



decimal

Decimal Software Limited

ACN 009 235 956

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

21 November 2014

Time of Meeting

11:00 AM WST

Place of Meeting

Subiaco Arts Centre, 180 Hamersley Road, Subiaco, WA, 6008

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Decimal Software Limited

ACN 009 235 956

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Decimal Software Limited ACN 009 235 956 (Company) will be held at Subiaco Arts Centre, 180 Hamersley Road, Subiaco, WA, 6008 on 21 November 2014 at 11:00 AM (WST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

1 Annual Report

To receive and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2014, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

2 Resolutions

Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report for the year ended 30 June 2014 as set out in the 2014 Annual Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter (being Key Management Personnel and their Closely Related Parties, as defined in the Glossary section of this Notice of Meeting). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2 – Re-election of Robert Kirtlan as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Mr Robert Kirtlan, who retires in accordance with clause 6.3(b) of the Company's Constitution and, being eligible for re-election, be re-elected as a Director."

Details of Robert Kirtlan are set out in the Explanatory Notes to this Notice of Meeting.

Resolution 3 – Approval of Equity Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve the issue of securities under the Equity Incentive Plan for employees and Directors, the rules of which are annexed as Annexure A to the Explanatory Memorandum, as an exception to Listing Rule 7.1."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 3 by a Director of the Company and any person who is an Associate of a Director of the Company. However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Ratification of issue of Options on 1 July 2014 to Senior Executives

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2.5 million options set out as follows:

- 833,332 options at an exercise price of \$0.40, vesting on 1 July 2015 and expiring on 30 June 2017;
- 833,332 options at an exercise price of \$0.50, vesting on 1 July 2016 and expiring on 30 June 2018 ; and
- 833,336 options at an exercise price of \$0.60, vesting on 1 July 2017 and expiring on 30 June 2019,

to senior executives of the Company, and on the terms and conditions, as set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue the subject of Resolution 4 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Grant of Options to Director - Jan Kolbusz

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14 and all other purposes the Directors are authorised to issue 1.5 million Options to Jan Kolbusz (a Director of the Company), immediately following the conclusion of the Company's 2014 Annual General meeting, for no consideration, as follows:

- 500,000 options at an exercise price of \$0.40, vesting on 1 July 2015 and expiring on 30 June 2017;
- 500,000 options at an exercise price of \$0.50, vesting on 1 July 2016 and expiring on 30 June 2018; and
- 500,000 options at an exercise price of \$0.60, vesting on 1 July 2017 and expiring on 30 June 2019,

on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 5 by any Director or an Associate of a Director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of a Director or an Associate of a Director.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 5; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 5.

Shareholders may also choose to direct the Chair to vote against Resolution 5 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 6 – Approval of Additional 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of shares totalling up to an additional 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 6 by a person (and any Associates of such a person) who may participate in the Additional 10% Placement Facility and a person (and any Associates of such a person) who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 6 is passed. However, the Company will not disregard a vote if:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board of Decimal Software Limited

A handwritten signature in black ink, appearing to be 'Stef Weber', written in a cursive style.

Stef Weber
Company Secretary

Dated: 14 October 2014

Instructions on How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a

Restricted Voter is appointed as a proxy, the proxy may only vote on the Resolutions, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be lodged by 11:00am (WST time) on 19 November 2014. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed Proxy Form in person or by post to the registered office of the Company at 1/174 Hampden Road, Nedlands WA 6009; or
 - by faxing a completed Proxy Form to the Company on facsimile number +61 2 8047 8616; or
 - by email to finance@decimal.com.au

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 11.00am (WST) on 19 November 2014. If facsimile

transmission is used, the Power of Attorney must be certified. Please mark them to the attention of the Company Secretary.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00pm (WST) on 19 November 2014.

PROXY FORM

Decimal Software Limited
ACN 009 235 956

Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse side of this page.

I/We _____ of _____, being a Shareholder/Shareholders of Decimal Software Limited, pursuant to my/our right to appoint not more than two proxies, appoint:

The Chair of the Meeting
(mark with an "X")

OR

Write here the name of the person you are appointing if this person is someone other than the Chair of the Meeting.

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (if no proxy is specified above), the Chair of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at Subiaco Arts Centre, 180 Hamersley Road, Subiaco, WA,6008 and at any adjournment of that Meeting.

This proxy is to be used in respect of _____% of the ordinary Shares I/we hold.

Voting directions to your Proxy

If the Chair of the Meeting is your proxy or is appointed as your proxy by default, the Chair of the Meeting intends to vote all available undirected proxies in favour of Resolutions 1 to 6.

Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to vote in accordance with the Chair's voting intentions on all Resolutions (except where I/we have indicated a different voting intention) even though Resolution 1, 3, and 5 are connected directly or indirectly with the remuneration of Directors and Key Management Personnel, which includes the Chair of the Meeting.

RESOLUTION	For	Against	Abstain*
1. Non-binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Robert Kirtlan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of issue of Options issued on 1 July 2014 to Senior Executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grant of Options to Director - Jan Kolbusz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

If executed by a company, executed in accordance with section 127 of the *Corporations Act 2001* (Cth):

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Date: _____ / _____ 2014

Contact Name

Contact Business Telephone/Mobile

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Completion of a Proxy Form will not prevent individual Shareholders from attending the Annual General Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Annual General Meeting.
2. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a Shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.
5. Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
6. If a representative of a company Shareholder is to attend the Meeting, a properly executed original (or certified copy) of evidence of appointment is required. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment to including any authority under which it is signed.
7. If a representative as power of attorney of a Shareholder is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms in paragraph 9 below.

8. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual:** Where the holding is in one name, the holder must sign.
- Joint Holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this Proxy Form must be signed by that person.
- If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone.
- Otherwise this Proxy Form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 11.00am (WST) on 19 November 2014 (48 hours before the commencement of the Meeting). Any Proxy Form received after that time will not be valid for the scheduled Meeting.

- Hand deliveries:** 1/174 Hampden Road, Nedlands WA 6009
- Postal address:** 1/174 Hampden Road, Nedlands WA 6009
- Fax number:** +61 2 8047 8616
- Email:** finance@decimal.com.au

Decimal Software Limited

ACN 009 235 956

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

ANNUAL REPORT

The first item of the Notice deals with the presentation of the Annual Report of the Company for the financial year ended 30 June 2014, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the Financial Report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements;
and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act. Any such written questions are required to be submitted at least 5 Business Days prior to the Meeting, pursuant to section 250PA(1) of the Corporations Act.

Written questions must be submitted at the address below not later 5 business days in advance of the Annual General Meeting:

Hand deliveries:	1/174 Hampden Road, Nedlands WA 6009
Postal address:	1/174 Hampden Road, Nedlands WA 6009
Fax number:	+61 2 8047 8616
Email:	finance@decimal.com.au

RESOLUTION 1 – NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2014 Annual Report be adopted. The Remuneration Report

is set out in the Company's 2014 Annual Report and is also available on the Company's website: www.decimal.com.au .

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

However, if at least 25% of the votes cast are against adoption (**Strike**) of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Company's Remuneration Report did not receive a Strike at the 2013 Annual General Meeting. If the Remuneration Report receives a Strike at this Meeting Shareholders should be aware that if a second Strike is received at the 2015 Annual General Meeting, this may result in the re-election of the Board.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 – RE-ELECTION OF ROBERT KIRTLAN AS A DIRECTOR

In accordance with Listing Rule 14.4, a Director must not hold office (without re-election) past the third Annual General Meeting following the Director's appointment, or 3 years whichever is longer.

The Company's Constitution prescribes a process by which Directors regularly retire from office. Retiring Directors may offer themselves for re-election. Pursuant to Clause 6.3(b) of the Company's Constitution, Mr Robert Kirtlan being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Kirtlan had a background in accounting and finance prior to working for major investment banks in Sydney and New York focusing on global mining. He has been involved in the mining industry for approximately 25 years, arranging equity and debt financing for junior and major mining companies. More recently, he has taken active roles in the financing, management and development of exploration and development opportunities across a broad spectrum of commodities in various countries.

The Board (with Mr Robert Kirtlan abstaining in respect of his own re-election) unanimously recommends to shareholders the re-election of Mr Robert Kirtlan.

RESOLUTION 3 – APPROVAL OF EQUITY INCENTIVE PLAN

The Directors considered that it was desirable to establish an equity incentive plan under which employees and officers may be offered the opportunity to subscribe for Options and/or Performance Rights in relation to Shares in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and officers. The Directors accordingly adopted the Equity Incentive Plan (**Plan**) in May this year.

The Plan is designed to attract and retain the services of employees and to provide an incentive linked to the performance of the Company. The Board considers that for each executive who receive options, their experience in the technology industry will greatly assist the Company in achieving its strategy and objectives. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company, thereby aligning their interests with shareholders of the Company.

Shareholder approval is required if any issue of Options and/or Performance Rights pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2, Exception 9(b), which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Under the Plan, the Board may offer to employees or officers the opportunity to subscribe for such number of Options and/or Performance Rights as the Board may decide and on the terms set out in the Plan Rules, a copy of which is contained in Annexure A of this Explanatory Memorandum. Options and/or Performance Rights granted under the Plan will be offered to Participants in the Plan on the basis of the Board's view of the contribution of the relevant employee or officer to the Company.

In accordance with the requirements of Listing Rule 7.2, Exception 9(b), the following information is provided to Shareholders:

- (a) a summary of the Plan is set out above and a full copy of the Plan Rules is contained in Annexure A of this Explanatory Memorandum and is available on the Company's website at www.decimal.com.au;
- (b) This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Plan. A total of 6.5 million Options have been issued pursuant to the Plan since its adoption by the Board in May 2014, however 4 million of these options have since lapsed (refer to the explanatory notes on Resolution 4 below); and
- (c) a voting exclusion statement has been included for the purposes of Resolution 3.

RESOLUTION 4 – RATIFICATION OF ISSUE OF OPTIONS ON 1 JULY 2014 TO SENIOR EXECUTIVES

The Company has issued 6.5 million Options to senior executives of the Company since the Board's establishment of the Plan in May 2014. Of these 6.5 million Options, 4 million Options lapsed when Mr Paul Harapin resigned on 12 September 2014, leaving a net amount of 2.5 million Options on issue as at the date of this Notice).

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

The issue of the 1 July 2014 Options has been taken into account in calculating the threshold of 15% of the issued capital of the Company pursuant to the ASX Listing Rules, and the Board confirms that the issue of the Options did not breach the 15% threshold as required by Listing Rule 7.4. The 4 million lapsed Options are no longer required under Listing Rule 7.1 to be included in the 15% threshold since they have been cancelled.

The Board would like the flexibility to issue further securities over the next 12 months without taking into account the number of shares represented by the 2.5 million Options currently on issue, when determining compliance with the 15% threshold. Resolution 4 therefore seeks ratification under Listing Rule 7.4 of the issue of 2.5 million Options that were made on 1 July 2014 in order to restore the ability of the Company to issue further securities within the 15% limit during the next 12 months.

The following information in relation to the Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 6.5 million Options were allotted on 1 July 2014, of which 4 million of these options lapsed on 12 September 2014, leaving a net amount of 2.5 million Options on issue as at the date of this Notice;
- (b) the Options were issued at no consideration, and accordingly, no funds were raised by the grant of the Options;
- (c) the Options have the following terms:
 - 833,332 Options at an exercise price of \$0.40, vesting on 1 July 2015 and expiring on 30 June 2017;
 - 833,332 Options at an exercise price of \$0.50, vesting on 1 July 2016 and expiring on 30 June 2018; and
 - 833,336 Options at an exercise price of \$0.60, vesting on 1 July 2017 and expiring on 30 June 2019 on the terms and conditions set.
- (d) the Options were issued to Messrs Andy Watt, Sascha Ambrose, Paul Nolan, Greg Dempsey and Chris Webb, all being senior executives of the Company.

Voting

Note that a voting exclusion applies to Resolution 4 in the terms set out in the Notice of Meeting.

RESOLUTION 5 – GRANT OF OPTIONS TO JAN KOLBUSZ

The Company proposes to grant a total of 1.5 million Options to Jan Kolbusz, a current Director of the Company, immediately following the conclusion of the 2014 Annual General Meeting, on the following terms and subject to the Plan Rules:

- 500,000 options at an exercise price of \$0.40, vesting on 1 July 2015 and expiring on 30 June 2017;
- 500,000 options at an exercise price of \$0.50, vesting on 1 July 2016 and expiring on 30 June 2018; and
- 500,000 options at an exercise price of \$0.60, vesting on 1 July 2017 and expiring on 30 June 2019.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision, which includes where the financial benefit given constitutes reasonable remuneration in the circumstances of the Company under the exception in section 211 of the Corporations Act; or

- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Jan Kolbusz is a related party of the Company.

Resolutions 5 relates to the proposed grant of Options to Jan Kolbusz. The Board considers that the financial benefit given by the grant of Options constitutes reasonable remuneration for the purposes of the exception in the Corporation Act.

The grant of Options is in recognition of Jan Kolbusz contribution to the Company's development to date and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership.

The Board considers that Jan Kolbusz experience in the technology industry will greatly assist the Company in achieving its strategy and objectives. Under the Company's current circumstances, the Directors consider (in the absence of Jan Kolbusz) that the incentives intended for Jan Kolbusz represented by the grant of these Options are a cost effective and efficient means for the Company to provide a reward and an incentive.

The proposed grant of Options to Jan Kolbusz will be subject to the terms of the Plan.

Information Requirements - Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options under the Plan to Jan Kolbusz.

The following information is provided to Shareholders in relation to Resolution 5 for the purposes of Listing Rule 10.15:

- (a) the Options will be granted to Jan Kolbusz, or his nominee;
- (b) the maximum number of Options to be granted is 1.5 million Options;
- (c) the Options will be granted for no consideration, and accordingly, no funds will be raised by the grant of the Options; and
- (d) all Directors (executive or non-executive), or their permitted nominees, are entitled to participate in the Plan, but for the purposes of Resolution 5, at this time, the Company is only seeking to grant Options to Jan Kolbusz. The other persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are Michael Sertorio (the Chair) and Robert Kirtlan, being current Directors of the Company.

As shareholder approval is being sought for the purposes of Listing Rule 10.14, shareholder approval is not required under Listing Rule 7.1.

Voting

Note that a voting exclusion applies to Resolution 5 in the terms set out in the Notice of Meeting. In particular, the Directors (and their Associates) may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of Directors and Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolutions.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 6 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards achieving the Company's strategy and objectives and for working capital purposes.

Listing Rule 7.1A

The effect of Resolution 6 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has 179,498,524 Shares and 9,166,667 unlisted Options on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 179,498,524 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 6, 17,949,852 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities, that formula is:

$(A \times D) - E$

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid Shares that became fully paid in the 12 months;
- (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- (d) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A' in Listing Rule 7.1A.2	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.08 Issue Price at half the current market price	0.16 Issue Price at current market price	\$0.32 Issue Price at double the current market price
Current Variable 'A' 179,498,524 Shares	Shares issued	17,949,852	17,949,852	17,949,852
	Funds raised	\$1,435,988	\$2,871,976	\$5,743,952
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 269,247,786 Shares	Shares issued	26,924,779	26,924,779	26,924,779
	Funds raised	\$2,153,982	\$4,307,964	\$8,615,928
	Dilution	10%	10%	10%
100% increase in current variable 'A' 358,997,048 Shares	Shares issued	35,899,704	35,899,704	35,899,704
	Funds raised	\$2,871,976	\$5,743,952	\$11,487,904
	Dilution	10%	10%	10%

Note: This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued:
 - (A) at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or
 - (B) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.

- (c) Table A above shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
 - (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 13 October 2014, being \$0.16, where the issue price is halved, and where it is doubled; and
 - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
 - (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

 - (e) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) If Equity Securities are issued for cash consideration, the Company intends to use the funds for further development of its business and achieving its strategic objectives and
 - (ii) If Equity Securities are issued for non-cash consideration for the acquisition of new projects and investments. If Equity Securities are issued for non-cash consideration, the Company will comply

with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

- (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of matters including, but not limited to:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
 - (ii) the financial situation and solvency of the Company; and
 - (iii) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (g) The Company obtained Shareholder approval under Listing Rule 7.1A in November 2012 and November 2013. Please refer to the additional information requirements set out in the section below, in accordance under Listing Rule 7.3A.6.
- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity, other than noting the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

Additional information requirements under Listing Rule 7.3A.6

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 20 November 2013. In the 12 months preceding the date of the Meeting, the Company has issued 115.5 million Shares and 5.5 million Options (net of the 4 million Options that lapsed when Paul Harapin resigned as CEO (Australia and NZ) on 12 September 2014), for a total number of Equity Securities issued of 121 million. None of these issues of Equity Securities were made in reliance on the 10% threshold approved under Listing Rule 7.1A on 20 November 2013.

At the commencement of the 12 month period preceding the Meeting, the Company had 188.9 million Shares on issue. Therefore, in the 12 months since the Meeting, the Equity Securities issued represent 64% of the Shares on issue at the commencement of the 12 month period.

Details of Equity Securities issued in the 12 months preceding the Meeting are as follows:

Date of Issue	Class of Equity Securities	Number of Equity Securities issued	Price of Equity Securities issued	Cash/Non-cash consideration	Names of persons receiving the Equity Securities
21 January 2014	Ordinary Shares	2,000,000	\$0.12 (representing a discount of	Total cash consideration:	Delrio Pty Ltd

			40% to the market price at the time of issue)	\$240,000 As at the date of the Meeting, no amount out of the \$240,000 has been spent by the Company. The intended use for the \$240,000 is to apply the funds for working capital purposes and to further develop the Company's business and pursue its strategy.	
17 February 2014	Ordinary Shares	1,000,000	\$0.12 (representing a discount of 25% to the market price at the time of issue)	Total cash consideration: \$120,000 As at the date of the Meeting, no amount out of the \$120,000 has been spent by the Company. The intended use for the \$120,000 is to apply the funds for working capital purposes and to further develop the Company's business and pursue its strategy.	Delrio Pty Ltd
11 April 2014	Ordinary Shares	112,500,000	\$0.20 (representing a premium of 70% to the market price at the time of issue)	Non-cash consideration in relation to the acquisition of Decimal Group Pty Ltd and backdoor listing of Decimal. The current value of the non-cash consideration (based on a share price of \$0.16 as at 13 October 2014) is \$18,000,000	All of the shareholders of Decimal Group Pty Ltd
11 April 2014	Unlisted	3,000,000	\$0.345 (representing a	The Options were issued for nil	Correze Pty Ltd and Blackswan

	Options		premium of 5% to the market price at the time of issue)	consideration.	Group Pty Ltd
1 July 2014	Unlisted Options	833,332	\$0.40 (representing a premium of 48% to the market price at the time of issue)	The Options were issued for nil consideration.	Senior executives of the Company (as described in the notes to Resolution 4 above).
1 July 2014	Unlisted Options	833,332	\$0.50 (representing a premium of 85% to the market price at the time of issue)	The Options were issued for nil consideration.	Senior executives of the Company (as described in the notes to Resolution 4 above).
1 July 2014	Unlisted Options	833,336	\$0.60 (representing a premium of 122% to the market price at the time of issue)	The Options were issued for nil consideration.	Senior executives of the Company (as described in the notes to Resolution 4 above).

As described in the table above, the Equity Securities issued by the Company were Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue, and the Options were issued pursuant to the terms and conditions of the Plan Rules.

GLOSSARY

Additional 10% Placement Capacity has the meaning given to it in meaning set out on page 6 of the Explanatory Statement.

Additional Placement Period has the meaning given to it in meaning set out on page 8 of the Explanatory Statement.

Annual report means the Directors Report the Financial Report and Auditors Report in respect to the year ended 30 June 2014.

Auditor's Report means the auditor's report on the Financial Report.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1) (a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time.

Board means the Directors.

Chair means Michael Sertorio, or any other individual elected to chair any meeting of the Company from time to time.

Closely Related Party has the meaning given to that term in the Corporations Act, under which a Closely Related Party of a member of the Key Management Personnel refers to a company the member controls, the member's spouse, child or dependant (or a child or dependant of the member's spouse), or anyone else who is one of the member's family and may be expected to influence or be influenced by the member in the member's dealings with the entity.

Company means Decimal Software Limited ACN 009 235 956.

Constitution means the Company's constitution, as amended from time to time.

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

Directors means the directors of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities

IPO means any potential initial public offering of the Company's Shares.

Key Management Personnel has the meaning given in the Corporations Act and refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing means any admission and quotation of the Company's Shares on the Australian Securities Exchange.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Notice of Meeting means this Notice of Annual General Meeting.

Option means an option to acquire a Share, as described in the Plan Rules.

Participants means the holder of an Option and/or Performance Right under the Plan.

Performance Right means a performance right granted pursuant to the Plan Rules.

Plan means the Equity Incentive Plan described on page 3 of the Explanatory Memorandum.

Plan Rules means the rules of the Plan, attached as Annexure A of this Explanatory Memorandum.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Shareholder means a member of the Company from time to time.

Shares means ordinary shares in the capital of the Company.

Spill Meeting has the meaning given to it in meaning set out on page 2 of the Explanatory Statement.

Spill Resolution has the meaning given to it in meaning set out on page 2 of the Explanatory Statement.

WST means Australian Western Standard Time.

ANNEXURE A – EMPLOYEE INCENTIVE PLAN RULES



Decimal Software Limited Equity Incentive Plan

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Ref: AW: PS: TP: 15109918/L001

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Decimal Software Limited Equity Incentive Plan

1. Definitions and interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

Ancillary Documentation means all documentation which the Board specifies in an Invitation that an Eligible Employee must enter into and/or provide in connection with an Application for an Award.

Application means, in respect of an Award, an application for that Award made by an Eligible Employee in response to an Invitation.

Application Form means an application form attached to, or enclosed with, an Invitation.

Associate has the same meaning as in section 12 of the Corporations Act.

ASX means the ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the securities exchange operated by that entity, as appropriate.

ASX Holding Lock has the same meaning as “Holding Lock” in Chapter 19 of the Listing Rules.

Award means:

- (a) an Option; and/or
- (b) a Performance Right,

as the case may be, granted under the Plan.

Bad Leaver means a Participant who ceases to be an Eligible Employee in any of the following circumstances:

- (a) the Participant’s employment is terminated, or the Participant is dismissed from office, due to:
 - (i) serious and wilful misconduct (including, without limitation, fraud or dishonesty);
 - (ii) material breach of the terms of any contract of employment or office entered into by the Company (or another member of the Group) and the Participant;
 - (iii) gross negligence; or
 - (iv) other conduct justifying termination of employment or office without notice either under the Participant’s contract of employment or office, or at common law;
- (b) the Participant resigns from his or her employment or office;
- (c) the Participant ceases his or her employment or office for any reason and commences employment or office, or otherwise acts, in breach of any post-termination restrictions

contained in his or her contract of employment or office entered into by the relevant member of the Group and the Participant; or

- (d) the Participant is ineligible to hold his or her office for the purposes of Part 2D.6 of the Corporations Act.

Bid Period has the same meaning as in the Corporations Act.

Board means the board of directors of the Company, a committee appointed by the board of directors of the Company as constituted from time to time, or, in respect of a particular matter, any person who is provided with delegated authority by the board of directors of the Company in respect of that particular matter from time to time.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Australia.

Certificate means a certificate evidencing the grant of an Award.

Change of Control Event means:

- (a) the commencement of a Bid Period to acquire any Share where the Takeover Bid extends to Shares issued and allotted after the date of the Takeover Bid;
- (b) the Company entering into a scheme of arrangement with its creditors or Shareholders or any class thereof pursuant to section 411 of the Corporations Act;
- (c) where a person (either alone or together with its Associates) having a Relevant Interest in, subsequent to the adoption of these Rules by the Board, sufficient Shares to give it or them the ability, in a general meeting, to replace all or a majority of the Directors in circumstances where such ability was not already held by that person (either alone or together with its Associates);
- (d) a change in Control of the Company;
- (e) 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 more than fifty per cent (50%) of Issued Capital;
- (f) where a person becomes the legal or the beneficial owner of, or acquires a Relevant Interest in, more than fifty per cent (50%) of Issued Capital;
- (g) where a person becomes entitled to acquire an equitable interest in more than fifty per cent (50%) of Issued Capital;
- (h) where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of Issued Capital) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of Issued Capital;

- (i) the Company passes a resolution for the voluntary winding up of the Company;
- (j) an order is made for the compulsory winding up of the Company; or
- (k) the sale of all or substantially all of the business and assets of the Group,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.

Company means Decimal Software Limited (ACN 009 235 956).

Constitution means the constitution of the Company.

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

Eligible Employee means:

- (a) a full-time or part-time employee of any member of the Group; or
- (b) a director of any member of the Group who holds a salaried employment or office with a member of the Group,

as determined or selected by the Board from time to time. For the avoidance of doubt, if there is a change in the employing entity of a Participant from one member of the Group to another member of the Group, the Participant will be considered, for the purposes of this Plan, to have continued to be an Eligible Employee at all relevant times.

Excluded Offer means any of the following:

- (a) an offer to a person situated at the time of receipt of the offer outside Australia;
- (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act;
- (c) an offer that did not require the giving of a product disclosure statement (as that term is defined in the Corporations Act) because of section 1012D of the Corporations Act; or
- (d) an offer made under a disclosure document or product disclosure statement (as those terms are defined in the Corporations Act).

Exercise Price means, in respect of an Award, the price to be paid by the Participant when exercising that Award as specified in the relevant Invitation. For the avoidance of doubt, the exercise price may be nil.

Expiry Date in relation to an Award means:

- (a) the date determined by the Board and specified in an Invitation as the “expiry date”; or
- (b) if an Invitation does not specify an “expiry date”, the date which is seven (7) years from the Grant Date.

Good Leaver means a Participant who ceases to be an Eligible Employee and:

- (a) who does not meet the Bad Leaver criteria; or
- (b) who meets the Bad Leaver criteria but the Board has determined in writing that they be treated as a Good Leaver.

Grant Date means, in relation to an Award, the date on which that Award is first granted to a Participant under these Rules.

Group means the Company and its Subsidiaries.

Insolvency Event means, in respect of a person:

- (a) an application is made to a court for a winding up or bankruptcy order;
- (b) the appointment of a provisional liquidator, administrator, receiver or similar officer;
- (c) a receiver, receiver and manager, controller (as defined in the Corporations Act), a managing controller (as defined in the Corporations Act) is appointed to any part of the person's property;
- (d) the person enters into or takes any steps for the purpose of entering into any moratorium, composition, arrangement or similar agreement in respect of all or any of its debts with its creditors or any person; or
- (e) the person is or states that it is unable to pay all of its debts as and when they fall due for payment.

Invitation means an invitation to an Eligible Employee to apply for the grant of one or more Awards made in accordance with clause 3.2 of these Rules.

Issued Capital means issued Shares from time to time.

Listing Rules means the listing rules, market rules and 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.

Notice of Exercise means a notice given by or on behalf of the Participant to the Company (in the form determined by the Board from time to time) to exercise an Award in accordance with clause 7.

Option means an option with an Exercise Price other than nil granted under these Rules to acquire one or more Shares by transfer or allotment in the discretion of the Board.

Participant means an Eligible Employee who has been granted an Award under this Plan.

Performance Hurdle means any ongoing minimum performance requirements as specified in the Invitation and determined by the Board which must be satisfied prior to an Award Vesting.

Performance Right means an option with a nil Exercise Price granted under these Rules to acquire one or more Shares by transfer or allotment in the discretion of the Board.

Plan means the Decimal Software Limited Equity Incentive Plan.

Relevant Interest has the same meaning as in Part 6.1 of the Corporations Act.

Resulting Shares means all Shares issued or transferred to a Participant upon the valid exercise of an Award.

Rules means the rules of the Plan which are set out in this document.

Security has the same meaning as in Division 2 of Part 7.1 of the Corporations Act.

Security Interest means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Trading Policy means any share trading policy of the Company.

Subsidiary has the same meaning as in Division 6 of Part 1.2 of the Corporations Act.

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

Vesting Condition means any conditions to the vesting of an Award as determined by the Board that are set out in the Invitation for that Award.

Vesting Notice means, in relation to an Award, the notice given by or on behalf of the Company to a Participant informing him or her that the Award has vested and can be exercised in accordance with these Rules.

1.2 Interpretation

In these Rules, unless otherwise stated or the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes all genders;
- (c) a reference to a document or agreement includes that document or agreement as novated, altered, supplemented or replaced;
- (d) headings are for convenience only and do not affect the interpretation of these Rules;
- (e) a reference to anything (including any amount) includes any part of that thing and a reference to a group of things or persons includes each thing or person in that group;
- (f) a reference to any legislation includes any modification or replacement of it and all regulations and statutory instruments issued under it and a reference to any provision of any legislation includes any modification or substitution of it;
- (g) a reference to these Rules means these Rules as amended from time to time and includes all recitals, annexures, addendums and schedules to these Rules;
- (h) a reference to a person includes a reference to the person's executors, administrators, substitutes (including any person taking by way of novation) and:

- (i) in the case of a trustee, includes any substituted or additional trustee; and
 - (ii) in the case of a Participant, includes any person to whom that Participant transfers an Award or Resulting Share in accordance with the terms of an Australian court order or an injunction granted by an Australian court;
- (i) a reference to a person includes a reference to the person's executors, administrators and successors or a body corporate including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
 - (j) any reference to include means to include without limitation;
 - (k) a monetary amount is a reference to Dollars;
 - (l) where any word is given a defined meaning, any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning; and
 - (m) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, these Rules and a reference to these Rules includes any annexure, exhibit and schedule;
 - (n) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day; and
 - (o) a term or expression starting with a capital letter which is defined in clause 1.1 has the meaning given to it in that clause.

1.3 **Inconsistencies**

Notwithstanding anything to the contrary in any employment agreement of the Participant with any member of the Group (**Employment Agreement**), but subject at all times to these Rules, if there is any inconsistency between these Rules and an Employment Agreement, these Rules prevail.

1.4 **Construed against a party**

No provision or expression in these Rules is to be construed against a party on the basis that the party (or its advisers) was responsible for the drafting of these Rules.

1.5 **Applicable law**

These Rules, the offering and granting of any Award or Resulting Shares and the rights attaching to or interests in any Award or Resulting Shares will at all times be subject to applicable law and the Listing Rules.

1.6 **Rounding**

Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of an Award or Resulting Share, the fraction will be eliminated by rounding up to the nearest whole number.

1.7 Constitution

The entitlements of Eligible Employees and Participants under these Rules are subject to the Constitution. In the event of any inconsistency between these Rules and the Constitution, the terms of the Constitution will prevail.

2. Introduction

2.1 Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Employees; and
- (b) align the interests of Eligible Employees with shareholders of the Group by providing an opportunity for Eligible Employees to receive an equity interest in the Company in the form of Awards.

2.2 Commencement

The Plan will commence on a date determined by the Board.

2.3 Rules are binding

The Company and each Participant are bound by these Rules.

3. Eligibility and invitations

3.1 Eligibility

The Board may from time to time determine that an Eligible Employee may participate in the Plan.

3.2 Invitation

- (a) Following determination that an Eligible Employee may participate in the Plan, the Board may make an Invitation to the Eligible Employee on any number of occasions.
- (b) An Invitation to an Eligible Employee to apply for an Award may be made on such terms and conditions as the Board decides from time to time, including as to:
 - (i) the number and type of Award(s) for which that Eligible Employee may apply;
 - (ii) the Grant Date;
 - (iii) the amount payable (if any) for the grant of each Award or how such amount is calculated (provided such amount is a nominal amount);
 - (iv) the Exercise Price;
 - (v) the Vesting Conditions (if any);
 - (vi) the Performance Hurdles (if any);

- (vii) disposal restrictions attaching to the Resulting Shares (if any); and
- (viii) any other supplementary terms and conditions.

3.3 **Form of Application**

The Invitation to an Eligible Employee must be accompanied by an Application Form and the Ancillary Documentation (if any).

3.4 **Eligible Employee agrees to be bound**

Each Eligible Employee is, by submitting a completed Application Form, deemed to have agreed to be bound by:

- (a) the terms of the Invitation and the Application Form;
- (b) the Ancillary Documentation (if any);
- (c) these Rules; and
- (d) the Constitution.

3.5 **Who may apply**

On receipt of an Invitation, an Eligible Employee may apply for the Award(s) the subject of the Invitation by sending the completed Application Form to the Company (or its designated officer as set out in the Application Form) by the time and date specified in the Invitation, unless otherwise determined by the Board.

3.6 **Acceptance of Application**

The Board may accept an Application from an Eligible Employee in whole or in part. The Company may not grant an Award to an Eligible Employee unless it has received a duly signed and completed Application Form together with all applicable Ancillary Documentation from that Eligible Employee. The Application Form and, where applicable, the Ancillary Documentation must be in the form included with the Invitation, and may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation.

3.7 **When applications will not be accepted**

An Application will not be accepted, unless otherwise determined by the Board, if at the time the Company received the duly signed and completed Application Form together with all Ancillary Documentation:

- (a) the applicant is not an Eligible Employee;
- (b) the applicant has given all relevant members of the Group notice of his or her resignation as an employee or officer;
- (c) the applicant has been given notice of termination of employment or office from all relevant members of the Group or if, in the opinion of the Board, the applicant has tendered his or her resignation(s) to avoid such termination of employment or office; or

- (d) the Board has determined that the applicant is no longer eligible to participate in the Plan.

3.8 **Right to nominate**

- (a) Unless otherwise expressly permitted in the Invitation, an Eligible Employee may only submit an Application in the Eligible Employee's name and not on behalf of any other person. If an Eligible Employee is permitted in the Invitation, the Eligible Employee may nominate another person to be granted the Award(s) the subject of the Invitation. The nominee must execute any documents required by the Company in order to receive the grant.
- (b) If Award(s) are granted to a person nominated by an Eligible Employee, then to the extent necessary to give effect to the intent of these Rules, the Eligible Employee will continue to be treated as the Participant.

3.9 **Multiple Invitations**

The Board may invite an Eligible Employee to apply for any number of Awards, notwithstanding that the Eligible Employee has previously been invited to apply for Awards.

4. **Grant**

4.1 **Company to grant Awards**

Following receipt of a duly completed and signed Application Form together with all applicable Ancillary Documentation, the Company will, to the extent that it has accepted such Application, grant the Participant the relevant number of Awards, subject to the terms and conditions set out in the Invitation, these Rules and the Ancillary Documentation.

4.2 **Certificate**

Following the grant of an Award, the Company will issue to the Participant a Certificate.

5. **Terms**

5.1 **Participant's rights**

Prior to an Award being exercised in accordance with clause 7:

- (a) a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Award other than those expressly set out in these Rules; and
- (b) a Participant is not entitled to:
- (i) notice of, or to vote or attend at, a meeting of Shareholders; and
 - (ii) receive any dividends declared by the Company,
- by virtue of holding the Award.

5.2 **Restriction of dealing**

Unless the Board in its discretion so approves or the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative, a Participant may not sell, assign, transfer, grant a Security Interest over or otherwise deal with an Award that has been granted to them. The Award is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a Security Interest other than in accordance with these Rules.

5.3 **Prohibition on hedging**

A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to an Award that has been granted to them.

5.4 **Register**

Each Award granted under these Rules must be registered in the appropriate register of the Company.

5.5 **Listing**

Unless determined otherwise by the Board in its discretion, an Award granted under the Plan will not be quoted on the ASX or any other recognised exchange.

6. ***Vesting***

6.1 **Vesting**

An Award is deemed to have vested if both of the following have occurred:

- (a) the Vesting Conditions and/or Performance Hurdles and/or other conditions applicable to that Award have been determined by the Board (acting reasonably) to be satisfied, are waived by the Board, or are deemed to have been satisfied under these Rules; and
- (b) the Company has issued a Vesting Notice to the Participant informing him or her that the Award has vested.

6.2 **Waiver of Vesting Conditions and/or Performance Hurdles**

A Vesting Condition for an Award may, subject to the Corporations Act, the Listing Rules (where applicable) and any other applicable laws and regulations, be waived by the Board by written notice to the relevant Participant and on such terms and conditions as determined by the Board and set out in that notice.

6.3 **Vesting Notice**

A Vesting Notice must include:

- (a) confirmation of the satisfaction and/or waiver of Vesting Conditions and/or Performance Hurdles and/or other conditions attaching to an Award; and
- (b) the number and type of Awards that have Vested and the date of vesting of each Award (such date being the date of the Vesting Notice).

7. Exercise

7.1 Exercise following vesting

An Award may not be exercised unless and until that Award has vested in accordance with clause 6, or such earlier date on which the Participant is entitled to exercise that Award in accordance with these Rules.

7.2 Exercise of Awards

- (a) To exercise an Award, a Participant must:
 - (i) deliver a signed Notice of Exercise; and
 - (ii) pay the Exercise Price for that Award (if applicable) to or as directed by the Company, at any time prior to the earlier of:
 - (iii) any date specified in the Vesting Notice for that Award; and
 - (iv) the Expiry Date for that Award.
- (b) If a Participant does not deliver a signed Notice of Exercise and pay the Exercise Price (if applicable) to or as directed by the Company in relation to an Award by the requisite date, that Award will automatically be forfeited.

8. Delivery of Shares on exercise of Awards

Within 10 Business Days after the valid exercise of an Award(s) by a Participant in accordance with clause 7 and provided the Exercise Price (if any) has been received by the Company, the Company will:

- (a) issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled through the exercise of the Award(s) (the number of which is to be determined in accordance with these Rules and the Invitation); and
- (b) issue a substitute Certificate for any remaining Awards held by that Participant.

9. Forfeiture

9.1 Good Leaver

- (a) Unless an Invitation provides otherwise, within 20 Business Days of a Participant becoming a Good Leaver, the Board shall issue a written notice to the Participant notifying the Participant that the following Awards shall not be forfeited:
 - (i) those vested but unexercised Awards held by the Participant; and
 - (ii) those unvested Awards held by the Participant to the extent determined by the Board.
- (b) All Awards held by a Participant that is a Good Leaver other than those that are the subject of a written notice under clause 9.1(a) will be forfeited.

- (c) Subject to the Corporations Act, the Listing Rules (where applicable) and any other applicable laws and regulations, the Board may determine that some or all of the Awards retained by a Good Leaver are deemed to have vested.

9.2 **Bad Leaver**

Unless otherwise stated in an Invitation or determined by the Board in its discretion, all unvested and vested Awards held by a Participant will be forfeited immediately on the date that the Participant becomes a Bad Leaver.

9.3 **Fraudulent or dishonest actions**

Where the Board determines that a Participant has:

- (a) acted fraudulently or dishonestly; or
- (b) wilfully breached his or her duties to the Group,

the Board may in its discretion deem some or all vested and unvested Awards held by that Participant to have been forfeited.

9.4 **Failure to satisfy Vesting Conditions and/or Performance Hurdles and/or other conditions**

Unless otherwise stated in an Invitation or determined by the Board, an Award which has not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable Vesting Conditions and/or Performance Hurdles and/or other conditions have not been met or cannot be met by the applicable date.

9.5 **Insolvency Event**

Unless otherwise stated in the Invitation or determined by the Board, all Awards held by a Participant will be forfeited immediately on the date that an Insolvency Event occurs in relation to that Participant.

9.6 **Other forfeiture events**

Unless the Board otherwise determines in its discretion, or as otherwise set out in these Rules, an Award which has not yet vested will automatically be forfeited on the Expiry Date.

9.7 **Discretion to determine that Awards are not forfeited**

Notwithstanding clauses 9.1 to 9.6 (inclusive), the Board may determine (on any conditions which it thinks fit) that some or all of the Participant's Awards will not be forfeited at any relevant time, but will be forfeited at the time and subject to the conditions the Board may specify by written notice to the Participant.

9.8 **Application of Part 2D.2 Division 2 of the Corporations Act**

- (a) This clause 9.8 applies to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies.

- (b) Notwithstanding any other provision of these Rules, in the absence of Shareholder approval, the Company is not required to provide, or procure the provision, of any benefit under these Rules which is not permitted by Part 2D.2 Division 2 of the Corporations Act.
- (c) Any benefits required to be provided to a Participant in accordance with these Rules will, by operation of this clause, be reduced to ensure compliance with Part 2D.2 of the Corporations Act and the provision of such reduced benefit shall constitute full satisfaction of the obligations of each member of the Group. In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with Part 2D.2 of the Corporations Act.
- (d) Where clause 9.8(b) applies, the Company may seek or not seek Shareholder approval in its discretion.

10. Effect of Forfeiture

Where an Award has been forfeited in accordance with these Rules:

- (a) the Award will automatically lapse;
- (b) the Participant or the Participant's agent or attorney must sign any transfer documents required by the Company to effect the forfeiture of that Award; and
- (c) the Company will not be liable for any damages or other amounts to the Participant in respect of that Award.

11. Change of Control Event

Notwithstanding any other provisions of the Rules, if a Change of Control Event occurs, or the Board determines such event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Awards will be dealt with including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

12. Rights attaching to Resulting Shares

12.1 Shares to rank pari passu

All Resulting Shares will rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Resulting Shares.

12.2 Listing

If Resulting Shares are in the same class as Shares which are listed on the ASX, the Company will apply for quotation of the Resulting Shares issued (or any unquoted Resulting Shares transferred) within the time required by the Listing Rules after the date of allotment.

12.3 Dividends

A Participant will be entitled to any dividends declared and distributed by the Company on the Resulting Shares which, at the closing date for determining entitlement to such dividends, are standing to the account of the Participant.

12.4 Dividend reinvestment plan

A Participant may participate in any dividend reinvestment plan operated by the Company in respect of Resulting Shares held by the Participant. Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Resulting Shares held by the Participant unless the Board determines otherwise.

12.5 Voting rights

A Participant may exercise any voting rights attaching to Resulting Shares held by the Participant (or the Trustee for and on behalf of the Participant).

13. Disposal restrictions on Resulting Shares

13.1 Disposal restriction

If the Invitation provides that any Resulting Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction, including but not limited to imposing an ASX Holding Lock (where applicable) on the Resulting Shares or using an employee share trust to hold the Resulting Shares during the relevant restriction period.

13.2 Participant's undertaking

For so long as a Resulting Share is subject to any disposal restrictions under this Plan, the Participant must not:

- (a) transfer, encumber or otherwise dispose of, or have a Security Interest granted over that Resulting Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

13.3 Expiry of restriction

Subject at all times to the Share Trading Policy, upon the expiry of any disposal restriction over a Resulting Share, the Company will take all action necessary to ensure that the Participant can deal with that Resulting Share.

13.4 Share entitlements

For the avoidance of doubt, the imposition of a restriction on a Resulting Share held by a Participant will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company, and to receive any dividends declared by the Company during the relevant disposal restriction period on that Resulting Share. If an employee share trust arrangement is

implemented in respect of this Plan, the Board may implement such procedures it deems appropriate to give effect to the intent of this clause 13.4.

14. Irrevocable Power of Attorney

In order to ensure compliance with these Rules, each Participant must grant an irrevocable power of attorney (in the form set out in the Invitation or such other form determined by the Board) to any person nominated from time to time by the Board.

15. Adjustment of Awards

15.1 Reorganisation

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued share capital), the number of Awards to which each Participant is entitled or the Exercise Price, or both (or any other term) as appropriate, will be adjusted in the way specified by the Listing Rules.

15.2 Rights issues and bonus issues

Unless otherwise determined by the Board, a holder of Awards does not have the right to participate in a pro rata issue of Securities made by the Company, or to participate in any rights issue or sell renounceable rights.

15.3 No other participation

Subject to clauses 15.1 to 15.2 (inclusive), during the currency of any Awards and prior to their exercise, the holders of Awards are not entitled to participate in any new issue of Shares of the Company as a result of their holding of Awards.

15.4 Application of adjustment

- (a) In the application of this clause 15, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company, subject to the Listing Rules.
- (b) Unless otherwise provided in these Rules, a Participant has no right to:
 - (i) change the Exercise Price; or
 - (ii) change the number of Shares over which an Award can be exercised.

16. Administration of the Plan

16.1 Board administration

The Plan will be administered by the Board. For the avoidance of doubt, the Board may make further provisions for the operation of the Plan which are consistent with these Rules.

16.2 Board powers and discretions

Any power or discretion which is conferred on the Board by these Rules may be exercised in its sole and absolute discretion. The Board does not, in exercising any power or discretion under these Rules, owe any fiduciary or other obligations to any Eligible Employee or Participant.

16.3 Delegation of Board powers and discretions

Any power or discretion which is conferred on the Board by these Rules (including, without limitation, the power to invite Eligible Employees to participate in the Plan and to determine the terms and conditions of the Awards) may be delegated by the Board to:

- (a) a committee consisting of such directors, other officers or employees of the Group, or any combination of such persons as the Board thinks fit;
- (b) a related body corporate of the Company; or
- (c) a third party,

for such periods and on such conditions as the Board thinks fit.

16.4 Documents

The Company may from time to time require an Eligible Employee invited to participate in the Plan or a Participant or a person nominated by an Eligible Employee under clause 3.8 to complete and return such other documents as may be required by law to be completed by that person or entity, or such other documents which the Company considers should, for legal, taxation and/or administrative reasons, be completed by that Eligible Employee, Participant or person in order to give effect to the intent of the Plan.

16.5 Decisions final

Every exercise of a discretion by the Board (or its delegates) and any decision by the Board (or its delegates) regarding the interpretation, effect or application of these Rules and all calculations and determination made by the Board under these Rules are final, conclusive and binding in the absence of manifest error.

on such terms and conditions as determined by the Board.

- (a) For the avoidance of doubt, the Board may do all things necessary for the establishment, administration, operation and funding of such an employee share trust.

17. Restrictions on and amendments to the Plan

17.1 Compliance with applicable laws and regulations

Notwithstanding these Rules or any terms of an Award, no Award may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any applicable law or regulation.

17.2 Restrictions on the size of the Plan

The Board must not issue an Invitation, grant an Award or issue a Resulting Share, if the sum of:

- (a) the number of Shares which would be issued were each outstanding offer with respect to shares, units of shares, and options to acquire unissued shares, under an employee share scheme to be accepted or exercised; and
- (b) the number of Shares issued during the previous 5 years under this Plan or any other employee share scheme extended to Eligible Employees,

but excluding any offer made, or option acquired or Shares issued by way of or as a result of an Excluded Offer, would exceed 5% of the total number of Shares on issue at that time.

17.3 Amendment of Plan

- (a) Subject to clause 17.3(b), the Board may:
 - (i) at any time amend any provisions of these Rules, including (without limitation) the terms and conditions upon which any Awards have been granted under the Plan; and
 - (ii) determine that any amendments to these Rules be given retrospective effect, immediate effect or future effect.
- (b) No amendment to any provision of these Rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment:
 - (i) introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (B) to correct any manifest error or mistake;
 - (C) to enable the Plan or any member of the Group to comply with its constituent documents, and any other applicable laws and regulations; and/or
 - (D) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
 - (ii) agreed to in writing by all Participant(s).
- (c) As soon as reasonably practicable after making any amendment to any provision of these Rules, the Board will give notice of the amendment to each Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

18. Duration

18.1 Termination

The Plan continues in operation until the Board decides to end it.

18.2 Suspension

The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.

18.3 Effect of termination / suspension

If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

18.4 Cancellation of Awards

Notwithstanding any other provisions of these Rules, but subject at all times to any applicable laws and regulations, if a Participant and the Company (acting by the Board) agree in writing that some or all of the Awards granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Awards may be cancelled in the manner agreed between the Company and the Participant.

19. Miscellaneous

19.1 Rights of Participants

Nothing in these Rules:

- (a) confers on any person any right or expectation to become a Participant, or the right to be invited to apply for, or be offered or to receive any Awards;
- (b) confers on any person the right to continue as an employee or officer of any member of the Group (as the case may be);
- (c) affects the rights of any member of the Group to terminate the employment or office of an Eligible Employee;
- (d) forms part of any contract of service between an Eligible Employee and any member of the Group;
- (e) may be used to increase rights of compensation or damages in any action brought against a member of the Group in respect of any termination of employment or office;
- (f) confers any legal or equitable right on an Eligible Employee whatsoever to take action against any member of the Group in respect of their employment or office; or
- (g) confers on an Eligible Employee any rights to compensation or damages in consequence of the termination of their employment or office by any member of the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination.

19.2 Non-exclusivity

- (a) This Plan is not the sole means by which all members of the Group intend to provide incentives to Eligible Employees. Nothing in this Plan is intended to restrict any member of the Group from remunerating or otherwise rewarding employees or directors of any member of the Group outside the Plan.
- (b) Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other scheme operated by any member of the Group unless the terms of that other scheme provide otherwise.

19.3 Notice

- (a) Any notice or other communication under or concerning the Plan is validly given:
 - (i) to a Participant, if delivered personally to the addressee or sent by prepaid post to the Participant's last known residential address, or sent to the Participant by facsimile or email at the Participant's place of work; and
 - (ii) to the Company, if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (or any other address the Board specifies), or as otherwise notified by the Company from time to time.

- (b) Delivery of notices

Subject to clause 19.3(a), a notice or other communication will be deemed to have been served:

- (i) if delivered by hand, at the time of delivery;
- (ii) if sent by facsimile or electronic mail, on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery; or
- (iii) if posted, and provided it is properly addressed and stamped, 48 hours after mailing in Australia and 7 days after mailing outside Australia.

19.4 Further assurances

Each party must do all things reasonably necessary to give full effect to this Plan and the transactions contemplated by this Plan.

19.5 Duties and taxes

- (a) The Company will be responsible for all brokerage costs payable in relation to the issue or transfer of a Share upon the exercise of the Award to each Participant. Each Participant will be responsible for all costs associated with the disposal of a Resulting Share by that Participant.
- (b) Subject to clause 19.4(a), the Company:
 - (i) is not responsible for any duties, taxes or other government levy or impost which are or may become payable by any person other than the Company on:

- (A) the acquisition and issue of an Award;
 - (B) the acquisition, issue or transfer of a Share or the payment of any cash on the exercise of the Award; or
 - (C) acquisition, transfer or any other dealings with a Share; and
- (ii) may make any withholding or payment which it is required by law to make in connection with the Plan or the grant, issue or transfer of an Award and/or a Share; and
 - (iii) when transferring or issuing a Share to a Participant under the Plan, may require the Participant to provide the Company with an amount of money which the Board estimates is necessary to meet the Participant's liability (if any) to pay stamp duty or other taxes in respect of the transfer. Where the Company is provided with funds for that purpose, it must apply the funds in payment of the stamp duty or other tax, arrange for registration of the transfer on the Participant's behalf and return any excess funds to the Participant.

19.6 **No representation or warranty**

- (a) The Company makes no representation or warranty as to the value of an Award or any Resulting Shares or with respect to any tax matters affecting any Eligible Employee or Participant in connection with the Plan.
- (b) Neither the Company, nor any of its directors, officers or employees are liable for anything done or omitted to be done by such person or any other person with respect to price, time, quantity or other conditions and circumstances of the issue or acquisition of Shares hereunder, with respect of any fluctuations in the market price of Shares, or in any other manner related to the Plan.

19.7 **Data protection**

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant for the purposes of the Plan. These purposes include, but are not limited to:

- (a) administering and maintaining employee and Participant records;
- (b) providing information to members of the Group, registrars, brokers or third party administrators of the Plan (if any) or advisers of the Board; and
- (c) providing information to corporate advisers or potential future third party purchasers in connection with a sale of shares in a member of the Group, or the business and assets of a member of the Group.

19.8 **Governing law**

- (a) This Plan is governed by the laws of Western Australia, Australia.
- (b) Each Participant submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought in connection with these Rules.

19.9 Waiver of rights

- (a) A waiver of any right, power, authority, discretion or remedy arising upon a breach of or default under these Rules must be in writing and signed by the party granting the waiver, and may be subject to such terms and conditions as determined by the party granting the waiver.
- (b) A failure or delay in the exercise, or partial exercise, of a right, power, authority, discretion or remedy arising from a breach of or default under these Rules, does not prevent the exercise of or result in a waiver of that right, power, authority, discretion or remedy.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of these Rules or default under these Rules as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) A waiver is only effective in the specific instance and for the specific purpose for which it is given and subject to any specific terms and conditions as specified in the waiver.
- (f) This clause may not itself be waived except in writing.