

QUANTIFY TECHNOLOGY HOLDINGS LIMITED
ACN 113 326 524
(Company)

EMPLOYEE SHARE PLAN RULES

STEINEPREIS PAGANIN
Lawyers & Consultants 

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
1.1	Definitions.....	1
1.2	Interpretation	3
2.	ADMINISTRATION	3
2.1	Administration	3
2.2	Powers	3
2.3	Calculations and adjustments	4
2.4	Absolute discretion.....	4
2.5	Powers to be exercised by the Board.....	4
3.	VESTING OF ESS SHARES	4
3.1	Vesting conditions	4
3.2	Vesting Events	4
3.3	If a Vesting Event does not occur	4
4.	TREATMENT OF ESS SHARES FOR LEAVERS.....	5
4.1	Leaver	5
4.2	Trigger Event	5
4.3	Board discretion if a Triger Event occurs.....	5
4.4	Price.....	5
4.5	Completion Date.....	5
5.	DISPOSAL	6
5.1	Offer may specify additional restrictions	6
5.2	Permitted disposals.....	6
5.3	Restrictions on disposal	6
5.4	Tax Act restrictions on disposal	6
6.	LISTING	7
7.	REORGANISATION EVENT OR RECONSTRUCTION	7
7.1	Employee Share Plan not affected.....	7
7.2	Variation.....	7
8.	EMPLOYMENT RELATIONSHIP.....	7
8.1	Impact on employment relationship	7
8.2	Continuation of employment	7
9.	NO ENTITLEMENT TO FURTHER GRANTS.....	8
9.1	No further entitlement	8
9.2	ESS Shareholder rights	8
10.	TAX DEFERRAL SCHEME.....	8
11.	GENERAL	8
11.1	Duties and taxes	8
11.2	Amendment of Rules.....	8
11.3	Completion of documents	8
11.4	Offers outside Australia	9
11.5	Notices	9
11.6	Governing Law.....	9

Dated: 22 December 2016, being the date of adoption of these Rules by the Board of The Company.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this document, unless the context requires otherwise:

Board means the board of directors of the Company.

Business Sale means a sale to a third party purchaser of all (or substantially all) of the assets and business undertaking of the Company (including by way of a sale of shares of the Company's directly or indirectly owned Subsidiaries) provided that no sale or transfer undertaken to effect a corporate reorganisation of the Company will constitute a Business Sale.

Company means Quantify Technology Holdings Limited (ACN 113 326 524).

Constitution means the constitution of the Company from time to time. Corporations Act means the Corporations Act 2001 (Cth).

Dispose means in relation to a Share or ESS Share:

- (a) sell, assign, buy-back, redeem, transfer, convey, grant an option over, grant or allow a Security Interest over;
- (b) enter into any swap arrangement, any derivative arrangements or other similar arrangement; or
- (c) otherwise directly or indirectly dispose of a legal, beneficial or economic interest in the Share or ESS Share,

and **Disposal** has a corresponding meaning.

Eligible Person means an employee, contractor or director (or prospective employee, contractor or director) of the Company selected by the Board to participate in the Employee Share Plan.

Employee Share Plan means the Employee Share Plan constituted by these Rules, as amended from time to time.

ESS Share means a Share issued pursuant to the Employee Share Plan which has not vested in the holder.

ESS Shareholder means a person registered in the Company's register of Shareholders as the holder of an ESS Share from time to time.

Exit Event means a Listing, a Business Sale or a Share Sale.

Fair Market Value means as of any date, the fair market value of an ESS Share, as determined by the Board in good faith on such basis as it deems appropriate and applied consistently with respect to all ESS Shares.

Listing means an initial public offering of the Company to the official list of the ASX, or any other recognised stock exchange.

Listing Rules means the ASX Listing Rules and any other rules of ASX Limited which apply to an ASX listed entity (or the rules of any other recognised stock exchange (if applicable)), each as amended or replaced from time to time, except to the extent of any express written waiver by ASX Limited (or any other recognised stock exchange (if applicable)).

Offer means an offer made to an Eligible Person by or on behalf of the Board to participate in the Employee Share Plan.

Quantify means Quantify Technology Ltd (ACN 160 392 898).

Reconstruction means the reconstruction of the Company involving holders of Shares exchanging those Shares for equity securities in a new holding entity such that the equity security holders of the new holding entity are, or after the reconstruction become, the same or substantially the same as the former holders of Shares.

Reorganisation Event means any one of the following:

- (a) a distribution of cash or securities by way of a return of capital;
- (b) a bonus issue of Shares by the Company;
- (c) a share split, consolidation or other similar action in respect of the share capital of the Company; or
- (d) any other internal reorganisation, recapitalisation, reclassification or similar event with respect to the share capital of the Company.

Rules means these terms and conditions, as amended from time to time.

Security Interest means any interest or power:

- (a) reserved in or over an interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to:

- (a) any agreement to grant or create any of the above; and
- (b) a security interest within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth).

Shareholder means a person who is the registered holder of a Share.

Share means a fully paid ordinary share in the capital of the Company with such rights and obligations as set out in the Constitution.

Share Sale means the sale by Shareholders (in one transaction or a series of connected transactions) to a third party purchaser of all of the issued Shares provided that no sale or transfer undertaken to effect a corporate reorganisation of the Company will constitute a Share Sale.

Tax Act means the Income Tax Assessment Act 1997 (Cth).

Vesting Event has the meaning given in clause 3.1

1.2 Interpretation

In this document, unless the context requires otherwise:

- (a) headings and guidance notes are for convenience only and do not affect the interpretation of these Rules;
- (b) the singular includes the plural and vice versa;
- (c) the word person includes a firm, a body corporate, an unincorporated association and an authority;
- (d) a reference to any statute, ordinance, code or other law includes regulations and other instruments under, and consolidations, amendments, re-enactments or replacements of, any of them;
- (e) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) a reference to a currency is a reference to Australian currency unless otherwise indicated; and
- (h) specifying anything after the words 'including' or 'for example' or similar expressions does not limit what else is included.

2. ADMINISTRATION

2.1 Administration

The Employee Share Plan is to be administered by the Board.

2.2 Powers

Subject to these Rules, the Board shall have the power, in its sole discretion:

- (a) to select the persons to participate in the Employee Share Plan (these are referred to as Eligible Persons);
- (b) to determine the terms and conditions of any Offer including:
 - (i) the number of ESS Shares the subject of the Offer;
 - (ii) the purchase price for those ESS Shares (which may be nil);
 - (iii) the vesting, disposal and forfeiture restrictions applying to those ESS Shares; and
 - (iv) the manner in which the Offer may be accepted.
- (c) to amend any Offer related to any ESS Shares; and

- (d) to determine appropriate procedures, regulations and guidelines for the administration of the Employee Share Plan.

2.3 Calculations and adjustments

Any calculations or adjustments which are required to be made by the Board, in connection with this Employee Share Plan will, in the absence of manifest error, be final and conclusive and binding on all Eligible Persons and ESS Shareholders.

2.4 Absolute discretion

Where these Rules provide for a determination, decision, declaration or approval of the Board, such determination, decision, declaration or approval may be made or given by the body in its absolute discretion.

2.5 Powers to be exercised by the Board

Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests, or for the benefit, of the Company and the Board is not under any fiduciary or other obligation to any other person.

3. VESTING OF ESS SHARES

3.1 Vesting conditions

An Offer may specify any event, the occurrence of which will cause the Shares to be vested (**Vesting Event**).

3.2 Vesting Events

Without limiting clause 3.1, if the vesting conditions or other vesting events are not specified in an Offer, the Vesting Events will include the following:

- (a) the Eligible Person remains employed with the Company for a period of 12 months from the date of commencement of their employment (with time employed by Quantify being counted towards this period);
- (b) the Company lists on the ASX, or any other recognised stock exchange, within twenty-four (24) months from the date of these Rules, or such later date as may be determined by the Board, either by way of initial public offering, reverse takeover or any other means; and
- (c) an ESS Share will only vest on the occurrence or satisfaction of the conditions or other vesting events specified in respect of that ESS Share.

3.3 If a Vesting Event does not occur

If a Vesting Event has not occurred within the time specified for that Vesting Event to occur then:

- (a) the ESS Shareholder agrees to transfer all ESS Shares held by that person to a person nominated by the Company for a total consideration of \$1.00; and
- (b) the ESS Shareholder grants to the directors of the Company a power of attorney to effect the sale of shares contemplated by this clause on the terms set out in these ESS Rules.

4. TREATMENT OF ESS SHARES FOR LEAVERS

4.1 Leaver

For the purposes of this rule 4, an ESS Shareholder is a “Leaver” if the ESS Shareholder ceases to be employed or contracted by the Company. (If an ESS Shareholder is a trust company or nominee for the person who was first offered ESS Shares then this rule applies when that person ceases to be employed or contracted by the Company.)

4.2 Trigger Event

Where an ESS Shareholder becomes a Leaver (**Trigger Event**), the Board may, in its absolute discretion, exercise the rights below in relation to the ESS Shareholder's ESS Shares.

4.3 Board discretion if a Trigger Event occurs

If a Trigger Event occurs in relation to an ESS Shareholder, the Board may in its absolute discretion:

- (a) serve a notice in writing on the Leaver (**Transfer Notice**), requiring the Leaver to sell some or all of his or her unvested ESS Shares (**Transfer ESS Shares**) to any person nominated by the Board, including:

- (i) to any other Eligible Person or their nominee;
 - (ii) to an entity approved by the Board for the purpose of holding the Transfer ESS Shares temporarily with the purpose of transferring such Transfer ESS Shares to Eligible Persons or their nominees in the future; or
 - (iii) to any other entity approved by the Board,

(such person or persons for the purposes of this rule 4 being the (**Transferee**)) on the terms of sale set out in this rule 4 and the Leaver must transfer the Transfer ESS Shares in accordance with the Transfer Notice and is deemed to appoint the directors of the Company as its attorney for this purpose (and for the avoidance of doubt, the provisions of the power of attorney contained in an acceptance of offer signed by the ESS Shareholder or Eligible Person (as applicable), apply for the purposes of this rule), or

- (b) allow the Leaver to retain some or all of his or her ESS Shares or any combination of the above, as the Board determines in its absolute discretion.

4.4 Price

The price for the Transfer ESS Shares pursuant to rule 4.3(b) will be their Fair Market Value as at the date of the Trigger Event.

4.5 Completion Date

Completion of the sale of the Transfer ESS Shares must occur on the date determined by the Board in its absolute discretion and notified to the Leaver.

5. DISPOSAL

5.1 Offer may specify additional restrictions

In addition to the restrictions set out in this Employee Share Plan, an Offer may specify restrictions on the Disposal of any ESS Share. For the avoidance of doubt, restrictions on Disposal specified in an Offer do not limit the operation of rule 5.2.

5.2 Permitted disposals

Subject to the restriction on Disposal in rules 5.3 and 5.4, a legal or beneficial interest in an ESS Share may be Disposed of pursuant to:

- (a) a transfer by an ESS Shareholder of any of its ESS Shares to a nominee or trustee for that person, and any such nominee or trustee may transfer ESS Shares to any other nominee or trustee or to the beneficiary provided that no beneficial interest in the ESS Shares passes as a result of the transfer;
- (b) a transfer of ESS Shares by an ESS Shareholder who is a natural person to the trustee or trustees of a family trust set up for the benefit of that person's family provided that a person acquiring ESS Shares pursuant to this rule 5.2(b) is not entitled to transfer any ESS Shares except for a transfer to the person from whom the transferee acquired the ESS Shares;
- (c) in the event of the death of an ESS Shareholder, a transfer or transmission of the deceased ESS Shareholder's ESS Shares to the deceased ESS Shareholder's estate;
- (d) a transfer by an ESS Shareholder of any of its ESS Shares where such transfer has been consented to in writing by the Board; or
- (e) a sale or transfer by an ESS Shareholder of any of its ESS Shares where such sale or transfer is otherwise permitted or required by these Rules.

5.3 Restrictions on disposal

Unless otherwise consented to by the Board in writing and notwithstanding any other provision in this Employee Share Plan or an Offer, a legal or a beneficial interest in an ESS Share may not be Disposed of until after:

- (a) where a Listing occurs, the earlier of:
 - (i) the date that is ninety (90) days following the Listing; and
 - (ii) the expiration of any underwriter or ASX (or other relevant stock exchange) imposed lock-up in connection with the Listing; and
- (b) in the case of any other Exit Event, the occurrence of that Exit Event.

5.4 Tax Act restrictions on disposal

Unless an ESS Shareholder disposes of an ESS Share or a Share under an arrangement which meets the requirements in section 83A-130 of the Tax Act, a legal or a beneficial interest in an ESS Share or a Share may not be Disposed of until the earlier of:

- (a) 3 years after the issue of the ESS Share or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and
- (b) where the ESS Shareholder becomes a Leaver (as defined in rule 4.1).

6. LISTING

Each Eligible Person and ESS Shareholder agrees and represents that:

- (a) in the event that a Listing is proposed by the Board, it will do all things and provide all assistance as is reasonably required by the Company in connection with the actual or proposed Listing, including, if required by the Company, entering into an underwriting, escrow or offer management agreement or similar agreement on market terms; and
- (b) if, as part of the Listing, the Eligible Person's or ESS Shareholder's Shares or the shares such person hold in the IPO entity (as applicable) (together the **Listing Shares**) are "restricted securities" for the purpose of the Listing Rules, each Eligible Person or ESS Shareholder will hold and deal with its Listing Shares in accordance with the Listing Rules.

7. REORGANISATION EVENT OR RECONSTRUCTION

7.1 Employee Share Plan not affected

The Employee Share Plan continues to apply in full force and effect despite any Reorganisation Event or Reconstruction.

7.2 Variation

If any Reorganisation Event occurs before all ESS Shares capable of vesting in favour of the ESS Shareholder have vested in favour of that ESS Shareholder, the Company will procure that the terms of the Employee Share Plan are varied in such a way as determined by the Board in its absolute discretion, which neither disadvantages nor advantages that ESS Shareholder nor adversely affects the rights of the other holders of Shares, to account for the effect of the Reorganisation Event. Each ESS Shareholder and Eligible Person agrees to any such variations to the Employee Share Plan.

8. EMPLOYMENT RELATIONSHIP

8.1 Impact on employment relationship

This Employee Share Plan does not form any part of any contract of employment, consultancy or directorship between the Company and an Eligible Person.

8.2 Continuation of employment

Nothing in this Employee Share Plan:

- (a) confers on an Eligible Person any right to continue as an employee, contractor or director of the Company;
- (b) affects the rights which the Company or any other person may have to terminate the employment, consultancy or office of an Eligible Person; or

- (c) may be used to increase any compensation or damages in any action brought against the Company or any other person in connection with the termination of employment or consultancy or removal from office of an Eligible Person.

9. NO ENTITLEMENT TO FURTHER GRANTS

9.1 No further entitlement

An Offer will be in respect of a single grant of ESS Shares and does not entitle an Eligible Person to participate in any subsequent grants.

9.2 ESS Shareholder rights

An ESS Share does confer on an ESS Shareholder:

- (a) voting rights in respect of the ESS Shares;
- (b) the right to participate in new issues of Shares or other equity securities of the Company;
- (c) the right to attend or vote at any general meeting or other meeting of holders of any Shares or other equity securities of the Company;
- (d) the right to receive any dividends or other distributions or to receive or otherwise participate in any returns of capital from the Company; and
- (e) the right to participate in a liquidation or winding up of the Company.

10. TAX DEFERRAL SCHEME

This Employee Share Plan is a tax-deferred scheme.

11. GENERAL

11.1 Duties and taxes

The Company is not responsible for any duties or taxes which may become payable by the ESS Shareholders or an Eligible Person in connection with the issue of ESS Shares or any other dealing with the ESS Shares.

11.2 Amendment of Rules

The Employee Share Plan and these Rules may be amended from time to time by resolution of the Board subject to the requirements from time to time of the Corporations Act. Any such amendment however, must not adversely affect the rights of ESS Shareholders in respect of ESS Shares granted prior to such amendment without the consent of those Eligible Persons and ESS Shareholders, unless such amendment is required by, or necessitated by, law.

11.3 Completion of documents

Each Eligible Person and ESS Shareholder agrees that it will complete and return to the Company such other documents as may be required by law to be completed by the Eligible Person or ESS Shareholder from time to time in respect of the transactions contemplated by the Employee Share Plan, or such other documents which the Company reasonably considers should, for legal, taxation or administrative reasons, be completed by the Eligible Person or ESS

Shareholder in respect of the transactions contemplated by the Employee Share Scheme.

11.4 Offers outside Australia

The Company may, in its sole discretion:

- (a) make Offers to Eligible Persons who reside outside of Australia; and
- (b) make regulations for the operation of the Employee Share Plan which are not inconsistent with these Rules to apply to Eligible Persons who reside outside of Australia.

11.5 Notices

Any notice regarding the ESS Shares will be sent to the registered address of the referable ESS Shareholder as recorded in the register of ESS Shareholders maintained by the Company.

11.6 Governing Law

This Employee Share Plan is governed by and shall be construed in accordance with the laws of Western Australia.