



ASX ANNOUNCEMENT

3 May 2022

Terms of Issue of Class Y Options

BID (Trading name for Bill Identity Limited, ASX: BID) (“**BID**” or “**the Company**”) refers to the Appendix 3G lodged with ASX today and encloses the Terms of Issue of the Class Y Options.

Authority:

This announcement was authorised for release by the General Counsel & Company Secretary of Bill Identity Limited.

– ENDS –

TERMS AND CONDITIONS OF CLASS Y OPTIONS

1. ENTITLEMENT

- 1.1 Each Option entitles the holder (**Holder**) to subscribe for one fully paid ordinary share (**Share**) in Bill Identity Limited (**Company**) upon exercise.
- 1.2 The Holder may be a director or employee of the Company or his or her nominee.

2. EXERCISE PRICE AND EXPIRY DATE

- 2.1 Each Option shall have an exercise price of 145% of the Value Weighted Average Price of Shares in the Company as traded on the ASX during the 7 days leading up to, and including the date of acceptance by the Company of the application for options (**Exercise Price**).
- 2.2 Each Option shall expire on the date that is one day prior to the 4th anniversary from the date the Company accepts your application (**Expiry Date**), subject to clause 3 and 4 below.

3. VESTING CONDITIONS

- 3.1 Subject to the Holder remaining employed by the Bill Identity Limited Group on the date of vesting, the Options granted to the Holder shall vest and become exercisable, as follows:
 - 50% on the 12-month anniversary of the date of issue;
 - 25% on the 18-month anniversary of the date of issue; and
 - 25% on the 24-month anniversary of the date of issue.
- 3.2 Should the Holder cease to be an employee of the Company, any unvested Options will immediately lapse on cessation of the holder's employment (in the absence of the Company agreeing otherwise).

4. EXERCISE PERIOD

Each Option is exercisable at any time on and from the satisfaction of the vesting conditions set out in clause 3 above until the Expiry Date (**Exercise Period**).

5. NOTICE OF EXERCISE

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

6. LAPSING

- 6.1 If the Board, in its sole discretion, determines that the Performance Conditions set out at clause 3.2 have not been satisfied, the relevant portion of Options will automatically lapse in accordance with the formulas set out in clause 3.2.
- 6.2 If the holder is no longer engaged by the Company as a director, employee or consultant for whatever reason:

6.2.1 any unvested Options held by that holder will automatically lapse upon cessation of employment or engagement by the Company; and

6.2.2 any vested Options held by that holder will remain on issue until the Expiry Date or unless exercised by the holder in accordance with clause 5.

7. CASHLESS EXERCISE

7.1 On exercise of the Options, the Board may determine, in its sole discretion, to permit the Holder to exercise the Options by way of Cashless Exercise.

7.2 If the Options are exercised by Cashless Exercise, on exercise of the Options:

7.2.1 the Holder will not be required to pay the Exercise Price for the Options in cleared funds; and

7.2.2 the Company will only issue or transfer that number of Shares to the Holder that have a value equal to the then total market value of the Shares that would have been issued or transferred to the Holder if the Options had been exercised other than by way of Cashless Exercise, less the total amount of the Exercise Price that would otherwise have been payable on exercise of the Options (with the number of Shares rounded down).

8. SHARES ISSUED ON EXERCISE

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

9. QUOTATION OF SHARES ON EXERCISE

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

10. TIMING OF ISSUE OF SHARES AND QUOTATION OF SHARES ON EXERCISE

Within 10 Business Days after the later of the following:

10.1.1 receipt of a notice of exercise given in accordance with these terms and conditions and payment of the exercise price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

10.1.2 the date the Company ceases to be in possession of excluded information in respect to the Company (if any) following the receipt of the notice of exercise and payment of the exercise price for each Option being exercised by the Company,

the Company will:

10.1.2.1 allot and issue the Shares pursuant to the exercise of the Options;

10.1.2.2 give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and

- 10.1.2.3 if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

11. PARTICIPATION IN NEW ISSUES

- 11.1 There are no participation rights or entitlements inherent in the Options and Holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- 11.2 However, the Company will use reasonable endeavours to ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the Holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

12. ADJUSTMENT FOR BONUS ISSUES OF SHARES

- 12.1 If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- 12.1.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of Options had exercised the Option before the record date for the bonus issue; and
- 12.1.2 no change will be made to the Exercise Price.

13. ADJUSTMENT FOR RIGHTS ISSUE

- 13.1 If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

14. ADJUSTMENTS FOR REORGANISATION

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder may be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

15. CHANGE OF CONTROL

The Options automatically vest and may be exercised by the Holder at any time a Change in Control Event occurs.

16. QUOTATION OF OPTIONS

No application for quotation of the Options will be made by the Company.

17. OPTIONS TRANSFERABLE

Subject to compliance with the Corporations Act, the Options are only transferrable to a Related Party of the Holder with the Company's written approval.

18. LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable'. The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

DEFINITIONS:

In these terms and conditions:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Business Day means the day on which banks are open for general business in Melbourne, Victoria, excluding Saturdays and Sundays.

Cashless Exercise means the Holder exercising Options without making any cash payment.

Change in Control Event means:

- (a) a change in Control (as defined in the Corporations Act) of the Company;
- (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its associates) owning 50% or more of the Shares of the Company;
- (c) where a Takeover Bid is made to acquire 50% or more of the Shares (or such lesser number of Shares that when combined with the Shares that the bidder (together with its associates) already owns will amount to 50% or more of the Shares of the Company) and the Takeover Bid becomes unconditional and the bidder (together with its associates) has a relevant interest in 50% or more of the Shares of the Company;

- (d) where a person (either alone or together with its associates) becomes the legal or the beneficial owner of, or acquires a relevant interest in, 50% or more of the Shares of the Company;
- (e) where a person (either alone or together with its associates) becomes entitled to acquire or acquires an equitable interest in 50% or more of the Shares of the Company; or
- (f) a resolution is passed for the voluntary winding-up of the Company.

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

Listing Rules means the listing rules of ASX.

Option means an option which entitles the holder to subscribe for a Share.

Related Party has the same meaning as in the Listing Rules.

Shareholder means a shareholder of the Company.

Takeover Bid has the meaning given to that term in section 9 of the Corporations Act.