VTX Holdings Limited
ABN 80 096 870 978

wangle

30 November 2015

Grant of ASX Waivers and Variation to the Terms of Performance Shares

VTX Holdings Limited (to be renamed Wangle Technologies Limited) (**Company**) refers its Notice of General Meeting dated 23 November 2015 (**Notice of Meeting**) which seeks shareholder approval for, amongst other things, the Company to change the nature and scale of its activities.

As detailed in the Notice of Meeting, the Company has entered into an agreement with NexGen Networks Limited (a company registered in New Zealand) (**NexGen**) and the shareholders of NexGen (**Vendors**) pursuant to which:

(a) the Company has agreed to acquire 100% of the fully paid ordinary shares in the capital of NexGen (**NexGen Shares**) held by each of the non-New Zealand Vendors (together, the **A Class Vendors**) (**NexGen A Class Shares**), and the New Zealand Vendors (together, the **B Class Vendors**) have agreed to convert 100% of their NexGen Shares into non-voting B Class shares (**NexGen B Class Shares**) (**Acquisition**);

(b) NexGen has agreed to grant to the Company (or its nominee) an exclusive and irrevocable option to acquire 100% of the intellectual property owned by NexGen (**IP Option**); and

(c) the Company has agreed to grant to each of the B Class Vendors the right to require the Company to purchase 100% of the NexGen B Class Shares (**Put Option**),

(all together the **Transaction**).

Grant of ASX Waivers

The Company is pleased to announce that ASX has today granted the Company the following waivers in connection with the Transaction and as referred to in the Notice of Meeting:

(a) a waiver from ASX Listing Rule 1.1 Condition 11;

(b) a waiver from ASX Listing Rule 2.1 Condition 2;

(c) a waiver from ASX Listing Rule 7.3.2; and

(d) a waiver from ASX Listing Rule 10.13.3.

The terms of the waivers are set out in Schedule 1 of this announcement.

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Variation of Terms of Issue of Performance Shares

The Company advises shareholders that the terms of the Performance Shares proposed to be issued to the Vendors and an advisor of the Company, as set out in Schedule 3 of the Notice of Meeting, are varied as follows:

(a) In the event that Milestone A, Milestone B, Milestone C or Milestone D of the respective classes of Performance Shares are not achieved on or before the date that is 3 years from the date of settlement of the Acquisition, the Performance Shares shall be redeemed in accordance with their terms.

All other terms and condition remain unchanged. The full terms and conditions of the Performance Shares, as varied, are set out in Schedule 2 of this announcement.

The Company has today obtained ASX approval for the issuance of the Performance Shares required under ASX Listing Rule 6.1.

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SCHEDULE 1 – ASX WAIVERS

ASX has granted the Company the following waivers:

(a) a waiver from ASX Listing Rule 1.1 condition 11 to the extent necessary to permit the exercise price of three tranches of 5,000,000 options with exercise prices of $0.075, $0.10 and $0.15, respectively, proposed to be issued to Riseley Resources Pty Ltd (or its nominee) in consideration for the provision of corporate advisory and investor relations services (**Advisor Options**), not to be at least $0.20 on the following conditions.

(i) The exercise prices of the three tranches of Advisor Options are not less than $0.075, $0.10 and $0.15, respectively.

(ii) The terms and conditions of the Advisor Options are clearly disclosed in the notice of meeting of shareholders of the Company which will consider the approval required under listing rule 11.1.2 in respect of the Acquisition (**Notice**) and in the prospectus to be issued in respect of the offer of the Equity Raising Shares (**Prospectus**).

(iii) The Company's shareholders approve the exercise prices of the Advisor Options in conjunction with the approvals to be obtained under listing rule 11.1.2 in respect of the Acquisition.

(iv) The terms of this waiver are immediately disclosed to the market and are clearly disclosed in the Prospectus.

(b) a waiver from ASX Listing Rule 2.1 condition 2 to the extent necessary to permit the issue price of the 200,000 Equity Raising Shares proposed to be issued pursuant to a prospectus for a capital raising to be undertaken in conjunction with the Acquisition not to be at least $0.20 per Share, on the following conditions.

(i) The issue price of the Equity Raising Shares is $0.05 per share.

(ii) Shareholders approve the issue price of the Equity Raising Securities as part of the approvals obtained under listing rule 11.1.2 in respect of the Acquisition.

(iii) The terms of this waiver are immediately disclosed to the market and are clearly disclosed in the Prospectus.

(c) a waiver from ASX Listing Rule 7.3.2 to the extent necessary to permit the Notice seeking shareholder approval for the issue of no more than 31,500,000 Shares and 13,500,000 Vendor Performance Shares to Robert Pole as consideration for the Company to acquire of all of the NexGen B Class Shares upon exercise of the Put Option (**Pole Consideration Securities**), to state that the Pole Consideration Securities may be issued later than 3 months of the date of the Meeting, on the following conditions.

(i) The Pole Consideration Securities must be issued no later than 24 months from the date of the Meeting, subject to shareholder approval having been obtained and the Put Option having been exercised.

(ii) The Pole Consideration Securities is issued pursuant to the relevant terms and conditions set out in the Notice.

(iii) The circumstances of the Company have not changed materially since the holders of Shares approved the issue.

(iv) The terms of this waiver are immediately disclosed to the market and are clearly disclosed in the Prospectus.

(d) a waiver from listing rule 10.13.3 to the extent necessary to permit the Company to issue no more than 65,800,000 Shares and 28,200,000 Vendor Performance Shares to Jason Gitmans as consideration for the Company to acquire of all of the NexGen B Class Shares upon exercise of the Put Option (**Gitmans Consideration Securities**), to state that the Gitmans Consideration Securities may be issued later than 1 month of the date of the Meeting, on the following conditions.

(i) The Gitmans Consideration Securities must be issued no later than 24 months from the date of the Meeting, subject to shareholder approval having been obtained and the Put Option having been exercised.

(ii) The Gitmans Consideration Securities are issued pursuant to the relevant terms and conditions set out in the Notice, and on the same terms and conditions as for the Pole Consideration Securities.

(iii) The circumstances of the Company have not changed materially since the holders of Shares approved the issue.

(iv) The terms of this waiver are immediately disclosed to the market and are clearly disclosed in the Prospectus.

SCHEDULE 2 - TERMS OF PERFORMANCE SHARES

The terms and conditions of the Performance Shares are as follows:

Rights attaching to the Performance Shares

(a) (**Performance Shares**): Each Performance Share is a share in the capital of VTX Holdings Limited (ACN 096 870 978) (**VTX**).

(b) (**General meetings**): Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of VTX that are circulated to the holders of fully paid ordinary shares in the capital of VTX (**Shareholders**). Holders have the right to attend general meetings of Shareholders.

(c) (**No voting rights**): A Performance Share does not entitle the Holder to vote on any resolutions proposed by VTX except as otherwise required by law.

(d) (**No dividend rights**): A Performance Share does not entitle the Holder to any dividends.

(e) (**No rights to return of capital**) A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) (**Rights on winding up**): A Performance Share does not entitle the Holder to participate in the surplus profits or assets of VTX upon winding up.

(g) (**Not transferable**): A Performance Share is not transferable.

(h) (**Reorganisation of capital**): If at any time the issued capital of VTX is reconstructed (including a consolidation, subdivision, reduction, cancellation or return of issued share capital), all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(i) (**Application to ASX**): The Performance Shares will not be quoted on ASX. However, if VTX is listed on ASX at the time of conversion of the Performance Shares into fully paid ordinary shares (**Shares**), VTX must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX.

(j) (**Participation in entitlements and bonus issues**): A Performance Share does not entitled a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) (**Amendments required by ASX**): The terms of the Performance Shares may be amended as necessary by the VTX board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

(l) (**No Other Rights**): A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Shares

(m) (**Milestones**): A Performance Share in the relevant class will convert into one Share upon achievement of:

(a) **Class A**: VTX (or an entity controlled by VTX) having a consumer based android app based on use of the Group's Technology publicly available in the Google Play store within 3 years from the date of settlement of the Acquisition (**Milestone A**);

(b) **Class B**: VTX (or an entity controlled by VTX) having a consumer based iOS app based on use of the Group's Technology publicly available in the Apple App Store within 3 years from the date of settlement of the Acquisition (**Milestone B**);

(c) **Class C**: VTX (or an entity controlled by VTX) receiving $1,000,000 in cumulative revenue, as confirmed by VTX's auditor or another suitably qualified independent third party mutually agreed by VTX and NexGen, pursuant to an agreement to license the Group's Technology within 3 years from the date of settlement of the Acquisition (**Milestone C**); and

(d) **Class D**: VTX (or an entity controlled by VTX) having 1,000,000 paying users of the Group's Technology publicly available in the Google Play or Apple App store within 3 years from the date of settlement of the Acquisition (**Milestone D**),

(each a **Milestone** and together the **Milestones**).

For the avoidance of doubt, "**Acquisition**" means the acquisition by VTX of 100% the A Class Shares in NexGen Networks Limited (a company registered in New Zealand with NZBN 9429041699768) as further described in the Company's Notice of Meeting dated 23 November 2015.

(n) (**Conversion on change of control**): Notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

(i) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) having been made in respect of VTX having received acceptances for more than 50% of VTX 's shares on issue and being declared unconditional by the bidder; or

(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of VTX or its amalgamation with any other company or companies,

that number of Performance Shares that is equal to 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata

basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(o) (**Redemption if Milestone not achieved**) If the relevant Milestone is not achieved by the required date, then each Performance Share in that class will be automatically redeemed by VTX for the sum of $0.00001 within 10 Business Days of non-satisfaction of the Milestone.

(p) (**Conversion Procedure**): VTX will issue the Holder with a new holding statement for the Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.

(q) (**Ranking upon conversion**) The Share into which a Performance Share may convert will rank pari passu in all respects with the existing VTX Shares.