

EMPLOYEE SHARE OPTION PLAN

Audinate Group Ltd
A.C.N. 618 616 916

RECITALS

- A. The purpose of the Employee Share Option Plan is to enable the Company and its Related Bodies Corporate to attract and retain the best available personnel, to provide additional incentive to Employees, Directors and Consultants and to promote the success of the Company's business.
- B. The terms and conditions of the Employee Share Option Plan are set out in this document.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions{ tc "1.1 Definitions" \2 }

In this document the following words or terms have the meanings set forth below.

"Applicable Laws" means the requirements relating to the administration of share plans under:

- (a) any United States state corporate laws, United States federal and state securities laws, the Code (collectively, **"US Laws"**); and
- (b) any stock exchange or quotation system on which the Ordinary Shares are listed or quoted,

unless in relation to the administration or implementation of this Plan there exists a law, requirement or provision applying in relation to the jurisdiction of either:

- (i) Australia (including but not limited to the Corporations Law, the constitution of the company, the Listing Rules and any other applicable Australian corporations law); or
- (ii) such other jurisdiction where options are granted under the Plan,

which in either case the Committee or the Board considers either must or should be observed, complied with or applied in relation to the Plan (instead of the US Law requirement in respect of such matter), in which case the Applicable Law shall be such law, requirement or provision applying in relation to the jurisdiction of either (i) or (ii) as the Committee determines in its absolute discretion.

"ASX" means ASX Limited (ABN 98 008 624 691) or the securities exchange it operates as the context requires.

"Board" means the board of directors of the Company.

"Code" means the United States *Internal Revenue Code* of 1986 as amended or replaced from time to time, including any regulations promulgated thereunder.

"Committee" means the Committee appointed by the Board to administer the Plan or the Board as a whole if no appointment is made.

"Company" means Audinate Group Ltd ACN 618 616 916 or any of its subsidiaries.

"Consultant" means any person (other than an Employee or a Director) who is engaged by the Company or a Related Body Corporate of the Company to render consulting or advisory services to the Company or such Related Body Corporate.

"Corporations Law" means the *Corporations Act*, 2001 (Cth) as amended or replaced from time to time.

"Director" means a member of the Board or the board of directors of any Related Body Corporate of the Company.

"Disability" means the mental and/or physical disablement of the Participant, the effect of which is in the opinion of a qualified medical expert likely to be permanent and will stop the Participant remaining an employee.

"Employee" means any person, including a Director who is in the employ of the Company or any Related Body Corporate of the Company.

"End Date" means the date that is seven (7) years after the date the Plan becomes effective pursuant to Clause 10.

"Exchange Act" means the United States *Securities Exchange Act* of 1934 as amended or replaced from time to time.

"Existing Option" means an option granted prior to the First Amendment Date.

"Fair Market Value" in the case of an Ordinary Share on a particular day, means the fair market value as determined from time to time by the Board of Directors or, where appropriate, by the Committee, or by an independent registered expert taking into account all information which the Board of Directors, or the Committee, considers relevant.

"First Amendment Date" means the date on which the Board first amends the Plan.

"Immediate Family Members" means children, step-children grandchildren, spouse or common law spouse, siblings or parents of the Participant or to bona fide trusts, partnerships or other entities controlled by and of which the beneficiaries are Immediate Family Members of the Participant.

"Incentive Stock Option" means an option that satisfies the requirements of section 422 of the Code.

"Listing Rules" means the listing rules, market rules or operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation, including but not limited to, the listing rules of the ASX.

"Non-Qualified Option" means any option that is not an Incentive Stock Option.

"Ordinary Shares" means fully paid ordinary shares in the capital of the Company.

"Participant" means an individual holding a share option or share options granted to him under the Plan.

"Performance Default" includes any of the following, as reasonably determined by the Committee:

- (a) a failure by the Participant to comply with the terms of the Plan or certificate or agreement evidencing the option;

- (b) any activity that results in the termination of the Participant's Consultancy, Directorship or Employment through being summarily dismissed;
- (c) a material act of competition with the Company by the Participant;
- (d) an act of dishonesty by Participant intended to result in, or actually resulting in substantial gain or personal enrichment of Participant at the expense of the Company;
- (e) a deliberate or negligent breach of a material fiduciary or contractual duty owed by the Participant to the Company.
- (f) a deliberate or negligent act by the Participant that results in material harm to the goodwill or reputation of the Company.

"Plan" means the Audinate Group Ltd Employee Share Option Plan as constituted by this document.

"Related Body Corporate" has the meaning that term is given in the Corporations Law.

"Retirement" means the voluntary retirement by a Participant from service with the Company or a Related Body Corporate of the Company (i) after the Participant has attained at least fifty five years of age and at least five years of continuous service with the Company or any Related Body Corporate of the Company or (ii) after the Participant has attained at least twenty five years of continuous service with the Company or any Related Body Corporate of the Company.

"Securities Act" means the United States *Securities Act* of 1933 as amended or replaced from time to time.

"Shares" means any issued shares in the Company (including without limitation Ordinary Shares).

"Shareholders Agreement" means the Shareholders Deed in relation to the Company entered into on 25 March 2008 as amended on 12 January, 2012.

"Ten Percent Stockholder" means any person who, at the time a share option is granted, owns or is deemed to own Shares (as determined in accordance with sections 422 and 424 of the Code) possessing more than ten percent (10%) of the total voting power of all classes of Shares of the Company or shares of a subsidiary of the Company.

1.2 Interpretation{ tc "1.2 Interpretation"\12 }

In this agreement, including the recitals, unless contrary to or inconsistent with the context:

- (a) words importing:
 - (i) the singular include the plural and vice versa; and
 - (ii) a gender includes every other gender;
- (b) a reference to a party or person includes a reference to that party or person, its successors, substitutes (including, but not limited to, a party or person taking by novation), executors, administrators and assigns;
- (c) a reference to any thing or matter is a reference to the whole and any part of it;

- (d) the word “person” includes a corporation and vice versa; an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to a group of persons or parties is a reference to any two or more of them jointly and to each of them individually;
- (f) a covenant, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally;
- (g) a covenant, representation or warranty on the part of two or more persons binds them jointly and severally;
- (h) a reference to this agreement or other document includes any variation, novation or replacement of or supplement to any of them from time to time;
- (i) a reference to a part, paragraph, clause, party, annexure, exhibit, appendix or schedule is a reference to a part, paragraph or clause of, and a party, annexure, exhibit, appendix or schedule to this agreement and a reference to this agreement includes any annexure, exhibit, appendix and schedule;
- (j) where any clause contains sub-clauses, paragraphs or sub-paragraphs, each sub-clause, paragraph and sub-paragraph however called will be read and construed separately and independently of any other;
- (k) a reference to a document includes without any limitation any deed or agreement in writing, certificate, notice or other instruction of any kind;
- (l) a reference to A\$ and \$ means the lawful currency of Australia;
- (m) “writing” and related expressions includes all means of reproducing words in a tangible and permanently visible form;
- (n) headings are inserted only for guidance and do not affect the interpretation of this agreement;
- (o) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing them and a reference to a statute includes all regulations, proclamations, ordinances and by-laws made or issued under that statute;
- (p) a reference to a body other than a party to this agreement:
 - (i) which ceases to exist; or
 - (ii) the powers or functions of which are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (q) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this agreement; and
- (r) all references to accounting and financial terms have the meaning commonly given to them in accordance with the accounting principles generally accepted in Australia.

2. ADMINISTRATION

- 2.1 The Plan will be administered by the Committee and, to the extent provided herein, the Board. A majority of the members of the Committee will constitute a quorum, and all determinations of the Committee will be made by a majority of its members. Any determination of the Committee under the Plan may be made without notice or meeting of the Committee by a writing signed by a majority of the Committee members.
- 2.2 (a) Subject to clause 2.2(b) and the other provisions set forth herein, each of the Committee and the Board of Directors will have full authority to determine the provisions of options to be granted under the Plan. Subject to the provisions set forth herein, the Committee will have full authority to interpret the terms of the Plan and of options granted under the Plan, to adopt, amend and rescind rules and guidelines for the administration of the Plan and for its own acts and proceedings and to decide all questions and settle all controversies and disputes which may arise in connection with the Plan.
- (b) Notwithstanding clause 2.2(a), any change to the terms of an option granted hereunder must be approved by the Board to the extent that such a change would be deemed to be a new option grant or that such terms relate to a subsequent transaction that would not be exempt from section 16(b) of the Exchange Act in the absence of such approval.
- 2.3 The decision of the Committee or the Board of Directors, as applicable, on any matter as to which the Committee or the Board of Directors, as applicable, is given authority under clause 2.2 shall be final and binding on all persons concerned.
- 2.4 Nothing in the Plan will be deemed to give any officer or employee, or his legal representatives or assigns, any right to participate in the Plan, except to such extent, if any, as the Committee or the Board, as applicable, may have determined or approved pursuant to the provisions of the Plan.

3. SHARES SUBJECT TO THE PLAN

- 3.1 The initial number of Ordinary Shares that may be delivered upon the exercise of options granted under the Plan will be **2,132,306**. The maximum number of Ordinary Shares that may be delivered upon the exercise of options granted under the Plan will be up to twenty percent (20%) of the total number of fully vested Shares from time to time subject to adjustment in accordance with clause 7.
- 3.2 If any option granted under the Plan terminates without having been exercised in full (including an option which terminates by agreement between the Company and the Participant), or if Ordinary Shares are reacquired by the Company upon the rescission of an exercise of an option, the number of Ordinary Shares as to which an option has not been exercised prior to termination, or have been reacquired upon the rescission of an option, will be available for future grants within the limits set forth in clause 3.1.

4. ELIGIBILITY FOR OPTIONS

Persons eligible to receive options under the Plan will be those Directors, Consultants and Employees, if any, who, in the opinion of the Committee, are in a position to have a material effect upon the Company's business and earnings and who provide bona fide service to the Company or Related Bodies Corporate.

5. GRANT OF OPTIONS

- 5.1 From time to time while the Plan is in effect, each of the Committee and the Board may, in its absolute discretion, select from among the persons eligible to receive options (including persons to whom options were previously granted) those persons to whom options are to be granted.
- 5.2 Each of the Committee and the Board will, in its absolute discretion, determine the number of Ordinary Shares to be subject to each option granted by it under the Plan.
- 5.3 No Incentive Stock Option may be granted under the Plan after the End Date.

6. PROVISIONS OF OPTIONS

6.1 Incentive Stock Options or Other Options

Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Options, as the Committee or Board determines at the time of each grant of options under the Plan.

6.2 Option Certificates

Options granted under the Plan will be evidenced by certificates or agreements in the form of the schedule attached to this document or in such other form as the Committee shall from time to time approve. Such certificates or agreements will comply with the terms and conditions of the Plan and may contain such other provisions not inconsistent with the terms and conditions of the Plan as the Committee shall deem advisable. In the case of options intended to qualify as Incentive Stock Options, the certificates or agreements will contain such provisions relating to exercise and other matters as are required of Incentive Stock Options.

6.3 Terms and Conditions

Subject to clause 6.4, all options granted under the Plan will be subject to the following terms and conditions to the extent applicable and to such other terms and conditions not inconsistent therewith as the Committee or the Board determines:

(a) Exercise Price

- (i) Subject to paragraph (ii), the exercise price per Ordinary Share with respect to each option will be as determined by the Committee, but (subject to clause 6.4 below) not less than the Fair Market Value per Ordinary Share at the time the option is granted.
- (ii) In the case of an Incentive Stock Option granted to a Ten Percent Holder the exercise price per Ordinary Share with respect to each option will not be less than 110% of the Fair Market Value per Ordinary Share at the time the option is granted.

(b) Value of Ordinary Shares Subject to Incentive Stock Options

Each Participant may be granted Incentive Stock Options only to the extent that, in the aggregate under this Plan and all Incentive Stock Option plans of the Company and any Related Body Corporate of the Company, such Incentive Stock Options do not become exercisable for the first time by such Participant during any calendar year in a manner which would entitle the Participant to purchase more than US\$100,000 in Fair Market Value (determined at the time the Incentive Stock Options were granted) of Ordinary Shares in that year. Any

options granted to a Participant in excess of such amount will be granted as Non-Qualified Options.

(c) **Period of Options**

An option will be exercisable during such period of time as the Committee or Board may specify, but (subject to clause 6.4 below) in no case after the date which is twelve (12) years after the Plan became effective.

(d) **Exercise of Options**

- (i) Each option will be made exercisable at such time or times as the Committee or the Board may specify (subject to clause 6.4 below), but (subject to clause 6.4, 7.4 and 7.5 below), the standard vesting schedule shall be:
 - (A) twenty-five percent (25%) of the Ordinary Shares subject to the option, from one year after the date the option is granted; and
 - (B) as to the remainder of the Ordinary Shares subject to the option, in equal amounts on or after the end of each month over the subsequent thirty six (36) months.
- (ii) Any exercise of an option will be in writing signed by the proper person and delivered or mailed to the registered office of the Company, accompanied by an option exercise notice and payment in full for the number of shares in respect to which the option is exercised.
- (iii) To the extent the Shareholders Agreement is in place, the shares issued subsequent to any exercise of an option will be subject to the terms of the Shareholders Agreement, as varied from time to time.
- (iv) In the event an option is exercised by the executor or administrator of a deceased Participant, or by the person or persons to whom the option has been transferred by the Participant's will or the applicable laws of descent and distribution, the Company will be under no obligation to deliver stock there under until the Company is satisfied that the person or persons exercising the option is or are the duly appointed executor or administrator of the deceased Participant or the person or persons to whom the option has been transferred by the Participant's will or by the applicable laws of descent and distribution.
- (v) The Committee or the Board may at the time of grant condition the exercise of an option upon agreement by the Participant to subject the Ordinary Shares to any restrictions on transfer or repurchase rights in effect on the date of exercise, upon representations of continued employment and upon other terms not inconsistent with this Plan. Any such conditions will be set forth in the option certificate or other document evidencing the option.
- (vi) In the case of a Non-Qualified Option, the Committee will have the right to require the Participant exercising the option to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements (or to make other arrangements satisfactory to the Company with regard to such taxes) prior to the delivery of any Ordinary Shares pursuant to the exercise of the option and no later than the date of the event creating the tax liability. The Company may, to the extent

permitted by Applicable Law, deduct any such tax obligations from any payment of any kind otherwise due to the Participant.

- (vii) In the case of an Incentive Stock Option, if at the time the Incentive Stock Option is exercised by the Participant, the Committee determines that under Applicable Law the Company could be liable for the withholding of any federal or state tax with respect to a disposition of the Ordinary Shares received upon exercise, the Committee may require as a condition of exercise that the individual exercising the Incentive Stock option agree:
 - (A) to inform the Company promptly of any disposition (within the meaning of section 422(A)(1) of the Code and the regulations thereunder) of Ordinary Shares received upon exercise; and
 - (B) to give such security as the Committee deems adequate to make the potential liability of the Company for the withholding of tax, and to augment such security from time to time in any amount reasonably deemed necessary by the Committee to preserve the adequacy of such security.
- (viii) In the case of an option that is exercised by an individual that is subject to taxation in any jurisdiction, the Committee shall have the right to require the individual exercising the option to remit to the Company an amount sufficient to satisfy any withholding requirement of that jurisdiction (or to make other arrangements satisfactory to the Company with regard to such taxes prior to the delivery of any Ordinary Shares pursuant to the exercise of the option).

(e) **Payment**

The Ordinary Shares purchased on any exercise of an option granted hereunder will be paid for in full in cash or by such other means approved by the Committee.

(f) **Fractional Shares**

No fractional Shares will be issued upon the exercise of an Option Right.

(g) **Listing of Stock, Withholding and other Legal Requirements**

- (i) The Company will not be obligated to deliver any Ordinary Shares until all Applicable Laws have been complied with, nor, in the event the outstanding Ordinary Shares are at the time listed upon any stock exchange, until the Ordinary Shares to be delivered have been listed or authorised to be added to the list upon official notice of issuance to such exchange, other than in relation to Ordinary Shares subject to ASX mandatory escrow which at the time of issue will not be quoted on the official list of ASX but will be quoted at such time as the Ordinary Shares are no longer subject to ASX mandatory escrow.
- (ii) In addition, if the Ordinary Shares subject to any option have not been registered in accordance with the Securities Act or any other Applicable Laws, the Company may require the Participant or Participants who wish to exercise such option to make such representation or agreement with respect to the sale of Ordinary Shares acquired on exercise of the option as will be sufficient, in the opinion of the Committee, to avoid violation of the Securities Act or any other Applicable Laws, and may also require

that the certificates evidencing such Ordinary Shares bear an appropriate restrictive legend.

(h) **Non-transferability of Options**

No option may be transferred by the Participant otherwise than by will, by the laws of descent and distribution or pursuant to a qualified domestic relations order, or an order of the family courts, and during the Participant's lifetime the option may be exercised only by him or her; provided, however, that the Board or the Committee, as applicable, in its discretion may allow for transferability of Non-Qualified Options by the Participant to Immediate Family Members. Any option grants that are transferable are further conditional on the Participant and Immediate Family Members agreeing to abide by the Company's then current stock option transfer guidelines.

(i) **Death, Disability or Retirement of a Participant**

- (i) If a Participant's employment terminates by reason of death, all options held by the Participant, to the extent exercisable on the date of the Participant's death, may be exercised by the Participant's executor or administrator or the person or persons to whom the option is transferred by will or the applicable laws of descent and distribution at any time or times within three years after the date of the Participant's death. The options will expire at the end of such three-year period.
- (ii) If a Participant's employment terminates by reason of Disability, all options held by the Participant, to the extent exercisable on the date of termination by reason of Disability (the "**Disability Date**") may be exercised by the Participant at any time or times within three years after the Disability Date. The options will expire at the end of such three-year period. Notwithstanding this paragraph, in the event the Participant fails to exercise an Incentive Stock Option within 12 months after the Disability Date, such option will be treated as a Non-Qualified Option.
- (iii) If a Participant's employment terminates by reason of Retirement all options held by the Participant, to the extent exercisable on the date of termination by reason of Retirement (the "**Retirement Date**") may be exercised by the Participant at any time or times within three years after the Retirement Date. The options will expire at the end of such three-year period. Notwithstanding this paragraph, in the event the Participant fails to exercise an Incentive Stock Option within 3 months after the Retirement Date, such option will be treated as a Non-Qualified Option.
- (iv) The provision of this clause 6.3(i) will not apply to options held by a Participant who engages or has engaged in a Performance Default.
- (v) Notwithstanding anything in this clause 6.3(i) to the contrary:
 - (A) no option granted under the Plan may be exercised beyond the date on which such option would otherwise expire pursuant to the terms thereof; and
 - (B) no Incentive Stock Option granted under the Plan may be exercised after the date referred to in clause 6.3(c) (and 5 years in the case of an Incentive Stock Option granted to a Ten Percent Stockholder from the date the Incentive Stock Option was granted).

(j) **Termination of Employment**

If the employment of a Participant terminates for any reason other than his death, Disability or Retirement, the Participant may exercise the rights that were available to the Participant at the time of such termination only within 3 months of such termination.

Subject to Applicable Laws, all options held by the Participant will thereupon expire on the date 3 months after such termination unless the option by its terms, or the Board by resolution, will expressly allow the Participant to exercise any or all of the options held by him after such date (provided that, notwithstanding any such express allowance, any such option which is an Incentive Stock Option will in any event expire no later than 3 months after such termination of employment, or after the expiration of 5 years, and 5 years in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, from the date the Incentive Stock Option was granted, whichever occurs first).

The Company will have the sole discretion to set the date of termination for purposes of the Plan, without regard to any notice period or other obligation under the employment laws of the jurisdiction where the Participant is employed, provided that the date of termination for the purposes of the Plan is no earlier than any notice of termination given to the Participant.

If the Board so decides, an option may provide that leave of absence granted by the Company or Related Body Corporate of the Company is not a termination of employment for the purpose of this clause 6.3(j), and in the absence of such a provision the Committee may in any particular case determine that such a leave of absence is not a termination of employment for such purpose.

The Committee will also determine all matters relating to continuous employment.

(k) **Jurisdiction and Governing Law**

The parties submit to the exclusive jurisdiction and venue of the courts of New South Wales, to resolve issues that may arise out of or relate to the Plan or the same subject matter.

The Plan shall be governed by the laws of New South Wales, excluding its conflicts or choice of law rules or principles that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction.

6.4 Authority of the Board

Notwithstanding clauses 6.3(a), 6.3(b), 6.3(c) and 6.3(d) the Board shall have the authority, by resolution, to determine the exercise price, vesting, vesting schedule and period during which any option shall be exercisable.

6.5 Authority of the Committee

The Committee shall have the authority, either general or in particular instances, to waive compliance by a Participant with any obligation to be performed by him under an option and to waive any condition or provision of an option, except that the Committee may not:

- (a) increase the total number of shares covered by any option (except in accordance with clause 7);

- (b) reduce the exercise price per share of any Incentive Stock Option (except in accordance with clause 7); or
- (c) extend the term of any Incentive Stock Option, subject, however, to the provisions of clause 9.

7. CHANGES IN STOCK

7.1 Reorganisation

In the event of a capital dividend, stock split, reorganisation, consolidation or other change in corporate structure or capitalisation of the Company affecting the Ordinary Shares that becomes effective after the adoption of the Plan by the Board of Directors, the Committee will make appropriate adjustments in accordance with the Listing Rules in force from time to time relating to reorganisation of share capital including (as applicable) in relation to:

- (i) the number of options on issue;
- (ii) the number and kind of shares of stock on which options may thereafter be granted hereunder;
- (iii) the number and kind of shares of stock remaining subject to each option outstanding at the time of such change; and
- (iv) the exercise price per option.

7.2 Determinations binding

The Committee's determinations pursuant to clause 7.1 will be binding on all persons concerned.

7.3 Company surviving entity

Subject to any required action by the shareholders, if the Company will be the surviving entity in any merger or consolidation (other than a merger or consolidation in which the Company survives but in which a majority of its outstanding shares are converted into securities of another entity or are exchanged for other consideration), any option granted hereunder will pertain and apply to the securities which a holder of the number of shares of stock of the Company then subject to the option would have been entitled to receive.

7.4 Company not surviving entity

Subject to any required action by the shareholders, in the event of a dissolution or liquidation of the Company or a merger or consolidation in which the Company is not the surviving entity or in which a majority of its outstanding shares are so converted or exchanged will cause every option issued under the Plan to terminate, provided that if any such dissolution, liquidation, merger or consolidation is contemplated, the Company will either arrange for any entity succeeding to the business and assets of the Company to issue to the Participants replacement options (which, in the case of Incentive Stock Options, satisfy, in the determination of the Committee, the requirements of section 422 of the Code) on such entity's stock which will to the extent possible preserve the value of the outstanding options or, advance the vesting schedule timetable by one full year, or, at the discretion of the Committee, shall make the outstanding options fully exercisable at least 20 days before the effective date of any such dissolution, liquidation, merger or consolidation.

7.5 Initial Public Offering

Subject to any required action by the shareholders, if the Company elects, via an underwritten public offering of Ordinary Shares by the Company in conjunction with an application by the Company to the Australian Stock Exchange ("ASX") or any other internationally recognised stock exchange for admission and quotation of the Ordinary shares (an "IPO"), then the Committee shall make the outstanding options fully vest on that application date.

Subject to clause 6.3(j), all options that are fully vested, but not yet exercised in accordance with clause 6.3(d)(ii) on the business day prior to the date of the application to the ASX or any other recognised stock exchange, shall not be exercisable until the earlier of (a) any expiry date, or, (b) the later of the end of any voluntary or ASX required mandatory escrow period.

7.6 Limited right to participate in new issues

During the currency of any options and prior to their exercise, Participants are not entitled to participate in any new issue of securities of the Company as a result of their holding options.

7.7 No rights

The existence of the Plans will not prevent any change or other transaction contemplated in this clause 7, and no Participant will have any rights except as expressly set out in this clause 7 or otherwise pursuant to the provisions of the Plan.

8. EMPLOYMENT RIGHTS

Neither the adoption of the Plan nor any grant of options confers upon any Participant any right to continued employment or service with the Company or a Related Body Corporate of the Company as the case may be, nor does it interfere in any way with the right of the Company or a Related Body Corporate of the Company to terminate the employment or service of any of its employees or service providers at any time.

9. DISCONTINUANCE, CANCELLATION, AMENDMENT AND TERMINATION

The Committee or the Board may at any time discontinue granting options under the Plan and, with the consent of the Participant, may at any time cancel an existing option in whole or in part and grant another option to the Participant for such number of shares as the Committee or the Board specifies. Subject to the Listing Rules, the Board may at any time or times amend the Plan for the purposes of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which may at the time be permitted by law or may at any time terminate the Plan as to any further grants of options, provided that no such amendment will, without the approval of the shareholders of the Company:

- (a) increase the maximum number of shares available under the Plan;
- (b) change the group of employees or consultants eligible to receive options under the Plan;
- (c) reduce the price at which Incentive Stock Options may be granted;
- (d) alter the Plan in such a way that incentive stock options granted or to be granted would not be considered Incentive Stock Options under section 422 of the Code;
or

- (e) amend the provision of this clause 9 and no such amendment shall adversely affect the rights of any employee (without his consent) under any option previously granted.

10. **LISTING RULES**

While the Company remains admitted to the ASX or any other recognised stock exchange, the provisions of the relevant Listing Rules will apply to the Plan, and to the extent that the Plan and the Listing Rules are inconsistent, the provisions of the relevant Listing Rules will apply.

11. **SECTION 409A**

The Plan and all options granted hereunder are intended to comply with, or otherwise be exempt from, Code section 409A. The Plan and all options granted under the Plan shall be administered, interpreted, and construed in a manner consistent with Code section 409A to the extent necessary to avoid the imposition of additional taxes under Code section 409A(a)(1)(B). Should any provision of the Plan, any option agreement, or any other agreement or arrangement contemplated by the Plan be found not to comply with, or otherwise be exempt from, the provisions of Code section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Committee, and without the consent of the holder of the option, in such manner as the Committee determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Code section 409A. Notwithstanding anything in the Plan to the contrary, in no event shall the Committee exercise its discretion to accelerate the payment or settlement of an option where such payment or settlement constitutes deferred compensation within the meaning of Code section 409A unless, and solely to the extent that, such accelerated payment or settlement is permissible under U.S. Treasury Regulation section 1.409A-3(j)(4) or any successor provision.

12. **EFFECTIVE DATE**

The Plan will become effective immediately upon its approval by the members of the Company.

SCHEDULE

Audinate Group Ltd
A.C.N. 618 616 916

EMPLOYEE SHARE OPTION PLAN AGREEMENT

Granted to: Employee
Share Identification Number:
Number of Shares:
Option Exercise Price Per Share: \$x.xx
Grant Date: [Date]
Expiration Date: [Date]

1. GRANT OF OPTION

The Company hereby grants to you, an employee or a consultant of the Company or a Related Body Corporate of the Company (the "**Participant**"), on the grant date referenced above (the "**Grant Date**") an option (the "**Option**") to purchase the number of ordinary shares of the Company's capital referenced above (the "**Shares**") at the option exercise price per Share referenced above. The Option is made pursuant to and is subject to the provisions of this Employee Share Option Plan Agreement and the Company's Employee Share Option Plan, as amended from time to time (the "**Plan**"). The final exercise date of the Option is the expiration date referenced above (the "**Expiration Date**").

With respect to any Incentive Stock Option grant, it is intended that the Option shall be an incentive stock option to the maximum extent possible under section 422 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"). With respect to any Non-Qualified Option, it is intended that the Option shall be a non-statutory stock option under section 422(a) of the Code.

By Resolution of the Board of Directors of Audinate Group Ltd on the th day of , 20 , the Option is exercisable in the following instalments prior to the Expiration Date:

- you will be entitled to purchase [twenty five percent (25%)]* of the Shares subject to the Option one calendar year after the Grant Date, and
- you will be entitled to purchase the remainder of the Shares subject to the Option on or after the end of each month pro rata over the subsequent [thirty six (36)]* months.

[*Amend in circumstances where clause 6.3(d)(ix) of the Plan applies.]

The Option may not be exercised to any extent after the Expiration Date.

2. EXERCISE OF OPTION

Each election to exercise the Option in whole or in part shall be in writing, signed by the Participant or by his or her executor, administrator or the person(s) to whom the Option is transferred by will or applicable laws of descent and distribution (the "**Legal Representative**"), and received by the Company at its principal office, accompanied by this Stock Option Agreement, and payment in full of the aggregate option exercise price in accordance with the provisions of the Plan. The option exercise price may be paid by delivery of cash, certified cheque, bank draft or money order. The shares issued subsequent to any exercise of an option will be subject to the terms of the Shareholders Agreement, as varied from time to time, and by executing this Agreement the Participant agrees to be bound to all terms of the Shareholder Agreement as varied from time to time. In the event that the Option is exercised by such Legal Representative, the Company shall be under no obligation to deliver Shares hereunder unless and until the Company is satisfied as to the authority of the person(s) exercising the Option. To the extent the Company is required to withhold any taxes with respect of the exercise of the Option, the Participant or the Legal Representative, as the case may be, shall remit to the Company a cheque in the amount of all such taxes.

3. NOTICE OF DISPOSITION

The person exercising the Option shall notify the Company when he or she makes any disposition of the Shares acquired upon exercise of the Option, whether by sale, gift or otherwise.

4. **APPLICATION OF SHARE TRANSFER AGREEMENT**

If, at the time the Option is exercised, the Company is a party to any agreement restricting the transfer of any outstanding shares of its Ordinary Shares, the Option may be exercised only if the Shares acquired upon such exercise are made subject to the transfer restrictions set forth in that agreement or, if more than one such agreement is then in effect, the agreement specified by the Committee (as that term is used in the Plan).

5. **TAX ASSESSMENT**

Participant acknowledges and agrees that he or she is solely responsible for any and all taxes that may be assessed by any taxing authority in Australia or any other jurisdiction arising out of the grant or the exercise of the Option and that the Company or any Related Body Corporate of the Company is not liable for any such assessments.

6. **AGREEMENT TO PROVIDE SECURITY**

If, at the time the Option is executed, the Committee determines that under applicable law and regulations the Company or any Company Related Body Corporate of the Company could be liable for the withholding of any income or social taxes with respect to any Shares acquired upon exercise or disposition of the Option, the Option may not be exercised unless the person exercising the Option gives such security as the Committee deems adequate to meet the potential liability of the Company or such Related Body Corporate of the Company for the withholding of tax and agrees to argument such security from time to time in an amount reasonably determined by the Committee to preserve the adequacy of such security.

7. **NON-TRANSFERABILITY OF OPTION**

The Option is not transferable by the Participant otherwise than by will or the laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant, in accordance with the terms and provisions of the Plan and this Agreement.

8. **PROVISIONS OF THE PLAN**

This Employee Share Option Plan Agreement and the Option are subject to the provisions of the Plan, a copy of which is furnished to the Participant herewith.

IN WITNESS WHEREOF, the Company has caused this Employee Share Option Plan Agreement to be executed by a duly authorised officer.

SIGNED by	)	
	)	
	)	
as director for Audinate Group Ltd	)	By executing this agreement I warrant that I am duly
A.C.N. 618 616 916 in the presence of	)	authorised to execute this agreement on behalf of
	)	Audinate Group Ltd
	)	
-----	)	
Witness (Signature)	)	
	)	
-----	)	-----
Name of Witness (printed)	)	Name of Director, etc. (printed)

ACKNOWLEDGMENT AND RECEIPT

I hereby acknowledge receipt of the Option granted on the Grant Date, which has been issued to me under the terms and conditions of the Plan. I further acknowledge receipt of a copy of the Plan and the related Plan Description and agree to be bound by the terms and conditions of this Employee Share Option Plan Agreement and the Plan, as amended from time to time. I further understand that neither the Plan nor this Employee Share Option Plan Agreement gives me any right to any employment relationship with the Company or any Related Body Corporate of the Company, as the case may be, that the Option is not part of my normal or expected compensation and that my right to exercise the Option ceases upon termination of employment.

Name of Witness (printed)

Name (printed)

EMPLOYEE SHARE OPTION PLAN

Audinate Group Ltd
A.C.N. 618 616 916