

BWX Limited

BWX Employee Loan Plan

Plan Rules

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BWX Limited

Employee Loan Plan

Agreed terms	3
1. Introduction	3
2. Definitions and Interpretation	3
3. Principal conditions	7
4. Participation	8
5. Operation of the Plan	8
6. Acquisition of Shares	9
7. Vesting of Shares	9
8. Corporate Control Event	10
9. Restriction on disposal of Shares	10
10. Dividends, voting and other rights	10
11. Administration of the Plan	10
12. Amendment to Rules	12
13. Rights of Participants	12
14. Termination or suspension of Plan	13
15. Communication	13
16. Governing Law	13
17. Jurisdiction	13
18. Advice	13
19. No representation as to tax consequences	14
Schedule 1 - Offer	15
Schedule 2 - Acceptance Form	17
Schedule 3 - Loan Facility	19
Schedule 4 – Loan Terms	20

Agreed terms

1. Introduction

1.1 Name of Plan

The Plan is called the **BWX Employee Loan Plan**.

1.2 Object of Plan

The object of the Plan is to:

- (a) provide an incentive for Employees to remain in their employment;
- (b) recognise the ongoing ability and expected efforts of Employees and their contribution to the performance and future success of the Group; and
- (c) provide a means by which Employees may acquire Shares in the Group in accordance with these Rules.

1.3 Commencement of Plan

The Plan will commence operation on the date determined by the Plan Committee.

2. Definitions and Interpretation

2.1 Definitions

In these Rules, unless the context otherwise requires:

Acceptance Form means a duly completed and executed document for acceptance of an Offer substantially in the form of Schedule 2 or in a form approved by the Plan Committee.

Acquisition Price has the meaning given in the Loan Terms.

Applicable Law means any one or more or all, as the context requires of:

- (a) the Corporations Act;
- (b) the Corporations Regulations;
- (c) the Listing Rules;
- (d) any other applicable securities or financial services laws;
- (e) any class order, declaration, guideline, policy or procedure pursuant to the provisions of which either ASIC or ASX is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the above statutes, regulations, rules, deeds or agreements or any conduct or proposed conduct of any person under any of the above statutes, regulations, rules, deeds or agreements;
- (f) any other legislation regulating or applying to the activities of the Company;
- (g) the Constitution.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities market which it operates, as the context requires.

Board means the board of directors of the Company.

Borrower has the meaning given in the Loan Terms.

Company means BWX Limited ACN 163 488 631.

Constitution means the Company's constitution.

Corporate Control Event means the earliest of the following events to occur:

- (a) the Board recommends that the Company's shareholders:
 - (i) accept a takeover bid for the Company; or
 - (ii) approve or vote in favour of a scheme of arrangement for the takeover of the Company;
- (b) a person acquires voting power (within the meaning of section 610 of the Corporations Act) in more than 50% of the Shares in the Company as a result of a takeover bid;
- (c) a person acquires voting power (within the meaning of section 610 of the Corporations Act) in more than 50% of the Shares in the Company through a scheme of arrangement;
- (d) a person becomes a legal or beneficial owner of more than 50% of the Shares in the Company;
- (e) a person becomes entitled to acquire, or has an equitable interest in, more than 50% of the Shares in the Company;
- (f) any event (including a merger of the Company with another company or a private treaty or trade sale other than by way of a sale of the Shares) whether specified above or not and whether at a different percentage to that specified above or not, which the Board determines, in its absolute discretion, to be a Corporate Control Event.

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

Corporations Regulations means any and all regulations made under the Corporations Act.

Date of Acquisition means, with respect to Shares, the date on which the Shares are issued to or transferred to, and registered in the name of, the Employee.

Distribution has the meaning given in the Loan Terms.

Employee means:

- (a) an individual whom the Plan Committee determines to be in the full-time or part-time employment of an entity in the Group (including any employee on parental leave, long service leave or other special leave as approved by the Plan Committee);
- (b) a director of a body corporate in the Group who holds a salaried employment or office in that body corporate; or
- (c) an individual otherwise in the employment of a body corporate in the Group whom the Plan Committee determines to be an Employee for the purposes of the Plan.

Group means the Company and each Subsidiary and **Group Member** means any one of them.

Group Employee means a person who is an employee of any body corporate in the Group.

Holding Lock means a mechanism arranged or approved by the Plan Committee and administered by the Company (including through its share registry) that prevents Shares acquired under the Plan being disposed of by a Participant until the Shares have been released from the Plan or ownership of the Shares has been forfeited under the Loan Terms.

Listing Rules means the listing rules of the ASX.

Loan Amount has the meaning given in the Loan Terms.

Loan Facility means the limited recourse loan facility between the Company (as lender) and the Participant (as borrower) substantially in form set out in Schedule 3 or other form approved by the Plan Committee.

Loan Period has the meaning given in the Loan Terms.

Loan Terms means the loan terms set out in Schedule 4 to these Rules.

Offer means:

- (a) an offer to participate in the Plan; or
- (b) an offer to acquire Shares under the Plan made to an Employee pursuant to Rule 4.1, or both, substantially in the form of Schedule 1 or other form approved by the Plan Committee.

Participant means an Employee who accepts an Offer.

Plan means the BWX Employee Loan Plan governed by these Rules.

Plan Committee means the remuneration committee or any other committee of the Board to which power to administer the Plan (on behalf of the Company) has been delegated or if there has been no such delegation, the Board.

PPS Law means:

- (a) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended); and
- (b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

PPS Regulations means the *Personal Property Securities Regulations 2010* (Cth).

PPSA means the *Personal Property Securities Act 2009* (Cth).

Rules means the rules governing the operation of the Plan as set out in this document (including Loan Terms in Schedule 4) and the Offer.

Security Interest means any:

- (a) *security interest* as defined in the PPS Law;
- (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge (whether fixed or floating), lien, pledge, hypothecation, encumbrance, trust, power or title retention arrangement, finance lease, right of set off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); and
- (c) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset,

and includes any agreement to create any of them or allow them to exist.

Share means a fully paid ordinary share in the Company.

Special Circumstances means with respect to a Participant:

- (a) the Total and Permanent Disability of the Participant;
- (b) the death of the Participant; or

- (c) such other circumstances as the Plan Committee may at any time determine (whether in relation to the Participant, a class of Participants, particular circumstances, or a class of circumstances).

Subsidiary means a body corporate of which the Company is a holding company within the meaning of Division 6 of Part 1.2 of the Corporations Act and which the Plan Committee has approved for participation in the Plan.

Tax includes any tax, levy, impost, GST, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the above.

Termination Date means the date on which a Participant is no longer an Employee for any reason (including Special Circumstances).

Total and Permanent Disability means, in relation to a Participant, that the Participant has, in the reasonable opinion of the Plan Committee, become permanently incapacitated to such an extent as to render the Participant unlikely to engage in the Participant's usual occupation again.

Trust means a trust under which the Shares are held by a trustee as trustee for a Participant who is absolutely entitled and has a vested and indefeasible interest in the Shares.

Unvested Shares means Shares that are not Vested Shares.

Vesting Conditions means, in relation to a Share, the conditions (if any) determined by the Plan Committee and specified in the Offer relating to those Shares that are required to be satisfied, reached or met before that Share becomes a Vested Share.

Vesting Date means, in relation to any Shares acquired by a Participant, the date on which a Share becomes a Vested Share if the relevant Vesting Conditions are satisfied in accordance with the terms set out in the relevant Offer.

Vested Shares means Shares which have vested in accordance with Rule 7 and Shares which are not subject to any Vesting Conditions.

2.2 Interpretation

In the interpretation of these Rules and the Loan Terms, unless the context otherwise requires:

- (a) words denoting the singular include the plural and vice versa;
- (b) a reference to any legislation or proposed legislation or any provision of any legislation or proposed legislation includes any modification, renumbering or reenactment of the legislation or proposed legislation or any legislative provision substituted for, and all legislation and statutory instruments and regulations issued under, the legislation or provision;
- (c) headings are inserted for convenience only and do not affect the interpretation of these Rules;
- (d) the meaning of general words is not limited by specific examples introduced by *including*, *for example* or similar expressions;
- (e) a reference to any document or agreement includes reference to that document or agreement as amended, novated, supplemented, varied or replaced;
- (f) where any word or phrase is given a defined meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;

- (g) where any act or thing must be done on a particular day or within a particular period, that act or thing must be done before, and that period will end at, 5.00pm Melbourne time on the relevant day;
- (h) a reference to a Rule or a Schedule is a reference to a Rule of, or a Schedule to, these Rules, or the corresponding Rule of, or Schedule to, the Plan as amended;
- (i) a reference to Vesting Conditions applicable to Shares is a reference to the Vesting Conditions (if any) specified in an Offer in relation to the Shares the subject of that Offer;
- (j) a reference to the Loan Amount in respect of Shares is a reference to the Loan Amount referable to a particular parcel of Shares acquired in the name of a Participant under Rule 6 in accordance with a particular Offer (whether or not a Participant has borrowed more than one Loan Amount from the Company for the purposes of accepting one or more other Offers); and
- (k) to *grant a security interest* includes to charge, mortgage, pledge, encumber, assign by way of security and transfer by way of security.

2.3 Primary instruments

These Rules are to be interpreted subject to the Applicable Laws. Where there is a conflict between these Rules and the Constitution then the Constitution prevails to the extent of any inconsistency.

3. Principal conditions

3.1 Overriding restriction

No Offer may be made to an Employee and no Shares may be granted under the Plan if to do so would contravene the Corporations Act, the Listing Rules or any other Applicable Law, including the insider trading provisions of Division 3 of Part 7.10 of the Corporations Act and the Group's securities trading policy.

3.2 Advance of Loan Amount

Unless otherwise stated in an Offer, a Participant may only acquire Shares under the Plan where a Loan Amount has been advanced to the Participant and, at the direction of the Participant, used to fund the payment of the Acquisition Price for those Shares under the Loan Terms.

3.3 Prerequisite to acquisition of Shares

Unless the Plan Committee determines otherwise, a grant of Shares may be made to a Participant pursuant to an Offer only if at both:

- (a) the date of the Offer; and
- (b) the date that Shares are to be acquired for the purposes of the Offer,

the Participant remains a Group Employee.

3.4 Limitation on the size of the Plan

Unless the Plan Committee determines otherwise, the Company will not provide Shares on acceptance of an Offer if the total number of Shares that would be held under the acceptance of the Offer, when aggregated with the number of Shares which are held by Participants under the Plan, would exceed 5% of the total number of issued Shares at that time.

4. Participation

4.1 Issue of Offers

Subject to these Rules, the Plan Committee may in its absolute discretion issue Offers to an Employee to acquire Shares.

4.2 Requirements for Offers

An Offer will:

- (a) be in writing (which includes email);
- (b) state the name and address (which may be an email address) of the Employee to whom the Offer is made;
- (c) state the total number of Shares under the Offer, or the manner in which the total number of Shares is to be determined;
- (d) state the date of the Offer;
- (e) state the Loan Amount;
- (f) state the Acquisition Price for the Shares, or the manner in which the Acquisition Price is to be determined;
- (g) state the time period for accepting an Offer;
- (h) state any Vesting Conditions that the Plan Committee determines;
- (i) include a copy of these Rules, Acceptance Form, Loan Facility and any other explanatory material which the Group wishes to distribute and other documents and information as may be required by the Applicable Laws, if applicable; and
- (j) specify any other terms and conditions that the Plan Committee determines.

4.3 Acceptance of an Offer

Acceptance must be made by providing an Acceptance Form and Loan Facility to the Plan Committee within the time specified in the Offer or in any other way the Plan Committee determines.

4.4 Consequences of acceptance of an Offer

On acceptance of an Offer an Employee:

- (a) becomes a Participant and is bound by these Rules;
- (b) becomes a Borrower and is bound by the Loan Terms;
- (c) irrevocably applies to acquire Shares under the Plan on and subject to the terms and conditions specified in the Offer and in his or her Acceptance Form; and
- (d) agrees to become a member of the Company and be bound by the Constitution.

4.5 Offers Personal

An Offer under the Plan is personal to the Employee to whom it is made and, accordingly, Shares may be registered only in the name of the Employee to whom the Offer is made.

5. Operation of the Plan

5.1 Binding nature of Rules

The Plan will operate in accordance with these Rules (including the Offer and the Loan Terms) which bind the Company and each Participant.

5.2 Administration of the Plan

The Plan will be administered by the Plan Committee as, and to the extent, provided for in these Rules.

5.3 Trust arrangement

The Plan Committee may determine that any Shares offered to Employees may be held in a Trust for a specified period of time. If the Plan Committee determines to use a Trust to hold Shares, these Rules will be taken to be modified as necessary to enable the trustee of the Trust to be the registered holder of the Shares.

6. Acquisition of Shares

6.1 Acquisition of Shares

- (a) Subject to this Rule 6, where the Participant directs, under paragraph 6(d) of the Loan Terms, an amount representing the Acquisition Price be applied to fund the acquisition of Shares, the Company must arrange for the Shares to be provided to the Participant by way of, in the Plan Committee's absolute discretion and subject to the terms of the relevant Offer:
- (i) an allotment and issue of the Shares;
 - (ii) acquiring the Shares by way of on-market purchase;
 - (iii) transfer; or
 - (iv) any other means.
- (b) Unless the Plan Committee determines otherwise, the Company may arrange for the issue of Shares to Participants for the purposes of the Plan, having regard to any Group securities trading policy.

6.2 Registration and control of Shares

Shares issued under the Plan will be registered in the name of the Participant.

6.3 Shares to rank equally

Unless otherwise provided in an Offer and subject to the Applicable Laws, any Shares issued or transferred to a Participant under the Plan will rank equally with all then existing Shares on and from the date of issue or transfer (as applicable) in respect of all voting rights and rights issues, bonus security issues and dividends or distributions which have a record date for determining entitlements on or after the date of issue of the Shares, and are held subject to the rights and restrictions set out in the Constitution and the Plan.

6.4 Quotation

If the Shares are listed on the ASX, then as soon as practicable after the date of the allotment of Shares, the Company will, unless the Plan Committee otherwise resolves, apply for official quotation of such Shares on the ASX.

7. Vesting of Shares

- (a) Unless the terms upon which the Shares have been offered provide otherwise, Shares will vest on satisfaction of, and in accordance with, the Vesting Conditions specified in the relevant Offer.
- (b) The Vesting Conditions that apply to any Shares may be varied or waived from time to time by the Plan Committee in its absolute discretion, provided that no variation or waiver may be made without the consent of the relevant Participant (such consent not to be

unreasonably withheld) if the variation or waiver would adversely affect the rights of that Participant in respect of the Shares.

8. Corporate Control Event

- (a) If a Corporate Control Event occurs the Plan Committee may determine that any Unvested Shares become Vested Shares.
- (b) The Offer may specify additional terms in relation to the happening of a Corporate Control Event.

9. Restriction on disposal of Shares

9.1 No disposal

Subject to the terms of the Offer, from the Date of Acquisition until the Shares become Vested Shares (or ownership of the Shares has been forfeited under the Loan Terms), the Participant must not dispose of or otherwise deal with or grant a Security Interest over (other than under the Loan Terms), or purport to dispose of or deal with or grant a Security Interest over (other than under the Loan Terms), any Shares acquired by a Participant under the Plan or any interest in any Shares acquired by a Participant under the Plan.

9.2 Enforcement of restriction

The Plan Committee may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares acquired by a Participant under the Plan.

9.3 Refusal to register transfer

The Company must refuse to register a paper based transfer, and must apply or cause to be applied a Holding Lock to prevent a transfer of any Shares acquired by a Participant under the Plan.

10. Dividends, voting and other rights

10.1 Voting Rights

Subject to the terms of issue of the relevant Shares, a Participant may exercise any voting rights attaching to any Shares registered in his or her name, or may appoint a proxy to represent and vote for him or her, at any meeting of the members of the Company.

10.2 Dividends and distributions

Subject to the Loan Terms and the terms of the Offer, a Participant will be entitled to receive any Distribution paid in respect of Shares registered in the Participant's name.

10.3 Rights issues

A Participant is entitled to participate in any pro rata rights issues of Shares made by the Company or sell renounceable rights in respect of Shares registered in the Participant's name.

10.4 Bonus issues

These Rules and the Loan Terms will apply to any bonus Shares that the Company issues to the Participant in relation to the Shares under the Plan and during the Loan Period.

11. Administration of the Plan

11.1 Powers of the Plan Committee and the Board

The Plan Committee has power to:

- (a) administer the Plan in accordance with these Rules as, and to the extent, provided in these Rules;
- (b) determine the terms of or any other conditions attaching to an Offer;
- (c) form policies, determine appropriate procedures and make regulations and guidelines for the administration and operation of the Plan which are not inconsistent with these Rules;
- (d) exercise all powers and discretions vested in it under these Rules;
- (e) resolve conclusively all questions of fact or interpretation arising from or in connection with these Rules; and
- (f) take and rely on independent professional or expert advice in, or in relation to, the exercise of any of its powers or discretions under these Rules.

11.2 Discretion

- (a) Subject to these Rules, where these Rules permit the Plan Committee or the Board to exercise a discretion or to make a determination, decision, approval or opinion, the discretion may be exercised, and a determination, decision, approval or opinion may be made or given, by the Plan Committee or the Board (as applicable) in their absolute discretion.
- (b) Any power or discretion which is conferred on the Plan Committee or the Board by these Rules may be exercised by the Plan Committee or the Board (as applicable) in the interests, or for the benefit, of the Company, and the Plan Committee and the Board are not, in exercising any power or discretion, under any fiduciary or other obligation to any other person.

11.3 Decision final

In the absence of manifest error, any determination (including as to materiality), decision, approval or opinion of the Plan Committee or the Board (as the case may be) as to the interpretation, effect or application of these Rules will be final.

11.4 Delegation by the Plan Committee

The Plan Committee may delegate its functions and powers under these Rules as it may consider appropriate for the efficient administration of the Plan to any sub committee of the Plan Committee or other person or persons who it reasonably believes to be capable of performing those functions and exercising those powers.

11.5 Corporate actions

Nothing in these Rules in anyway affects the ability of the Plan Committee or the Board to take any corporate action with respect to the Shares including without limitation any issue, buy back, reduction, reorganisation or restructure.

11.6 Costs, expenses and Taxes

- (a) Subject to these Rules, the Company must pay all expenses, costs and charges incurred in the administration of the Plan.
- (b) The Company is not responsible for any Tax which may become payable by a Participant in connection with the issue, acquisition or disposal of Shares acquired under the Plan, or any other dealing by a Participant with the Shares.

12. Amendment to Rules

12.1 Power of the Board to amend Rules

- (a) The Board may at any time amend any of these Rules (including an Offer), or waive or modify the application of any of these Rules (including an Offer) in relation to any Participant, provided that any amendment does not materially adversely affect the existing rights of Participants (in which case the consent of the Participant is required).
- (b) The Board may make sub rules or any additions, variations or modifications to the Rules, in relation to the implementation of the Plan and the specific application of the Rules to Employees residing outside Australia.

12.2 Permitted affecting of rights

Notwithstanding Rule 12.1 and subject to Rule 12.3, the Board may at any time amend any of these Rules (including an Offer), or waive or modify the application of any of these Rules (including an Offer) in relation to a Participant where the amendment is introduced primarily:

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

12.3 Compliance with Listing Rules

At any time while the Shares are listed on the ASX, no amendment may be made to these Rules except in accordance with the Listing Rules (or any waiver).

13. Rights of Participants

13.1 General

These Rules:

- (a) do not confer on any Participant any right or entitlement if that right or entitlement could only be provided with approval of the members of the Company;
- (b) do not confer on any Employee the right to be offered any Shares;
- (c) do not confer on any Participant the right to continue as an Employee;
- (d) do not affect any rights which the Group or Group Member may have to remove the Participant from employment as an Employee; and
- (e) may not be used to increase damages in any action brought against the Group or any Group Member in respect of the termination of employment of the Employee.

13.2 Terms of employment or appointment not affected

- (a) The Rules do not:
 - (i) form part of any contract of employment or letter of appointment in respect of any employment or appointment, between an Employee and a Group Member; or
 - (ii) constitute a related condition or collateral arrangement to any contract of employment or letter of appointment,

and participation in the Plan does not in any way affect the rights and obligations of an Employee under the terms of his or her contract of employment or letter of appointment.

- (b) The terms of a Participant's employment or letter of appointment with a Group Member do not in any way affect the rights and obligations of the Participant under the Plan.
- (c) An Employee or Participant has no right to compensation or damages from any Group Member in respect of any loss or future rights under the Plan, as a consequence of termination of the Employee's or Participant's employment or appointment.

13.3 Other schemes

- (a) Participation in the Plan does not affect, and is not affected by, participation in any other employee security or option scheme operated by the Group unless the terms of the other scheme provide otherwise.
- (b) Neither the adoption of the Plan nor any provision of the Plan will be construed as creating any limitations on the power of the Plan Committee or the Board to adopt these additional remuneration arrangements as they may deem desirable, including the granting of securities, security options and bonuses otherwise than under the Plan, and these arrangements may be either generally applicable or applicable only in specific cases.

14. Termination or suspension of Plan

The Plan Committee may terminate or suspend the Plan at any time, provided that these termination or suspension does not materially affect or materially prejudice the rights of Participants at that time.

15. Communication

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile, in the case of a company to its registered office, and in the case of an individual to the individual's last notified address, or, where a Participant is a director or employee 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 or employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile or email, it is deemed to have been.

16. Governing Law

The Rules will be governed by and construed in accordance with the laws of the State of Victoria.

17. Jurisdiction

Each party irrevocably submits to and accepts, generally and unconditionally, the non exclusive jurisdiction of the courts and appellate courts of the State of Victoria with respect to any legal action or proceedings which may be brought at any time relating in any way to the Rules.

18. Advice

Employees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

19. No representation as to tax consequences

Neither the Group nor any adviser to the Group nor the Board represent or warrant that the Plan will have any particular taxation or financial consequences or that any Participant will gain any taxation or financial advantage by participating in the Plan and they are not liable for, or as a consequence of, any Taxes imposed on or duties assessed against a Participant.

Schedule 1 - Offer

TO: [Insert name of Employee]

Date: []

Dear []

Offer of Shares under the BWX Employee Loan Plan

On behalf of the board of BWX Limited ACN 163 488 631 (**Company**) I am pleased to offer you Shares under the BWX Limited Employee Loan (**Plan**).

A copy of the Plan is enclosed. Please read the Plan carefully. Any capitalised terms not defined in this letter (**Offer**) have the meaning given in the Plan.

Terms of issue

The terms of issue which apply to the Shares are as follows:

1. The Company offers to provide (by way of issue, transfer or any other means) the following total number of Shares to you: []
2. The Loan Amount will be: \$[]
3. The Acquisition Price of each Share is: \$[]

Vesting Conditions

The grant of Shares to you is subject to the following Vesting Conditions:

[insert as relevant: remaining employed with the Group for a period of at least [#] from the date of this Offer; Company performance hurdles; individual performance hurdles.]

How to accept this offer

If you wish to accept this offer for Shares under the terms of the Plan, you need to execute the enclosed Acceptance Form, Loan Facility and return each of these documents to us before [].

An Acceptance Form submitted by you constitutes your acceptance of the offer to subscribe for Shares at which time an agreement is formed between you and the Company and you become a Participant as that term is defined in the Plan.

Please note that you may only accept this offer for all, not some, of the Shares specified in this Offer.

The Board may, in its absolute discretion, revise the number of Shares specified in this Offer to take into account your individual circumstances.

The Acquisition Price for your Shares will be drawn down and applied immediately to subscribe for your Shares.

Acknowledgment and disclaimer

Before accepting this offer and before making a decision to invest, you should obtain your own independent professional taxation, financial and legal advice. If you decide to sign and return an Acceptance Form, you will be required in that form to confirm and acknowledge that you have taken that advice, and to confirm that none of the Company, its officers, agents or advisers, or any of its other

shareholders, has given any representation, warranty or recommendation to you in relation to your proposed investment.

Further information

If you have any questions in relation to the Plan please contact [insert name] on +61 3 [insert number].

Yours sincerely

[CEO NAME], CEO
For and on behalf of BWX Limited

Schedule 2 - Acceptance Form

Application for Shares under the BWV Employee Loan Plan (**Plan**)

To: BWV Limited ACN 163 488 631 (Company)

Name of Employee: (the **Participant**)

of (address) _____

Tax File Number or Exemption of the Participant is: _____

1. The Participant has received an offer (**Offer**) to participate in the Plan.
2. Terms used in this Acceptance Form which are defined in the Plan and the Offer have the meanings given in those documents and in the case of conflict the meanings in the Plan prevail.
3. The Participant applies to be issued the number of Shares as set out in the Offer.
4. The Participant agrees to be bound by the terms and conditions of the Plan.
5. The Participant acknowledges that any Shares issued to the Participant under the Plan will be subject to the provisions of the Constitution.
6. The Participant requires a draw down under the Loan Facility to acquire the Shares the particulars of which are set out below:
 - (a) the proposed Drawdown Date is [];
 - (b) the Loan Amount \$[];
 - (c) the Participant irrevocably authorises the Company to apply the Loan Amount on behalf of the Participant by way of payment of the Acquisition Price Shares to be acquired under the Offer.
7. By executing and returning this Acceptance Form the Participant acknowledges and agrees that:
 - (a) this Acceptance Form constitutes acceptance of the offer to subscribe for Shares and
 - (b) the Shares are fully vested from the date of issue.
8. The Participant confirms and acknowledges that he/she has taken his/her own independent professional advice in relation to the proposed investment, and that none of the Company, its officers, agents or advisers, or any of its other shareholders, has given any representation, warranty or recommendation to the Participant in relation to his/her proposed investment.

Executed as a deed poll

Dated:

Signed sealed and delivered by
[name of Participant]
in the presence of

Signature of witness



Signature of the Participant



Name of witness (print)

Schedule 3 - Loan Facility

BWX Employee Loan Plan - Loan Facility

We refer to the offer (**Offer**) from BWX Limited ACN 163 488 631 (**Company**) to you dated [] under which you have been offered up to [] ordinary shares in the share capital of the Company (**Shares**) on the terms set out in the BWX Limited Employee Loan Plan (**Plan**) and the Offer.

A copy of the Plan is enclosed. Please read the Plan carefully. Any capitalised terms not defined in this document have the meaning given in the Plan.

The Company offers to make available to you a loan facility (**Loan Facility**) on the terms set out in the attached Loan Terms for the purpose of funding the Acquisition Price for [*insert number*] Shares (**Shares**).

By signing below, you (**Borrower**) accept the Offer and agree to be bound by the terms of the Loan Facility and Loan Terms.

This agreement may consist of a number of copies, each signed by one or more parties to this agreement. If so, the signed copies are treated as making up the one document.

This agreement is governed by the law in force in Victoria, Australia. The Borrower and the Company submit to the non exclusive jurisdiction of the courts of that place.

EXECUTED as an agreement

Executed by BWX Limited ACN 163 488 631 in accordance with Section 127 of the *Corporations Act 2001* (Cth)

Signature of director



Signature of director/company secretary
(Please delete as applicable)



Name of director (print)

Name of director/company secretary (print)

Executed by [] **in the presence of**

Signature of witness



[]



Name of witness (print)

Schedule 4 – Loan Terms

1. Interpretation

Words and expressions defined in Rule 2.1 of the Rules have the same meanings when used in these Loan Terms. Other words and expressions have the meaning given in paragraph 24 of these Loan Terms.

2. Loan Terms

On and subject to these Loan Terms and the Offer, the Company will lend the Borrower the Loan Amount on the Drawdown Date.

3. Purpose of Loan Facility

- (a) The Borrower may only use the Loan Facility to pay the Acquisition Price for Shares acquired by the Borrower under Rule 6 of the Rules.
- (b) No proceeds of a Loan Facility may be applied towards subscribing for or purchasing Shares other than under the Plan.

4. Conditions precedent to advance

The Company is not obliged to advance the Loan Amount until the Company has received a properly completed Drawdown Notice and Acceptance Form duly executed by the Borrower.

5. Drawdown Notice

A Drawdown Notice is effective on receipt in legible form by the Company and is irrevocable.

6. Effect of Drawdown Notice

By completing, executing and lodging a Drawdown Notice with the Company, the Borrower:

- (a) requests to borrow an amount equal to the Loan Amount from the Company;
- (b) agrees that, should the Company agree to the Borrower's request by complying with the direction in paragraph 6(d), a Loan Facility will be established between the Company and the Borrower on the terms of these Loan Terms;
- (c) agrees to be bound by the Loan Facility; and
- (d) irrevocably directs the Company to apply the Loan Amount to fund the Borrower's acquisition of Shares at the Acquisition Price referable to the Loan Amount in accordance with these Loan Terms.

7. Security

- (a) Subject to Applicable Laws, to secure payment or delivery of the Loan Amount and for performance of the Borrower's obligations under the Loan Facility, the Borrower grants a Security Interest in the Secured Property to the Company.
- (b) Subject to paragraph 8 of these Loan Terms, the Security Interest granted under these Loan Terms is a continuing security until the Company releases all Secured Property from

the Security Interest, despite any intermediate payment, discharge, settlement, release or other matter.

- (c) The Company is entitled to retain the certificates (if any) in respect of the Shares acquired with the Loan Facility and to impose a Holding Lock on the Shares.
- (d) To the extent that the Company determines that anything in the Loan Facility creates a Security Interest under the PPSA in favour of the Company, the Borrower consents to the Company registering a financing statement in respect of that Security Interest in accordance with the PPSA and will do all things necessary to enable the Company to perfect that Security Interest.

8. Release of Secured Property

The Borrower may require the Company to release some or all of the Secured Property from these Loan Terms or any Security Interest created under it if the Company is reasonably satisfied that:

- (a) the Loan Amount in respect of the relevant part of the Secured Property has been or will be (on a disposal of some or all of the Secured Property and the application of the proceeds of sale in repayment of that part of the Loan Amount under 13(b)) irrevocably paid in full and all commitments which might give rise to a Loan Facility have terminated; and
- (b) the Borrower has complied with all of its obligations under the Loan Facility.

9. Further assurances

The Borrower must do (and must procure that anyone else who has an interest in the Secured Property or who claims under or in trust for the Borrower does) whatever the Company requires to perfect, preserve, maintain, protect, or otherwise give full effect to the Secured Property, these Loan Terms or each Security Interest intended to be created under the Plan and these Loan Terms, and the priority of that Security Interest required by the Company.

10. Interest

No interest will be charged on the Loan Amount unless specified in the Offer.

11. Distributions

If the Borrower is entitled to any distribution in respect of the Shares, whether of an income or capital nature (including any dividend, distribution, interest, distribution on a winding up, capital reduction, redemption, security buy back, proceeds from sale or otherwise) (**Distribution**), the Borrower must direct:

- (a) the After Tax Amount of any dividend component of the Distribution to be applied in repayment or reduction of the Loan Amount while any part of the Loan Amount is outstanding; and
- (b) any capital component of the Distribution to be applied in repayment or reduction of the Loan Amount while any part of the Loan Amount is outstanding.

12. Repayment & limited recourse

End of Loan Period

- (a) In respect of Vested Shares, at the end of the Loan Period:

- (i) the Borrower must repay within 30 days of the end of the Loan Period the lesser of:
 - (A) the outstanding balance of the Loan Amount; and
 - (B) the market value of the Shares acquired with the Loan Facility.
- (b) In respect of Unvested Shares, at the end of the Loan Period, the Borrower must repay within 30 days of the end of the Loan Period the market value of the Shares (unless the Loan Amount has previously been repaid in full under paragraph 13 of these Loan Terms).

Cessation of Employment – Vested Shares

- (c) If the Borrower ceases employment with the Group prior to the end of the Loan Period, then in respect of any Vested Shares, unless otherwise determined by the Board, the Borrower must repay within 12 months of the Termination Date the lesser of:
 - (i) the outstanding balance of the Loan Amount; and
 - (ii) the market value of the Shares acquired with the Loan Facility.

Cessation of Employment – Unvested Shares

- (d) If the Borrower ceases employment with the Group prior to the end of the Loan Period and holds Unvested Shares, unless otherwise determined by the Board, on the Termination Date the Borrower must repay the market value of the Unvested Shares acquired with the Loan Facility (unless the Loan Amount has previously been repaid in full under paragraph 13 of these Loan Terms).

Forfeited Shares

- (e) Where the amount repaid by the Borrower under this paragraph 12 is an amount equal to the market value of the Shares acquired with the Loan Facility at a particular time because of the operation of subparagraphs 12(a)(i)(B), 12(b), 12(c)(ii) or 12(d), those Shares become Forfeited Shares at the time of repayment and paragraphs 15 and 16 will apply to those Forfeited Shares.
- (f) Where the Borrower's Shares acquired with the Loan Facility become Forfeited Shares:
 - (i) the Borrower will be taken to have repaid the Loan Facility in full and is discharged from any further liability or obligation in respect of the Loan Facility;
 - (ii) no further amount will be repayable by the Borrower to the Company under the Loan Facility in respect of the Shares; and
 - (iii) no further amount will at any time be recoverable by the Company from the Borrower in respect of the Loan Facility.

Acknowledgement

- (g) The parties acknowledge that the Borrower's repayment obligations in relation to the outstanding balance of the Loan Amount will be equal to the lesser of the outstanding balance of the Loan Amount and the market value of the Shares on the relevant date.

Release from Holding Lock

- (h) At the end of the Loan Period any Shares which are not Forfeited Shares or which have not previously been released from Holding Lock will be released from Holding Lock.

13. Repayments or prepayments

- (a) Subject to paragraph 13(b), the Borrower may repay or prepay the whole or any part of the outstanding balance of the Loan Amount at any time.
- (b) Where the Borrower disposes of his or her Shares (other than where the Shares are Forfeited Shares), the Borrower must apply the proceeds of sale in repayment of the Loan Amount while any part of the Loan Amount is outstanding.

14. Power of Attorney

- (a) At all times while the Loan Amount (or any part of it) is outstanding, the Borrower irrevocably appoints the Company and any person nominated by the Company (each an **Attorney**) severally, as the Borrower's attorney, to:
 - (i) do any act, matter or thing which in the opinion of the Company:
 - (A) is necessary, desirable or expedient to give effect to any right, power or remedy conferred on the Group; or
 - (B) is necessary, desirable or expedient to ensure that the terms of the Plan and these Loan Terms are adhered to,including but not limited to selling, transferring or disposing the Shares acquired with the Loan Amount;
 - (ii) sign or enter into (or both) all assurance, documents, deeds, agreements and instruments which in the opinion of the Company or that Attorney it is necessary, desirable or expedient that the Borrower sign or enter into under the Plan and these Loan Terms or make any alteration or addition whatsoever which the Company or that Attorney may think fit; and
 - (iii) exercise all of the powers of the Borrower in relation to sale, transfer or disposal (including forfeiture under paragraphs 15 and 16) of the Shares acquired with the Loan Amount.
- (b) The Borrower will confirm and ratify everything which an Attorney may do pursuant to any power set out in paragraph 14(a) and no person dealing with the Attorney shall be bound or concerned to enquire as to the occasion for or the regularity of the exercise of any such power.
- (c) The Borrower will indemnify and keep indemnified the Attorney against all losses, liabilities, costs, expenses, proceedings, claims, actions, demands, and damages in consequence of or arising out of the exercise by the Attorney of any of the powers granted under this paragraph 14.

15. Forfeiture of Shares

- (a) Subject to paragraph 15(c), a Share will be forfeited on the earlier to occur of:
 - (i) the Borrower's failure to repay the outstanding balance of the Loan Amount required under paragraph 12(a)(i)(A) or 12(c)(i); and
 - (ii) the Share being forfeited in accordance with paragraph 12(e).
- (b) Where a Share held by a Borrower is forfeited in accordance with this paragraph 15, the Borrower's rights in the Forfeited Share will be extinguished and paragraph 16 will apply.

- (c) The Company may determine, at any time and in its sole discretion, that the provisions of this paragraph 15 do not apply to a Borrower in whole or in part. The Company need not treat each Borrower equally, equitably or similarly in making any determination under this paragraph 15(c).

16. Buy back and sale of Forfeited Shares

- (a) As soon as reasonably practicable after any Shares become Forfeited Shares and subject to the Applicable Laws, the Company must:
 - (i) sell those Forfeited Shares;
 - (ii) buy back and cancel the Forfeited Shares; or
 - (iii) deal with the Forfeited Shares in any other manner determined by the Company.
- (b) No consideration or compensation will be payable to a Borrower for or in relation to the forfeiture by the Borrower of ownership of Shares acquired with the Loan Amount.
- (c) In making any determination as to the forfeiture or otherwise of the ownership of Shares or other entitlements under paragraphs 15 and 16, the Company may impose any conditions that it thinks fit.

17. Representations

The Borrower represents to the Company as at the date of the Loan Facility that:

- (a) it has the power to execute and deliver and to perform its obligations under the Loan Facility;
- (b) the Loan Facility constitutes as against him or her valid and binding obligations and is enforceable in accordance with its terms;
- (c) he or she has entered into the Loan Facility as principal and not otherwise;
- (d) he or she does not enter into the Loan Facility in the capacity of a trustee of any trust or settlement; and
- (e) he or she is not bankrupt.

18. Certificate of the Company

A certificate in writing signed by an officer of the Company certifying the amount payable by the Borrower under the Loan Facility to the Company or stating any other act, matter or thing relating to the Loan Facility will be conclusive and binding on the Borrower in the absence of manifest error.

19. Severability

Any part of these Loan Terms which is illegal, void or unenforceable will be ineffective to the extent only of the illegality, voidness or unenforceability, without invalidating the remaining parts of the Loan Terms.

20. Waiver

A failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, remedy, power or privilege under the Loan Facility by the Company

will not in any way preclude or operate as a waiver of any further exercise or enforcement or the exercise or enforcement of any other right, remedy, power or privilege under the Loan Facility or provided by law.

21. Time of Essence

Time is of the essence in respect of the obligations of the Borrower under the Loan Facility.

22. Assignment

The rights of the Borrower under the Loan Facility are incapable of being assigned (whether at law, in equity or otherwise) or made the subject of any encumbrance, trust or fiduciary obligation without the prior written consent of the Company. Any action which purports to do any of these things is void.

23. PPSA

Without limiting any other provision of these Loan Terms or any other document, the Borrower waives its right to receive any verification statement (or notice of any verification statement) in respect of any financing statement or financing change statement relating to any Security Interest created under these Loan Terms or any other document.

24. Glossary

Unless the context otherwise requires, in these Loan Terms:

Acquisition Price means the relevant acquisition price (inclusive of any brokerage and duty) to be paid in Australian dollars for the Shares.

After Tax Amount means in respect of a financial year the dividend amount paid in cash by the Company multiplied by the rate that will be calculated as 1 minus the top marginal income tax rate for individuals for that year reduced by any tax offset available to the Participant in respect of franking credits attached to the dividend.

Borrower means an Employee who has lodged a duly completed and executed Drawdown Notice with the Company.

Distribution has the meaning given in paragraph 11 of these Loan Terms.

Drawdown Date means the date on which the Loan Amount is advanced by paying the Acquisition Price for Shares in accordance with a Borrower's direction under paragraph 6(d) of these Loan Terms.

Drawdown Notice means a notice to draw down money in the form prescribed by the Company and appearing on the Acceptance Form.

Forfeited Shares means Shares the ownership of which has been or is required to be forfeited under paragraph 15(a).

Loan Amount means an amount equal to the Acquisition Price for the Shares.

Loan Period means the period commencing on the Date of Acquisition and ending on the fifth anniversary of the Date of Acquisition or such other date set out in the Offer.

Loan Terms means the terms and conditions of the loan as set out in this Schedule 4.

Proceeds means all money (in whatever currency) and amounts payable to the Borrower or to which the Borrower is entitled now or in the future (whether alone or with any other person) on any account or in any way whatsoever under, or as holder of, any Shares or Rights, including:

- (a) distributions, dividends, bonuses, profits, return of capital, interest and all proceeds of sale (within the ordinary meaning of those words), redemption or disposal; and
- (b) all proceeds (as defined in section 31 of the PPSA), including all proceeds identified in sections 31(1)(a) to 31(1)(c) of the PPSA.

Rights means:

- (a) rights to acquire Shares, including due to any allotment, offer, substitution, conversion, consolidation, reclassification, redemption, reconstruction, amalgamation, subdivision, reduction of capital, liquidation or scheme of arrangement in relation to any Shares; and
- (b) any other rights of the Borrower of any kind in connection with the Shares, including in relation to any Proceeds.

Secured Property means all present and future Shares acquired by a Participant under the Plan or any interest in any Shares acquired by a Participant under the Plan, Rights and Proceeds and any certificate, registration, title or other evidence of ownership of, or rights to, any of those things.