

# Webcentral Executive Equity Plan

ASX Announcement, 11 April 2022



Webcentral has established a new Executive Equity Plan (**EEP**) to assist with the motivation, retention and reward of employees of the Company.

The EEP will facilitate the issue of Options to acquire shares in the Company to a broader range of executives and employees of the Company than can currently be issued under the Company's existing equity plans, being the Executive and Director Share Option Plan (**ESOP**) and the Employee Share Plan (**ESP**).

The EEP Rules are attached to this announcement.

Webcentral will seek shareholder approval of the EEP for the purposes of Chapter 7 of the ASX Listing Rules at its next General Meeting.

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## About Webcentral

Webcentral is an Australian owned digital services company who empower more than 330,000 customers to grow and thrive in the online world. Our portfolio of digital services is extensive, with market leading offers across domain management, website development and hosting, office and productivity applications and online marketing.

Webcentral currently owns and operates its own Nationwide highspeed Data Network with points of presence in all major Australian capital cities. In addition, the Company offers managed cloud solutions through its Cloud and Data Centre capabilities as well as managed services to optimise customers' IT and network environments. Supporting this is the Company's combined rack capacity of over 1,000 racks through its owned and operated Data Centres across Melbourne, Sydney, Brisbane and Adelaide.

Our customer focussed heritage has been built on expertise, innovation and personalised service; critical attributes delivered through our culture and embraced by our people. This is demonstrated through more than 25 years of online industry leadership across Australia's digital foundation brands such as Melbourne IT, Netregistry and WME.

The Webcentral mission is dedicated to leading online success for our customers. We achieve this by building trusted and valued client relationships which convert successful business outcomes at each milestone across the customers' digital journey.

# **RULES OF EXECUTIVE EQUITY PLAN**

**WEBCENTRAL LIMITED ACN 073 716 793**

## Table of Contents

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1.	DEFINITIONS AND INTERPRETATION .....	1
1.1	Definitions .....	1
1.2	Interpretation .....	4
2.	INTRODUCTION .....	5
2.1	Commencement of this Plan.....	5
2.2	Objective of the Plan .....	5
3.	OFFER AND ACCEPTANCE .....	5
3.1	Offers of Securities.....	5
3.2	Acceptance .....	5
3.3	Limit on number of securities.....	6
3.4	Grant of Securities.....	6
3.5	Conditions of Grant.....	6
3.6	Quotation on ASX.....	6
3.7	Restrictions on Transfer .....	7
4.	VESTING OF OPTIONS .....	7
4.1	Vesting Conditions .....	7
4.2	Waiver of Vesting Conditions .....	7
4.3	Vesting on occurrence of Control Event.....	7
5.	EXERCISE OF OPTIONS.....	8
5.1	Manner of exercise .....	8
5.2	Minimum number.....	8
5.3	Vesting and exercise procedures.....	8
6.	LAPSE AND FORFEITURE OF OPTIONS.....	8
6.1	Expiry of exercise period .....	8
6.2	Lapse of Unvested Options .....	8
6.3	Good Leaver.....	9
6.4	Bad Leaver .....	9
6.5	Death .....	9
6.6	Expiry of exercise period determined by Board.....	9
6.7	Cessation of Employment.....	9
6.8	Relinquishment of Options .....	10
7.	LOANS.....	10
7.1	Grant of financial assistance .....	10
7.2	Application for Loan.....	10
7.3	Grant of Loan.....	10

7.4	Security .....	10
8.	TERMS OF EMPLOYMENT .....	10
8.1	Rules not part of the Employment Agreement .....	10
8.2	Termination of Employment .....	10
9.	ADMINISTRATION OF THIS PLAN .....	11
9.1	Administration and Rules .....	11
9.2	Power and Discretions .....	11
9.3	Delegation .....	11
9.4	Interpretation .....	11
10.	AMENDMENT OF THESE RULES.....	11
10.1	Amendment.....	11
10.2	Accrued Rights .....	11
10.3	Retrospectivity.....	12
11.	TAXATION .....	12
12.	GENERAL .....	12
12.1	Notices .....	12
12.2	Constitution and Corporations Act .....	12
12.3	Plan costs and brokerage .....	12
12.4	Governing Law.....	13

# WEBCENTRAL LIMITED

## RULES OF EXECUTIVE EQUITY PLAN

The Executive Equity Plan (**Plan**) is designed to enable the Company to provide equity incentives to executives of Webcentral Group who do not qualify for prospectus relief on the basis of the “senior manager” exception in the Corporations Act. In order to qualify as a “senior manager”, the executive must “... participate in decision-making affecting the whole or a substantial part of the business of the corporation, or who has the capacity to affect significantly the corporation’s financial standing.”

Because prospectus relief is not available, and to avoid the need for a prospectus, the Plan will be qualified under ASIC Class Order 14/1000. This requires compliance with the disclosure requirements in the Class Order and lodging a Reliance Notice with ASIC within 1 month of first issuing securities under the Plan.

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this document, unless the contrary intention appears:

- (a) **Acceptance Period** has the meaning given to it in clause 3.1(e).
- (b) **ASIC** means the Australian Securities and Investments Commission.
- (c) **ASX** means ASX Limited ACN 008 624 691.
- (d) **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, 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.
- (e) **Bad Leaver** means a Leaver if:
  - (i) the Leaver’s Employment terminates as a result of the Leaver being dismissed for cause under the Leaver’s Employment Agreement;
  - (ii) the Leaver resigns from his or her Employment (by agreement with the Company or the relevant member of the Group) and the Company or the relevant member of the Group reasonably believes it would have been entitled to dismiss the Leaver for cause under the Leaver’s Employment Agreement;
  - (iii) the Leaver resigns from his or her Employment without giving the required notice set out in the Leaver’s Employment Agreement or serving out the notice period to the reasonable satisfaction of the Company or the relevant member of the Group; or
  - (iv) the Leaver resigns and takes up employment with a Competing Business.

- (f) **Board** means the board of directors of the Company, as constituted from time to time.
- (g) **Bonus Issue** has the meaning given to it in Chapter 19 of the ASX Listing Rules.
- (h) **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.
- (i) **Company** means Webcentral Limited ACN 073 716 793.
- (j) **Competing Business** means a business (whether operated as a company, partnership or sole trader) which carries on an activity the same as, similar to, or competitive with, any activity engaged in by the Company or the Group as a significant part of its business, in which the Executive has been involved during the last 12 months of Employment.
- (k) **Constitution** means the constitution of the Company as amended from time to time.
- (l) **Control** has the meaning given to it in section 50AA of the Corporations Act.
- (m) **Control Event** means the occurrence of one or more of the following events:
  - (i) an offer is made for the whole or part of the Shares and after the announcement the offeror acquires Control of the Company (**Takeover**);
  - (ii) The Company and another entity enter into an arrangement under which one party acquires shares in the other party as a result of which a person who did not have Control of the Company acquires Control (**Scheme**); and
  - (iii) A person acquires Control of the Company by an arrangement other than one of those specified above (**Alternative Control Arrangement**)
- (n) **Corporations Act** means the *Corporations Act 2001* (Cth).
- (o) **Employment** means employment or holding office of an Executive by any Group Company, on the terms and conditions set out in an Employment Agreement.
- (p) **Employment Agreement** means an employment agreement between an Executive and the Company or a member of the Group.
- (q) **Executive** means a director or employee of the Company or a member of the Group or a contractor to the Company or a member of the Group selected by the Board to participate in the Plan.
- (r) **Exercise Price** means the exercise price of an Option set out in the Offer of the Option.

- (s) **Expiry Date means** the expiry date of an Options set out in the Offer of the Option.
- (t) **General Conditions** means the general conditions of Options set out in **Error! Reference source not found.**
- (u) **Good Leaver** means a Leaver who is not a Bad Leaver.
- (v) **Group means** the Company and its Related Bodies Corporate from time to time.
- (w) **Group Company** means any company which is a member of the Group.
- (x) **KPI** means key performance indicators determined by the Board from time to time.
- (y) **Leaver** means an Executive whose Employment Agreement terminates.
- (z) **Listing Rules** means the listing rules of ASX.
- (aa) **Loan** has the meaning given to it in clause 5.1(b).
- (bb) **Offer** has the meaning given to it in clause 3.1.
- (cc) **Option** means an option to be issued with one or more Shares.
- (dd) **Participant** means:
  - (i) an Executive who holds Securities (or the Executive's legal representative duly appointed on the death or legal incapacity of that Executive): or
  - (ii) an entity that holds Securities following a nomination by an Executive under clause 3.2(c).
- (ee) **Plan** means the Webcentral Limited – Executive Equity Plan governed by these Rules and any special conditions or other document created in accordance with these Rules.
- (ff) **Pro-rata Issue** has the meaning given to it in Chapter 19 of the ASX Listing Rules.
- (gg) **Rules** means this document and includes any schedule or annexure to it.
- (hh) **Related Body Corporate** has the meaning given in section 9 of the Corporations Act.
- (ii) **Security** means a Share, an Option or another security in the Company.
- (jj) **Share** means a fully paid ordinary share in the Company.
- (kk) **Tax Act** means the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth) (as applicable).
- (ll) **Vesting Condition** has the meaning given to it under clause 4.1.

- (mm) **Vesting Date** has the meaning given to it in clause 4.1.
- (nn) **Vested Option** means an Option in respect of which all Vesting Conditions have been satisfied or which otherwise becomes vested in accordance with the Offer and these Rules.

## 1.2 Interpretation

In this document, unless the contrary intention appears:

- (a) headings to clauses are for convenience only and do not affect interpretation;
- (b) 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;
- (c) a document (including this document) includes any variation or replacement of it;
- (d) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (e) a reference to dollars and "\$" is to Australian currency;
- (f) 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;
- (g) where any time period is required to be calculated from a specified date, that date will not be included in the calculation;
- (h) the singular includes the plural and vice versa;
- (i) a reference to a gender includes all genders;
- (j) the words "include", "including", "for example", "such as" or cognate expressions are to be construed without limitation;
- (k) 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;
- (l) a party enters into this document in its own right and as trustee of any trust of which it is trustee;
- (m) 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;
- (n) a reference to time is to Melbourne, Australia time;
- (o) 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;

- (p) 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;
- (q) 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
- (r) 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.

### 2.2 Objective of the Plan

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

## 3. OFFER AND ACCEPTANCE

### 3.1 Offers of Securities

The Board may from time to time in its absolute discretion make offers of Securities 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 Executive including the terms on which the Executive is offered Securities, which may but need not include the following information in relation to the Securities:

- (a) the name and address of the Executive to whom the Offer is made;
- (b) the number of Securities that the Company offers to the Executive;
- (c) the consideration (if any) for the grant of the Securities;
- (d) in the case of Options, the Exercise Price, Expiry Date and Vesting Conditions, and any other any conditions in relation to the Options, which in the opinion of the Board is fair and reasonable and not inconsistent with the Rules;
- (e) the time within which the Offer may be accepted by the Executive (**Acceptance Period**); and
- (f) any other information or documents that the Applicable Law require the Company to give to the Executive.

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

### 3.2 Acceptance

- (a) An Executive 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.

- (b) By accepting an Offer under clause 3.2(a), an Executive agrees to be bound by these Rules, the General Conditions and any other terms and conditions of the Plan.
- (c) An Executive who wishes to accept an Offer may nominate an entity to hold the Securities on his or her behalf. An Executive who nominates an entity under this clause remains responsible for compliance with the terms of the Offer and these Rules and guarantees to the Company that the entity will comply with the terms of the Offer and these Rules and must indemnify the Company for any failure of the entity to do so.

### **3.3 Limit on number of securities**

- (a) Subject to clause 3.3(b), the Company may not offer Securities if as result of acceptance of the offer and issue of those Securities the aggregate of the number of Securities on issue and subject to the terms of the Plan (including Shares in respect of which a loan remains outstanding) exceeds the number permitted by ASIC Class Order 14/1000.
- (b) The Company may offer Securities in circumstances where the ceiling in clause 3.3(a) would be exceeded if the Company first obtains shareholder approval for the offer.

### **3.4 Grant of Securities**

Following the acceptance under clause 3.2(a) 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:

- (a) issue to the Participant on the terms of the Offer, the number of Securities set out in the Offer; and
- (b) enter the issue of the Securities in a register in accordance with Applicable Law.

### **3.5 Conditions of Grant**

If, and to the extent applicable at any time, the grant of Securities under this Plan is subject to receipt of any necessary shareholder or other approvals under Applicable Law.

### **3.6 Quotation on ASX**

- (a) The Company will apply to ASX for quotation on ASX of Shares issued under the Plan.
- (b) Options issued under the Plan will not be quoted on the ASX, unless the Board determines otherwise. The Company will apply to ASX for quotation on ASX of Shares issued on the exercise of Options.
- (c) Shares issued to a Participant who is granted a Loan may be subject to a holding lock and in those circumstances the Company

will not apply for quotation if quotation is not permitted under the Listing Rules.

### **3.7 Restrictions on Transfer**

A Participant must not, without the prior consent of the Board, sell, assign, transfer or otherwise encumber a Security issued under the Plan other than:

- (a) a Share where no money is outstanding under a Loan used to acquire the Share; or
- (b) where these Rules specifically permit the transfer.

## **4. VESTING OF OPTIONS**

### **4.1 Vesting Conditions**

Options may be issued subject to conditions (**Vesting Conditions**) such as the following:

- (a) the Participant (or where an Executive has nominated an entity to hold Options under clause 3.2(c), the Executive) has been at all relevant times an Executive from the time of issue to a date specified in the terms of issue of the Options (**Vesting Date**);
- (b) the Participant (or where an Executive has nominated an entity to hold Options under clause 3.2(c), the Executive) has achieved their annual KPIs to the Board's satisfaction;
- (c) any other conditions set out in the Offer have been satisfied; and
- (d) any other conditions imposed by the Board in its absolute discretion have been satisfied.

### **4.2 Waiver of Vesting Conditions**

The Board may in its discretion by written notice to a Participant reduce or waive a Vesting Condition wholly or partly at any time and in any particular case.

### **4.3 Vesting on occurrence of Control Event**

If a Control Event occurs the Vesting Conditions applicable to any Options are taken to be satisfied. Without limiting clause 4.2, the Board may resolve that Vesting Conditions are satisfied or waived:

- (a) in the case of a Takeover or a Scheme, when the Company and the offeror or other party enter into an implementation agreement or similar agreement; or
- (b) in the case of an Alternative Control Arrangement, when a meeting is called for the shareholders of the Company to approve the Alternative Control Arrangement.

## **5. EXERCISE OF OPTIONS**

### **5.1 Manner of exercise**

A Participant may exercise Options by providing the Company with a notice of exercise in a form approved and accepted by the Board accompanied by:

- (a) payment of the aggregate Exercise Price for the Options which are the subject of the notice; or
- (b) an application by the Participant (in a form approved by the Board) requesting a loan from the Company for some or all of the amount of the Exercise Price for the Options which are the subject of the notice (**Loan**), in accordance with clause 7.

### **5.2 Minimum number**

If a Participant does not exercise all Options held by himself or herself, the Participant must exercise Options in multiples of 1,000 or other multiple permitted by the Board.

### **5.3 Vesting and exercise procedures**

- (a) Options may only be exercised if, at the time of exercise:
- (b) the Option is a Vested Option;
  - (i) the Option has not been forfeited or lapsed under clause 6; and
  - (ii) the Exercise Price (as adjusted under clause 6, if applicable) has been paid in clear funds.
- (c) Following the exercise of the Options, the Company must, within such time as the Board determines, issue to the Participant exercising the Option, that number of Shares in respect of which the Options have been exercised, credited as fully paid.
- (d) Unless the terms of issue of the Options provide otherwise, Shares issued on the exercise of Options will rank equally in all respects with all existing Shares from the date of issue, including in relation to voting rights and entitlements to participate in dividends, rights issues and bonus issues.

## **6. LAPSE AND FORFEITURE OF OPTIONS**

### **6.1 Expiry of exercise period**

Subject to clauses 6.3, 6.4, 6.5 and 6.6, each Option will lapse automatically on the Expiry Date.

### **6.2 Lapse of Unvested Options**

Subject to clause 4.2, if any Vesting Condition applicable to an Option is not satisfied by 5pm on the Vesting Date, the Option will lapse immediately and the Company must provide written notice to the Participant advising that the Vesting Conditions have not been satisfied and that the Option has lapsed.

### **6.3 Good Leaver**

If a Participant (or where an Executive has nominated an entity to hold Options under clause 3.2(c), the Executive) is a Good Leaver, unless the Board determines otherwise, then:

- (a) notwithstanding what is stated in the Offer, all Options held by the Participant at the date of cessation of employment or office may be exercised by the Participant during the 30 day period (or a longer period as is specified in the applicable documentation or permitted by the Board) from the date of cessation of employment or office, after which the Options will automatically lapse; and
- (b) all Offers which have not been accepted by the Good Leaver are automatically revoked on the date of cessation of employment or office.

### **6.4 Bad Leaver**

If a Participant (or where an Executive has nominated an entity to hold Options under clause 3.2(c), the Executive) is a Bad Leaver, unless the Board determines otherwise, then on the date of cessation of employment or office:

- (a) all Options held by the Participant will automatically be forfeited and lapse;
- (b) the Participant automatically forfeits all of his or her rights, title and interest in all Options; and
- (c) all Offers which have not been accepted by the Bad Leaver are automatically revoked.

### **6.5 Death**

On the death of a Participant:

- (a) All Offers made to but have not been accepted will be automatically immediately revoked; and
- (b) Notwithstanding anything to the contrary in this Plan, the Options which have been granted prior to the death of the Participant will lapse on the expiry of 12 months after the date of death of the Participant, except to the extent that the executor or beneficiaries of that Participant's estate exercise any or all of those Options.

### **6.6 Expiry of exercise period determined by Board**

If the Board determines a further period, or reduces the period within which the Options may be exercised, whether such revised period is more or less than the 30 day period specified in clause 6.3(a) or the period specified in the Offer, then the Options will lapse at the end of that revised period.

### **6.7 Cessation of Employment**

For the purpose of this document and avoidance of any doubt, an Executive will not be deemed to be either a Good Leaver or Bad Leaver if:

- (a) the Executive is absent due to approved leave granted by a Group Company;

- (b) immediately after the Executive's Employment ends with a Group Company, the Executive is employed by or holds an office with another Group Company; or
- (c) the Executive is seconded from a Group Company to another company or entity.

#### **6.8 Relinquishment of Options**

A Participant may at any time by notice to the Company relinquish Options.

### **7. LOANS**

#### **7.1 Grant of financial assistance**

The Company may in accordance with this clause 7 provide financial assistance, in the form of a Loan, to a Participant for the purpose of, or in connection with, the acquisition of Shares (whether or not the Shares are acquired on exercise of Options).

#### **7.2 Application for Loan**

A Participant may apply to the Company for a Loan. An application for a Loan must be in a form approved by the Company.

#### **7.3 Grant of Loan**

Upon receipt of a notice of exercise and loan application from a Participant, the Company may grant a Loan to the Participant in accordance with this clause 7. The Company may grant a Loan on such terms as it determines in its absolute discretions, including as to payment of interest, repayment and security, and may in its complete discretion reject the application. Any Participant to whom the Company grants a Loan irrevocably directs the Company to advance the Loan for the sole purpose of acquiring the Shares.

#### **7.4 Security**

Without limiting clause 7.3, the Company may grant a Loan on condition that the Participant grants security over the Shares to the Company, including that the Company imposes a holding lock on the Shares.

### **8. TERMS OF EMPLOYMENT**

#### **8.1 Rules not part of the Employment Agreement**

This document does not form part of any Employment Agreement and nothing in this document confers on an Executive a right to acquire Securities.

#### **8.2 Termination of Employment**

This Plan:

- (a) may be terminated in relation to an Executive at any time in the Board's absolute direction and no compensation under any Employment Agreement or similar document will arise as a result;
- (b) does not confer on an Executive the right to continue their Employment;

- (c) does not affect any rights which a Group Company may have to terminate the Employment of a Participant; and
- (d) does not confer on an Executive 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.

## **9. ADMINISTRATION OF THIS PLAN**

### **9.1 Administration and Rules**

- (a) The Plan must be administered by the Board in accordance with these Rules and Applicable Law.
- (b) The Board may make further Rules for the operation of the Plan which are consistent with these Rules.

### **9.2 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 Executive.

### **9.3 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.

### **9.4 Interpretation**

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

## **10. AMENDMENT OF THESE RULES**

### **10.1 Amendment**

Subject to clauses 10.2, and 10.3, 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 clause 10).

### **10.2 Accrued Rights**

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

- (a) for the purpose of complying with or conforming to Applicable Law including present or future State, Territory or Commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;

- (c) to enable contributions or other amounts paid by a Group Company in respect of the Plan to qualify as income tax deductions (if applicable);
- (d) to enable the Executive 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 Executive or a Group Company in relation to the Plan;
- (e) for the purpose of enabling the Executive to receive a more favourable taxation treatment in respect of their participation in the Plan; or
- (f) to enable a Group Company to comply with the Corporations Act or any other legal requirement.

### **10.3 Retrospectivity**

Subject to the above provisions of this clause 10, any amendment made under clause 10.1 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 Securities issued under the Plan, have the effect of automatically amending the terms of the Securities.

## **11. 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 Executive by participating in the Plan and none of them represents or warrants that the Executive will gain any taxation advantage by participating in the Plan.

## **12. GENERAL**

### **12.1 Notices**

Notices may be given by the Company to any Participant or Executive 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 Participant or Executive.

### **12.2 Constitution and Corporations Act**

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

### **12.3 Plan costs and brokerage**

- (a) Unless otherwise determined by the Board, the Company must pay all costs, charges and expenses relating to the establishment and operation of the Plan.
- (b) The Participant must pay any brokerage for the acquisition of Shares including, but without limitation, upon the exercise of the Options under the Plan.

- (c) For the avoidance of any doubt, the Company is not responsible for any brokerage payable in relation to the sale of Securities held by a Participant.

#### **12.4 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 the Plan.

These Rules were approved and adopted by the Board of Webcentral Limited on 28 February 2022.

Glen Dymond  
Company Secretary  
28 February 2022

# SCHEDULE 1

## GENERAL CONDITIONS OF OPTIONS

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Schedule, terms used have the same meaning given to them in the Plan, and unless the contrary intention appears:

- (a) **ASX Listing Rules** means the listing rules of ASX except to the extent of any waiver by ASX of their application to the Company.
- (b) **Exercise Notice** has the meaning given in clause 3.1(a).
- (c) **Exercise Period** means, in relation to an Option, the period between the date of issue of the Option and 5.00 pm (Melbourne Time) on the Expiry Date.
- (d) **Holder** means a holder of an Option.
- (e) **Plan** means the Webcentral Limited Executive Equity Plan.
- (f) **Pro rata Issue** has the meaning given to it in Chapter 19 of the ASX Listing Rules.
- (g) **Register** means the register of Holders referred to in clause 6.1.

#### 1.2 Interpretation

In this Schedule unless the context otherwise requires:

- (a) headings to clauses are for convenience only and do not affect interpretation;
- (b) any reference to a clause, schedule or annexure is a reference to a clause of, schedule to or annexure to, this document;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) the words “include”, “including”, “for example”, “such as” or cognate expressions are to be construed without limitation;
- (e) a reference to a document (including this document) or 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;
- (f) the singular includes the plural and vice versa;
- (g) a reference to a gender includes all genders; and
- (h) 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.

## 2. ENTITLEMENT ON EXERCISE OF OPTIONS

Subject to these conditions, each Option entitles the Holder to subscribe for and be allotted 1 Share upon the exercise of the Option and payment to the Company of the Exercise Price.

## 3. EXERCISE OF OPTIONS

### 3.1 Exercise Notice

- (a) The Holder may at any time during the Exercise Period give a notice (**Exercise Notice**) to the Company requiring the Company to issue Shares on exercise of Options.
- (b) An Exercise Notice must be in writing and must be delivered to the registered office of the Company or its share registrar (or such other place as the Company may notify Holders in writing) together with payment of the Exercise Price for each of the Options exercised or an application for a Loan.
- (c) The Exercise Notice must be in the form prescribed by the Company from time to time or such other form as the Company accepts in absolute discretion.
- (d) Holders may exercise all their Options at once or may exercise parcels of their Options which are multiples of 1,000 (or such lower multiple as the Company permits in its absolute discretion).

### 3.2 Vesting Conditions

Notwithstanding clause 3.1, a Holder may not exercise an Option unless all Vesting Conditions applicable to the Option have been satisfied.

### 3.3 Issue of Shares

On exercise of Options, the Company must issue or procure the issue of the number of Shares for which the Options are exercised. The Company must issue or procure the issue of the Shares within 10 Business Days of receipt of the Exercise Notice and otherwise comply with ASX Listing Rule 3.10.3B.

### 3.4 Ranking of Shares Allotted on Exercise

Shares allotted upon exercise of Options will rank equally in all respects with all other issued Shares from the date of allotment and will be held subject to the constitution of the Company and the ASX Listing Rules.

### 3.5 Lapse

Any Option which has not been exercised by 5.00 pm (Melbourne Time) on the Expiry Date will lapse. An Exercise Notice is not effective if it is received by the Company or its share registrar after the expiration of the Exercise Period.

### 3.1 Notice of Expiry

The Company must send a Holder before the Expiry Date of the Options any notice required by the ASX Listing Rules to be sent to Holders.

## **4. QUOTATION**

### **4.1 No Quotation of Options on ASX**

Options will not be quoted on ASX.

### **4.2 Quotation of Shares**

If Shares are quoted on ASX at the time Shares are issued under the Plan, including Shares issued on exercise of Options, the Company will make application to the ASX for the Shares to be quoted within 10 Business Days after the date of issue. Shares issued to a Participant who is granted a Loan may be subject to a holding lock and in those circumstances the Company will not apply for quotation if quotation is not permitted under the Listing Rules.

## **5. BONUS ISSUES, RECONSTRUCTIONS AND PRO-RATA ISSUES**

### **5.1 Bonus Issues**

If there is a bonus issue to the holders of Securities then the number of Securities over which each Option is exercisable will be increased by the number of Securities which the Holder would have received under the bonus issue if the Option had been exercised before the record date for the bonus issue.

### **5.2 Reconstructions**

In the event of any reorganisation including subdivision, consolidation, reduction, return or cancellation of the issued capital of the Company, the rights of a holder of Securities 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. This clause 5.2 applies regardless of whether the Company is at the time listed on ASX.

### **5.3 Pro-Rata Issues**

If the Company makes a pro-rata issue (other than a bonus issue) of Securities to existing security holders after the date of issue of the Options, the Exercise Price of each Option will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2, with such adjustment to take effect on and from the date of issue of the Securities comprised in that issue.

## **6. MAINTENANCE OF REGISTER AND TRANSFERS OF OPTIONS**

### **6.1 Register of Holders of Options**

- (a) The Company will keep and maintain, or cause to be kept and maintained, a register of Holders of Options. The Company must ensure that the Register is maintained in compliance with the Corporations Act and all other applicable rules and requirements.
- (b) The Company may maintain the register through its outsourced registry provider. If it does so the Company will not issue certificates for Options.

### **6.2 Transfers of Options**

Options are not transferable.

## **7. MISCELLANEOUS**

### **7.1 Severance**

- (a) If a provision of these conditions or its application to any person or circumstance is or becomes invalid, illegal or unenforceable then the provision must, as far as possible, be interpreted as narrowly as possible to ensure that it is not illegal, invalid or unenforceable.
- (b) If any provision or part of it cannot be so interpreted, then the provision or its part is taken to be void and severable. The remaining provisions of these conditions are not affected or impaired in any way.

### **7.2 Holders bound by Constitution**

A Holder is bound by these conditions and the constitution of the Company.

### **7.3 Waiver and Variation**

- (a) Subject to the ASX Listing Rules and the constitution of the Company, the directors of the Company may by resolution:
  - (i) waive strict compliance with any of these conditions; or
  - (ii) add to, vary or otherwise change any of these conditions for any reason including to ensure compliance with the ASX Listing Rules either generally in relation to all Holders or as they apply to a particular Holder.
- (b) Any waiver, addition, variation or other change under clause (a) must not be made unless:
  - (i) any Holder effected by the waiver, addition, variation or other change so consents in writing; or
  - (ii) the directors of the Company reasonably consider that the waiver, addition, variation or other change is required to ensure compliance with the ASX Listing Rules, or any law or requirement binding on the Company or does not adversely affect a Holder's rights under these conditions.

### **7.4 Governing law**

These conditions are to be construed according to and are governed by the laws of Victoria, 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.