

Dated

Verticon Group Limited Executive Share Plan

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Rules of Verticon Group Limited Executive Share Plan

1. Definitions and Interpretation

1.1 In these Rules, unless the contrary intention appears:

- (1) **Acceptance Date** means the last date for receipt of acceptances as specified in the relevant offer of Shares;
- (2) **ASX** means Australian Stock Exchange Limited;
- (3) **Board** means some or all of the Directors of the Company acting as a board or, where appropriate, a committee of the board;
- (4) **Business Day** has the meaning given to the term in the Listing Rules;
- (5) **Cash Dividend** means a dividend declared or paid with respect to Shares which is payable wholly in cash or, in the case of a dividend declared or paid with respect to Shares which is payable only partly in cash, that part of the dividend which is payable in cash.
- (6) **Cessation of Employment** means cessation of employment with a Group Company occurring for any reason, including death;
- (7) **Company** means Verticon Group Limited ACN 109 581 768;
- (8) **Constitution** means the Company's constitution;
- (9) **Director** means a person holding the office of executive or non-executive director of a Group Company;
- (10) **Eligible Person** means an Employee or Director selected by the Board to participate in the Plan;
- (11) **Employee** means a person, other than a Director, in respect of whom a Group Company is the employer for the purposes of section 221A of the Tax Act;
- (12) **Group Company** means the Company and any related body corporate of the Company within the meaning given in section 50 of the *Corporations Act 2001* and which the Board determines will participate in the Plan;

- (13) **Issue Price** means the price per Plan Share to be paid by an Eligible Person as specified in the relevant invitation and as determined in accordance with rule 4.3;
- (14) **Listing Rules** means the ASX Listing Rules;
- (15) **Loan** means a loan made by a Group Company under this Plan for the purchase of Plan Shares;
- (16) **Marketable Parcel** has the meaning given to that term in the Listing Rules;
- (17) **Participant** means an Eligible Person who agrees to be bound by these Rules and holds Plan Shares;
- (18) **Plan** means the Verticon Group Limited Executive Share Plan governed by these Rules and any special condition or other documents created in accordance with these Rules;
- (19) **Plan Share** means a Share acquired under this Plan;
- (20) **Retirement** in relation to a Participant who is an Employee or Director includes the termination of the employment or directorship, as the case may be, of the Participant by reason of the attainment of 65 years of age or such age as the Board may from time to time determine as the retirement age for the purposes of the Plan.
- (21) **Rules** means this document and includes any schedule or annexure to it;
- (22) **Share** means a fully paid ordinary share in the capital of the Company;
- (23) **Tax Act** means the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997;
- (24) **Temporarily Absent from Employment** means an Eligible Person's absence from employment by reason of being on maternity leave, approved study leave or approved leave of absence or which the Board otherwise certifies to be temporary in nature; and
- (25) **Total and Permanent Disablement** in relation to a Participant who has been absent from work through or injury for six consecutive months or for such shorter period as the Board considers appropriate, means that Participant has, in the opinion of the Board, after considering such medical or other evidence as it sees fit, become incapacitated to such an extent as to render the

person unlikely within a reasonable future period to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

1.2 Interpretation

- (1) Reference to:
 - (a) one gender includes the others;
 - (b) the singular includes the plural and the plural includes the singular;
 - (c) a person includes a body corporate;
 - (d) a party includes the party's executors, administrators, successors and permitted assigns;
 - (e) a statute, regulation, rule or provision of a statute, regulation or rule (**Statutory Provision**) includes:
 - (i) that Statutory Provision as amended or re-enacted from time to time; and
 - (ii) a statute, regulation or provision enacted in replacement of that Statutory Provision; and
 - (iii) another regulation or statutory instrument made or issued under that Statutory Provision;
- (2) **Including** and similar expressions are not words of limitation.
- (3) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (4) Headings and any table of contents or index are for convenience only and do not form part of these Rules or affect their interpretation.
- (5) If an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day.

2. Offers

2.1 Making of offers

- (1) The Board may, subject to rule 3, from time to time offer Shares to Eligible Persons. Unless the resolution expressly states otherwise,

an offer is deemed to be made on the date the Board resolves to make the offer.

- (2) The Board may make the offer of Shares subject to any special conditions which it considers appropriate.
- (3) The maximum number of Shares offered under this Plan to any Eligible Person must not be less than a Marketable Parcel.

2.2 Form of offers

Offers of Shares made under rule 2.1 must be made by the Board in writing and must include or be accompanied by the following information:

- (1) the date of the offer;
- (2) the maximum number of Shares being offered to the Eligible Person;
- (3) the Issue Price or method of determining the Issue Price;
- (4) the special conditions (if any) applicable to the offer;
- (5) the period during which the offer may be accepted; and
- (6) any other information required to be specified in the offer by the *Corporations Act 2001*, the Listing Rules or considered by the Board to be relevant.

3. Plan limits

3.1 The Company must not offer Shares under this Plan if, at the time of the offer, the sum of the number of Shares:

- (1) the subject of the offer;
- (2) in the same class which would be issued if all outstanding offers, invitations or options made or acquired under this Plan and any other employee share plan of any Group Company were accepted or exercised; and
- (3) in the same class issued under this Plan or issued under any other employee share plan of any Group Company during the period of five years prior to the date of the offer,

exceeds 5% of the total number of issued Shares in that class.

3.2 For the purpose of calculating the limit in rule 3.1, Shares subject to options which have been granted to non-Australian residents, offers or

invitations which do not require disclosure because of section 708 of the *Corporations Act 2001* and Shares subject to options which have elapsed or are otherwise not capable of exercise, are to be excluded from the calculation of the limit.

4. Acceptance of Plan Shares

4.1 Acceptance of offer

An Eligible Person may accept an offer of Shares in whole or in part (that part being a Marketable Parcel and thereafter in multiples of 1,000 Shares).

4.2 Form of acceptance

An Eligible Person receiving an offer of Shares and wishing to accept it must deliver to the Company written notice of acceptance of the offer in such form as the Board may prescribe from time to time, together with the following in respect of the Shares that the Eligible Person wishes to accept:

- (1) an application for a Loan and so much of the Issue Price as is not to be provided by a Loan; or
- (2) payment of the Issue Price in full,

no later than the Acceptance Date.

4.3 Issue Price

The Issue Price will be the amount determined by the Board on the date it resolves to issue the offer of Shares.

4.4 Acceptance binding

An Eligible Person who accepts an offer of Shares under this Plan agrees to be bound by the terms and conditions of the Plan.

4.5 Lapse of Offer

To the extent that an offer of Shares under this Plan is not accepted in accordance with rule 4.2 the offer will lapse on the date following the Acceptance Date unless the Board determines otherwise.

5. Issue of Plan Shares

- 5.1 On receipt of a written notice of acceptance of an offer of Shares in accordance with rule 4, the Eligible Person is entitled to be issued that

number of Plan Shares (which will not exceed the maximum number of Shares specified in the offer) set out in the notice of acceptance.

5.2 The Company must:

- (1) issue Plan Shares upon the acceptance of the offer; and
- (2) despatch a share certificate or enter the Plan Shares into the recipient's uncertificated holding, as the case may be,

within 15 Business Days of the acceptance of the offer or such other period prescribed from time to time under the Listing Rules or the *Corporations Act 2001*.

5.3 **Ranking of Plan Shares**

Plan Shares issued following the acceptance of an offer will be credited as fully paid and rank equally in all respects with all existing fully paid Shares from the date the Plan Shares were offered and will be entitled to those dividends which have a record date for determining entitlements on or after the date the Plan Shares were offered.

5.4 **Plan Shares to be quoted on Stock Exchange**

If Shares of the same class as Plan Shares are quoted on the ASX, the Company will apply to the ASX within 10 Business Days of the day Plan Shares are issued, or the period specified in the Listing Rules, whichever is the longer, for the Plan Shares to be quoted.

5.5 **Restriction on Transfer**

Subject to rule 6, a Participant must not without the consent of the Board sell, assign, transfer or otherwise encumber a Plan Share, and the Company must not register or permit the share registry to register a transfer of Plan Shares, for a period of 3 years from the date on which those Plan Shares were issued to the Participant.

6. **Termination of Employment or Directorship**

- 6.1 If the employment or directorship of a Participant with a Group Company terminates for any reason before 3 years have elapsed from the date on which Plan Shares were issued to the Participant, the Participant or the Participant's legal personal representatives, as the case may be, may retain and sell, assign, transfer or otherwise encumber the Plan Shares despite any other rule.

6.2 **Transfer to a Group Company**

A Participant whose employment with a Group Company ceases will not be treated for the purpose of these Rules as having ceased employment if he or she commences employment with another Group Company within 7 days of the first employment ending, unless the Board determines otherwise.

7. **Loan**

- 7.1 An application for a Loan must be in the form prescribed by the Board from time to time.
- 7.2 The entire amount of a Loan must be applied towards paying in full on subscription for Shares which, at or about the time the Loan is made, are subscribed for by the Participant under the Plan.
- 7.3 If an Eligible Person applies for a Loan, the Company may (or may cause another Group Company) concurrently with the issue of Plan Shares to the Eligible Person, lend to the Eligible Person that portion of the Issue Price per Share not paid by the Eligible Person under rule 4.2.
- 7.4 A Loan granted under rule 7.1 will be:
- (1) interest free unless otherwise determined by the Board at the time of granting the Loan; and
 - (2) repayable by equal instalments by wage or salary deductions payable in accordance with any directions issued by the Board at the time the relevant offer of Shares is made by the Board, unless rule 7.5(2) or rule 7.6 applies.
- 7.5
- (1) If during the term of a Loan the relevant Participant is Temporarily Absent from Employment, the term of that Participant's Loan will be extended by a period equal to the period of that absence.
 - (2) Despite rule 7.6, the Board may, in its absolute discretion, extend the term of a Loan and make alternative arrangements for the repayment of a Loan where:
 - (a) the Cessation of Employment of the Participant was due to retrenchment;
 - (b) the Company sells a relevant body corporate or business;
 - (c) the Participant dies or suffers Total and Permanent Disablement; or

- (d) not to do so would cause personal hardship for the Participant.

7.6 Despite rule 7.4 but subject to rule 7.5(2)(a), a Loan will become immediately repayable upon:

- (1) the Cessation of Employment of the Participant;
- (2) the Participant selling all his or her Plan Shares or, where the Participant sells part of his or her Plan Shares, that part of the Loan which was provided to finance the acquisition of those Plan Shares;
- (3) the Participant creating or attempting to create any third party interest in his or her Plan Shares; or
- (4) the Participant becoming a bankrupt as defined in section 5 of the *Bankruptcy Act 1966*.
- (5) By participating in the Plan each Participant agrees and directs (to the extent such an agreement is not unlawful or in breach of an applicable award) that if the Participant ceases to be an Employee for any reason (including death), any amounts (other than amounts relating to superannuation entitlements) payable to him or her by the Company or any related body corporate of the Company in relation to the cessation of his or her employment (including, without limitation, wages, salary, employee allowances and loadings, annual leave entitlements and long service leave entitlements) may (at the discretion of the Company) be applied towards paying all amounts outstanding in relation to any Loan and that any remaining balance of such moneys (after any other application authorised by the Participant) shall then be paid to the Participant or as may be otherwise required.

7.7 A Participant may:

- (1) repay his or her Loan at any time during the term of that Loan; or
- (2) make partial payments in amounts not less than those specified by the Board from time to time.

7.8 Each Cash Dividend which is payable in respect of a Plan Share acquired in whole or in part with a Loan is to be applied by the Company on behalf of the Participant who owns that share in repayment of the principal amount outstanding under the Loan, and the Participant directs the Company to so apply each Cash Dividend.

8. Administration of the Plan

8.1 Administration and Rules

The Plan must be administered by the Board in accordance with these Rules. The Board may make further rules for the operation of the Plan which are consistent with these Rules.

8.2 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 a Participant or to any other person.

8.3 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.

8.4 Interpretation

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

8.5 Suspension

The Board may from time to time suspend the operation of the Plan and may at any time cancel the Plan. The suspension or cancellation of the Plan must not prejudice the existing rights of Participants.

8.6 Adjustments to Plan in case of foreign residents

If a Plan Share is issued to an Eligible Person who is not a resident of Australia, the Rules apply to the Plan Share subject to whatever alterations or additions the Board may determine, before date of issue, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to that Eligible Person, any Group Company or the Plan.

9. Terms of Employment or Appointment not Affected

9.1 Terms of office or employment or appointment not affected

(1) These Rules do not form part of any contract of employment or appointment, or any arrangement in respect of any such employment or appointment, between an Eligible Person and any

Group Company, nor do they constitute a related condition or collateral arrangement to any such contract or arrangement.

- (2) Participation in the Plan will not in any way affect the rights and obligations of an Eligible Person under the terms under which he or she is employed or appointed.
- (3) The terms of an Eligible Person's employment or appointment with any Group Company will not in any way affect the rights and obligations of a Participant under this Plan.

9.2 No claim as a consequence of termination of employment or appointment

A Participant has no right to compensation or damages from any Group Company in respect of any loss of future rights under the Plan, as a consequence of termination of the Participant's employment or appointment for any reason.

9.3 Rights of Participants

Except as expressly provided in these Rules, nothing in these Rules confers on any person the right to receive any Plan Shares or a Loan or confers on any person any expectation of becoming a Participant.

10. Privacy Laws

Each party must comply with Division 3 of Part III of the *Privacy Act 1988* as if it were an "organisation" and ignoring any exemption or concessions in relation to the operation of "small businesses".

11. Amendment of these Rules

11.1 Amendment

Subject to rules 11.2 and 11.3, 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 11).

11.2 Accrued Rights

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

- (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;

- (2) to correct any manifest error or mistake;
- (3) to enable contributions or other amounts paid by any Group Company in respect of the Plan to qualify as income tax deductions;
- (4) to enable the Participant or any 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 Participant or any Group Company in relation to the Plan;
- (5) for the purpose of enabling Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the Plan; or
- (6) to enable any Group Company to comply with the *Corporations Act 2001*, the Listing Rules or any other legal requirement.

11.3 Listing Rules

No amendment may be made except in accordance with and in the manner stipulated (if any) by the Listing Rules.

11.4 Retrospectivity

Subject to the above provisions of this rule 11, any amendment made under rule 11.1 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 this Plan, have the effect of automatically amending the terms of Plan Shares issued and still subject to these Rules.

12. Taxation

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 a person participating in the Plan and none of them represent or warrant that any person will gain any taxation advantage by participating in the Plan.

13. General

13.1 Notices

Notices may be given by the Company to the Participant 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 Participants.

13.2 Rights to Accounts

Participants must be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members.

13.3 Constitution and Listing Rules

These Rules are subject to the Constitution, the *Corporations Act 2001* and the Listing Rules.

13.4 Governing Law

These Rules are governed by the laws in force in Victoria and the Commonwealth of Australia.

Adopted	17 November 2004 (resolution of sole shareholder)	
Amended	10 December 2004 (by the Board under its amendment powers in rule 11.1)	“20 Business Days” in rule 5.4 altered to “10 Business Days”