* (Cth) and *Income Tax Assessment Act 1997* (Cth), or any legislation amending or replacing the provisions of that Act relating to issue of Shares to Employees.

1.2 Interpretation

In this document, unless the contrary intention appears:

- 1.2.1. headings to clauses are for convenience only and do not affect interpretation;
- 1.2.2. any reference to a clause, recital, schedule or annexure is a reference to a clause of, recital in, schedule to or annexure to, this document;
- 1.2.3. a document (including this document) includes any variation or replacement of it;
- 1.2.4. if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- 1.2.5. a reference to dollars and "\$" is to Australian currency;

- 1.2.6. a reference to a statute, ordinance, code or other law includes a regulation, rule or other statutory instrument issued under it and consolidations, amendments, re-enactments or replacements of any of them;
- 1.2.7. where any time period is required to be calculated from a specified date, that date will not be included in the calculation;
- 1.2.8. the singular includes the plural and vice versa;
- 1.2.9. a reference to a gender includes all genders;
- 1.2.10. the words “include”, “including”, “for example”, “such as” or cognate expressions are to be construed without limitation;
- 1.2.11. **party** means any party to this document;
- 1.2.12. the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association or any Government Agency;
- 1.2.13. a party enters into this document in its own right and as trustee of any trust of which it is trustee;
- 1.2.14. a reference to a person includes a reference to the person’s executors, administrators, substitutes (including, but not limited to, persons taking by novation), successors and permitted assigns;
- 1.2.15. a reference to time is to Melbourne, Australia time;
- 1.2.16. where any obligation of this document is to be performed on a day other than a Business Day, that obligation is to be performed on the next Business Day;
- 1.2.17. if an act under this document to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- 1.2.18. a reference to a group of persons or things is a reference to any two or more of them jointly and to each of them individually; and
- 1.2.19. a reference to an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia.

2 INTRODUCTION

2.1 Commencement of this Plan

This Plan will commence on the date determined by the Board (**Commencement Date**)

2.2 Objective of the Plan

The objective of the Plan is to assist in the reward, retention and motivation of Employees by enabling them to acquire Plan Shares.

3 OFFER AND ACCEPTANCE

3.1 Offers of Plan Shares

The Board may from time to time in its absolute discretion make offers of Plan Shares to Employees on the terms set out in this document and any other terms that the Board considers appropriate (**Offer**). Offers will be set out in a letter from the Company to an Employee including the terms on which the Employee is offered Plan Shares, which may but need not include the following information in relation to the Plan Shares:

- 3.1.1. the name and address of the Employee to whom the Offer is made;
- 3.1.2. the number of Plan Shares that the Company offers to the Employee;
- 3.1.3. the Issue Price (if any), or the manner in which the Issue Price is to be determined;
- 3.1.4. the amount payable (if any) for the Plan Shares on delivery of the notice under clause 3.2.1;
- 3.1.5. any conditions in relation to the Plan Shares, which in the opinion of the Board as fair and reasonable and not inconsistent with the Rules;
- 3.1.6. the time within which the Offer may be accepted by the Employee (**Acceptance Period**); and
- 3.1.7. any other information or documents that the Applicable Law require the Company to give to the Employee.

For the avoidance of doubt, nothing in these Rules obliges the Company at any time to make an Offer, or further Offer to any Employees.

3.2 Acceptance

- 3.2.1. An Employee who wishes to accept an Offer must within the Acceptance Period execute and deliver to the Company a written notice of acceptance in such form as the Board may prescribe from time to time, together with such other documents and information as the Board may require.
- 3.2.2. An Employee may only accept an Offer of Plan Shares in full.
- 3.2.3. By accepting an Offer under rule 3.2.1, an Employee agrees to be bound by these Rules, the Constitution and any other terms and conditions of the Plan.

3.3 Death or legal incapacity

On the death or legal incapacity of an Employee, or if an Employee ceases to be an Employee, all Offers which have been made to the Employee but not accepted will be automatically and immediately be revoked.

4 ISSUE OF PLAN SHARES

4.1 Discretion of the Company

The Board may in its absolute discretion decide to issue Shares at their market price, for no consideration or at an Issue Price which is at a discount of up to \$1,000 in any financial year to the market price.

4.2 Issue of Plan Shares

Following the acceptance under rule 3.2.1 and subject to the satisfaction of any terms and conditions set out in the Offer, the Company will as soon as practical after the expiry of the Acceptance Period:

- 4.2.1. issue to the Participant on the terms of the Offer, the number of Plan Shares set out in the Offer; and
- 4.2.2. enter the issue of the Plan Shares in a register of Shares in accordance with Applicable Laws.

4.3 Conditions of Issue

If and to the extent applicable at any time, the issue of Plan Shares under this Plan is subject to:

- 4.3.1. the satisfaction of any conditions imposed by the Board in the Offer; and
- 4.3.2. receipt of any necessary shareholder or other approvals under the Applicable Laws.

4.4 Waiver of Conditions of Issue

To the extent permitted by the Applicable Laws, the Board may in its discretion by written notice to a Participant reduce or waive the conditions imposed by the Board in the Offer wholly or partly at any time and in any particular case.

4.5 Ranking of Plan Shares

Plan Shares issued in accordance with these Rules will rank equally in all respects with all other Shares from the Issue Date and will be held subject to the Constitution.

4.6 Register of holders of Plan Shares

The Company will keep and maintain, or cause to be kept and maintained, a register of holders of Plan Shares and must ensure that the Register is maintained in compliance with the Applicable Laws.

4.7 Quotation on ASX

If Shares in the Company are to be quoted on ASX on the Issue Date, the Company will make application to ASX for quotation of the number of the Plan Shares within 15 Business Days from the Issue Date.

4.8 Maximum number of Plan Shares

The maximum number of Plan Shares that may be granted to Participants under this Plan is limited to such number as

- 4.8.1. if the Company is listed, is permitted by any applicable Listing Rules;
- 4.8.2. in any event, is determined by the Board from time to time in its discretion or having regard to regulatory constraints under the Applicable Laws.

5 RESTRICTIONS

5.1 General

A Participant must not, without the prior consent of the Board, sell, assign, transfer or otherwise encumber a Plan Share during the Restriction Period. The Company may impose any restrictions on transfer that it wishes including by imposing a holding lock

5.2 Rights Issues

If the Company Offers Shares by way of a Pro-rata Issue to a holder of Restricted Shares (whether renounceable or non-renounceable) and the holder participates in the Pro-rata Issue, the Shares issued to the holder under the Pro-rata Issue will be subject to the same restrictions imposed on the holder's original Shares under clause 5.1.

5.3 Takeover Bid

If a takeover bid is made to acquire the whole or any part of the issued Shares of the Company, or a scheme of arrangement, selective capital reduction, selective buy-back, or other transaction is initiated which has an effect similar to a full takeover bid for Shares in the Company, then subject to the Rules the Board may in its absolute discretion give notice to Participants waiving any restrictions in respect of Restricted Shares, and Participants shall then be entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Plan Shares, notwithstanding that the Restriction Period has not expired.

5.4 Reconstructions of Capital

In the event of any reorganisation including subdivision, consolidation, reduction, return or cancellation of the issued capital of the Company on or prior to the Issue Date, the rights of a holder of Restricted Shares will be changed to the extent necessary to comply with the applicable ASX Listing Rules governing reorganisations in force at the time of the reorganisation.

6 TERMS OF EMPLOYMENT

6.1 Rules not part of the Employment Agreement

This document does not form part of any Employment Agreement and nothing in this document confers on any Employee the right to receive Plan Shares.

6.2 Termination of Employment

This Plan:

- 6.2.1. may be terminated in relation to an Employee at any time in the Board's absolute direction and no compensation under any Employment Agreement or similar document will arise as a result;
- 6.2.2. does not confer on any Employee or Participant the right to continue his or her Employment;
- 6.2.3. does not affect any rights which a Group Company may have to terminate the Employment of a Participant; and
- 6.2.4. does not confer on any Employee or Participant a right to compensation or damages from any Group Company in respect of any loss of future rights under this Plan, as a consequence of termination of the Employment.

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7 ADMINISTRATION OF THIS PLAN

7.1 Administration and Rules

- 7.1.1. The Plan must be administered by the Board in accordance with these Rules and any Applicable Laws.
- 7.1.2. The Board must operate the Plan on a non-discriminatory basis in accordance with section 83A-105(2) of the *Income Tax Assessment Act 1997*.
- 7.1.3. The Board may make further rules for the operation of the Plan which are consistent with these Rules.

7.2 Power and Discretions

Any power or discretion which is conferred on the Board by these Rules must be exercised by the Board in the interests or for the benefit of the Company and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any Employee.

7.3 Delegation

Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board to a committee consisting of such directors or other officers of the Company as the Board thinks fit.

7.4 Interpretation

The decision of the Board as to the interpretation, effect or application of these Rules is final and conclusive and binding on any Employees.

8 AMENDMENT OF THESE RULES

8.1 Amendment

Subject to rules 8.2, and 8.3, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this rule 8).

8.2 Accrued Rights

No amendment of the provisions of these Rules may reduce the accrued rights of any Employee in respect of Plan Shares acquired under this Plan prior to the date of the amendment, other than an amendment introduced primarily:

- 8.2.1. for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;
- 8.2.2. to correct any manifest error or mistake;
- 8.2.3. to enable contributions or other amounts paid by a Group Company in respect of the Plan to qualify as income tax deductions (if applicable);
- 8.2.4. to enable the Employee or a Group Company to reduce the amount of fringe benefits tax under the *Fringe Benefits Tax Assessment Act 1986*, the amount of tax under the Tax Act or the amount of any other tax or impost that may otherwise be payable by the Employee or a Group Company in relation to the Plan;

- 8.2.5. for the purpose of enabling the Employee to receive a more favourable taxation treatment in respect of their participation in the Plan; or
- 8.2.6. to enable a Group Company to comply with the Corporations Act or any other legal requirement.

8.3 Retrospectivity

Subject to the above provisions of this rule 8, any amendment made under rule 8.1 may be given such retrospective effect as is specified in the resolution by which the amendment is made and, if so stated, amendments to these Rules, including the terms applicable to Plan Shares issued under the Plan, have the effect of automatically amending the terms of the Plan Shares.

9 TAXATION

Participants must obtain their own taxation advice in relation to participation in the Plan. No Group Company, nor any advisers to any Group Company or the Board, are liable for any taxes, imposts or duties assessed against or imposed upon any Employee by participating in the Plan and none of them represents or warrants that the Employee will gain any taxation advantage by participating in the Plan.

10 GENERAL

10.1 Notices

Notices may be given by the Company to any Employee in the manner prescribed by the Constitution for the giving of notices to members of the Company and the relevant provisions of the Constitution apply with all necessary modification to notices to be given to the Employee.

10.2 Constitution and Corporations Act

These Rules are subject to the Constitution, and the Corporations Act.

10.3 Plan costs and brokerage

- 10.3.1. Unless otherwise determined by the Board, the Company must pay all costs, charges and expenses relating to the establishment and operation of the Plan.
- 10.3.2. The Participant must pay any brokerage for the acquisition of Shares including, but without limitation, upon the acquisition of the Plan Shares under the Plan.
- 10.3.3. For the avoidance of any doubt, the Company is not responsible for any brokerage payable in relation to the sale of Shares or Plan Shares held by any Participant.

10.4 Governing Law

These Rules are governed by the laws in force in Victoria and the Commonwealth of Australia. Each of the Company and the Holder submits to the exclusive jurisdiction of the courts in and of Victoria in relation to any dispute arising under these conditions.

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