



20 September 2018

Sargon Capital to Acquire 100% of Decimal

- ✓ **Sargon to acquire all Decimal Shares via a Court approved Scheme of Arrangement**
- ✓ **Decimal shareholders to receive 1.41 cents cash per Decimal share**
- ✓ **Scheme consideration represents a premium of circa 35% based on the 30 day VWAP for Decimal shares**
- ✓ **Recommended unanimously by Decimal Board in the absence of a superior proposal and subject to an independent expert concluding that the Proposal is in the best interests of Decimal's shareholders**

Decimal Software Limited (ASX:DSX; “Decimal” or “the Company”) is pleased to announce that it has entered into a binding Scheme Implementation Agreement (“SIA”) with Sargon Capital Pty Ltd (“Sargon”) under which Sargon has agreed to acquire 100% of the issued shares in the Company for *1.41 cents* cash per share by way of a Court approved scheme of arrangement (“Proposal”).

The cash consideration of *1.41 cents* per Decimal share offered under the Proposal represents a 76% premium to the last closing price of Decimal shares of 0.8 cents, and a 35% premium to the 30 day VWAP of Decimal shares on ASX prior to the date of this announcement.

Sargon is a private company that provides financial institutions and entrepreneurs with the technology and infrastructure they need to successfully build and grow investment funds and financial products.

Commenting on the Scheme, Decimal Chairman, Mark Potts, said:

“The Sargon proposal provides certainty of value to our shareholders,” said Mr Potts.

“A unanimous decision was made by the Board at the conclusion of a thorough and comprehensive process into finding the best commercial outcomes for the Company.

“In Sargon, Decimal has a partner that shares our vision for the future of digital advice products and is prepared to work closely with the Decimal team, within an evolving regulatory framework, to realise that vision for the benefit of our current and future clients.

“Most importantly, Sargon brings deep technology and operating experience across trustee services, and a well-capitalised balance sheet that will allow Decimal to further penetrate the market and continue to build out its product offering.”

Background

As announced on 16 July 2018, over the last few months the Board of Decimal has undertaken a strategic review to assess the most appropriate commercial and financial structure from which to capitalize on Decimal’s digital advice platform.

As part of the strategic review process, Decimal and its advisers have engaged with a wide range of parties in a competitive process to determine their potential interest in financing or acquiring Decimal or its business. The review was conducted against a backdrop of considerable uncertainty and volatility in the Financial Services sector, including the ongoing Royal Commission.

Following completion of the strategic review process, the Board of Decimal has determined that the Proposal is superior to all other currently available alternatives. As such, Decimal has entered into the SIA so as to provide all shareholders with the opportunity to consider the Proposal.

Unanimous Recommendation

The Decimal Board unanimously supports the Proposal and each director intends to recommend that Decimal shareholders vote in favour of the Proposal subject to no superior proposal emerging and the independent expert appointed to consider the Proposal concluding that it is in the best interests of Decimal shareholders. Subject to the same qualifications, the Directors intend to vote, or cause the voting of any Decimal shares in which they have relevant interests, in favour of the Proposal.

The Directors have appointed RSM Corporate Australia Pty Ltd (“Independent Expert”) to prepare the requisite independent expert’s report in relation to the Proposal. That report will be provided to Decimal shareholders in the scheme booklet which is expected to be dispatched to shareholders in early November 2018.

Key Conditions for Implementation of the Proposal

The Proposal is subject to a number of conditions, including:

- Decimal shareholder approval (requiring approval of a majority in number of Decimal’s shareholders voting and approval of shareholders who represent at least 75% of the total votes cast, in each case either in person or by proxy);
- Applicable regulatory and Court approvals to the Proposal being obtained;
- The Independent Expert opining that the Proposal is in the best interests of Decimal’s shareholders;
- Key Decimal customers consenting to the proposed acquisition of Decimal by Sargon and the extension of the term of their existing contracts for a minimum of 12 months post-implementation of the Proposal;
- Repayment of amounts owing under the R&D rebate facility, in full, out of R&D rebates expected to be received from the ATO in November;

- Cancellation of all outstanding Decimal options, which are out of the money, for nil consideration; and
- No material adverse change occurring.

Full details of the conditions of the Proposal are set out in the SIA, a copy of which is attached to this announcement.

Interim Funding Agreement

Sargon and Decimal have entered into unsecured loan agreements, pursuant to which Sargon has agreed to make available to Decimal interim funding facilities of up to \$600,000 at an interest rate of 8% p.a. Amounts drawn down under the loan facilities are repayable between January and March 2019. The unsecured loan agreements are separate to the Proposal and cannot be terminated by Sargon in the event the Proposal is not implemented.

As at 20 September 2018, Decimal has not drawn down any amounts under the loan agreement.

Indicative Timetable

Decimal shareholders do not need to take any action at the present time.

Set out below is an indicative timetable for the implementation of the Proposal:

Action	Expected Date
First Court Date to approve convening of Scheme Meeting	Late October
Scheme Booklet dispatched to Decimal Shareholders	Early November
Scheme Meeting	Early December
Second Court Date to approve Proposal	Mid December
Effective Date: Scheme Order lodged with ASIC	Mid December
Record Date	Mid December
Implementation Date	December

* The above dates are indicative only and are subject to change.

Advisers

Decimal is being advised by legal adviser Corrs Chambers Westgarth, and by financial adviser Deloitte Financial Advisory Pty Limited.

Sargon is being advised by King & Wood Mallesons.

-ENDS-

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About Decimal:

Decimal Software Limited (ASX:DSX) is an ASX listed fintech company that delivers financial advice solutions via the world's first enterprise-focused omni channel advice delivery technology, developed in-house. Decimal partners with banks, superannuation funds and fund administrators already entrusted with customers' retirement savings, to deliver advice to the community as a whole. Decimal's platform provides consistent, fully compliant financial advice to client organisations' customers across multiple platforms of digital, phone or face-to-face, across numerous topics such as savings, superannuation, insurance and retirement, as well as investments.

About Sargon:

Sargon provides financial institutions and entrepreneurs with the technology and infrastructure they need to successfully build and grow investment funds and financial products. Operating across Australia, New Zealand and Hong Kong, Sargon's powerful combination of technology and industry experts navigate regulatory complexity, security and compliance to ensure our clients can focus on what matters most: building a better future.

Decimal Software Limited

Sargon Capital Pty Ltd

Scheme Implementation Agreement

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Date 20 September 2018

Parties

Decimal Software Limited ACN 009 235 956 of Level 12, 680 George Street, Sydney NSW 2000 (**Decimal**)

Sargon Capital Pty Ltd ACN 608 799 873 of Level 9, 287 Collins Street, Melbourne VIC 3000 (**Sargon**)

Background

- A Decimal and Sargon have agreed to merge the two companies by means of a members' scheme of arrangement under Part 5.1 of the Corporations Act.
 - B At the request of Sargon, Decimal intends to propose the Scheme to Decimal Shareholders and issue the Scheme Booklet.
 - C The parties have agreed to implement the Transaction in accordance with this document.
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Agreed terms

1 Interpretation

1.1 Definitions

In this document:

Accounting Standards means:

- (a) accounting standards approved under the Corporations Act and its requirements about the preparation and content of accounts; and
- (b) generally accepted accounting principles, policies, practices and approved procedures in Australia.

Advisers means, in relation to an entity, its financiers, and any legal adviser, financial adviser, corporate adviser or other expert adviser or consultant who provides advisory services in a professional capacity to third parties and who has been engaged by that entity.

Announcement means the public announcement to be made by Decimal and Sargon in an agreed form pursuant to **clause 9.2(a)**.

Announcement Date means:

- (a) the date on which this document is executed; or
- (b) if this document is executed on a day which is not a Trading Day, the first Trading Day immediately following the day of execution.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.

ASX Listing Rules means the official listing rules of ASX.

Business Day means a day that is each of the following:

- (a) a Business Day within meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Perth, Western Australia or Melbourne, Victoria.

Claim means a demand, claim, action, or proceeding made or brought by or against the party, however arising and whether present, unascertained, immediate, future or contingent.

Communications means all forms of communications, whether written, oral, in electronic format or otherwise, and whether direct or indirect via agents or Representatives.

Competing Proposal means any expression of interest, proposal, offer, pursuant to which a Third Party will, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) acquire (directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a substantial part of the assets or business of the Decimal Group;
- (b) acquire a Relevant Interest in, become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in 20% or more of all issued Decimal Shares;
- (c) acquire control of Decimal, within the meaning of section 50AA of the Corporations Act;
- (d) otherwise acquire or merge with Decimal; or
- (e) require a party to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, strategic alliance, recapitalisation, establishment of a new holding company for the Decimal Group, or other synthetic merger or any other transaction or arrangement.

Competing Proposal Notice has the meaning given to it in **clause 7.5(a)**.

Condition Precedent means a condition precedent set out in **schedule 1**.

Confidentiality Agreement means the confidentiality agreement dated 28 May 2018 between Decimal and Sargon.

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

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing by the parties.

Decimal Board means the board of directors of Decimal (as constituted from time to time).

Decimal Director means a director of Decimal.

Decimal Group means Decimal and each of its Related Entities, and **Decimal Group Member** means any one of them.

Decimal Information means all information contained in the Scheme Booklet other than the Sargon Information and the Independent Expert's report.

Decimal Option means an option to subscribe for Decimal Shares issued by Decimal.

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

Decimal Shareholder means each person who is registered in the Register as the holder of Decimal Shares.

Decimal Unexpired Options means Decimal Options which have not been exercised into Decimal Shares before the Record Date.

Deed Poll means a deed poll in the form of **annexure B** to be executed by Sargon in favour of the Scheme Participants under which Sargon covenants in favour of each Scheme Participant to perform its obligations under the Scheme and this document in relation to the implementation of the Scheme.

Disclosure has the meaning given in **clause 9.2(c)**.

Disclosure Materials means all written information in connection with the Transaction or relating to the Decimal Group's past, present or future operations, affairs, business and/or strategic plans, which has been provided to Sargon or its Representatives prior to the date of this document or publicly announced prior to the date of this document.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Scheme Order, but not before an office copy of the Scheme Order is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest (including any "security interest as defined in section 12 of the *Personal Property Securities Act 2009* (Cth)), title retention, preferential right or trust arrangement, claim, covenant, profit a prendre,

easement or any other security arrangement or any other arrangement having the same effect.

End Date means the date that is 31 December 2018 or such later date as Decimal and Sargon agree in writing.

Exclusivity Period means the period commencing on the date of this document and ending on the earlier of:

- (a) the date this document is terminated in accordance with its terms;
- (b) the End Date; and
- (c) the Implementation Date.

Fairly Disclosed in relation to a matter means disclosed in sufficient detail and context so as to allow a reasonable and sophisticated party (experienced in transactions of the nature of the Transaction) to be aware of the nature of the matter as known to Decimal or its Representatives at the date of this agreement.

First Court Date means the first day on which the application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, Australian Tax Office, ASX, the Foreign Investment Review Board and any regulatory organisation established under statute or any stock exchange.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Decimal Shareholders present and voting, either in person or by proxy.

Implementation Date means the fifth Business Day following the Record Date, or such other date as ordered by the Court or agreed between Decimal and Sargon.

Independent Expert means the independent expert appointed in respect of the Scheme by Decimal.

Insolvency Event means any of the following:

- (a) a person is or states that the person is unable to pay from the person's own money all the person's debts as and when they become due and payable;
- (b) a person is taken or must be presumed to be insolvent or unable to pay the person's debts under any applicable legislation;
- (c) an application or order is made for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of a corporation;

- (d) an administrator, provisional liquidator, liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in respect of a corporation or any action is taken to appoint any such person and the action is not stayed, withdrawn or dismissed within seven days;
- (e) a controller is appointed in respect of any property of a corporation;
- (f) a corporation is deregistered under the Corporations Act or notice of its proposed deregistration is given to the corporation;
- (g) a distress, attachment or execution is levied or becomes enforceable against any property of a person;
- (h) a person enters into or takes any action to enter into an arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or assignment for the benefit of, all or any class of the person's creditors or members or a moratorium involving any of them; or
- (i) anything analogous to or of a similar effect to anything described above under the law of any relevant jurisdiction occurs in respect of a person.

Key Customer Contracts means the following:

- (a) Master Vendor Agreement between Mercer Australia Pty Ltd and Decimal Pty Ltd dated 17 December 2015;
- (b) Master Technology Supply Agreement between QSuper Ltd and Decimal Pty Ltd dated 23 February 2018;
- (c) Decimal Software Platform Services Agreement between Statewide Super and Decimal Pty Ltd dated 12 October 2016; and
- (d) Decimal Software Platform Service Commercial Agreement between Energy Super and Decimal Pty Ltd dated 21 April 2016.

Losses means all claims, actions, proceedings, liabilities, obligations, damages, loss, charges, costs, expenses and duties or other outgoings.

Material Adverse Change means a matter, event or circumstance that occurs, is announced or becomes known to Decimal (whether or not it becomes public) where that matter, event or circumstance has, has had, or could reasonably be expected to have, individually or when aggregated with all such matters, events or circumstances, the result that:

- (a) there is or would be reasonably likely to be a material adverse effect on the assets, liabilities, business, results, operations, trading or financial position or material licenses of the Decimal Group; or
- (b) the Decimal Group is unable to carry on its business in substantially the same manner as carried on as at the date of this document, or which otherwise materially and adversely affects the prospects of the Decimal Group,

other than a matter, event or circumstance:

- (c) required to be done or procured by Decimal pursuant to this document or the Transaction;
- (d) which is, and to the extent that it is, Fairly Disclosed in the Disclosure Materials or otherwise known to Sargon;
- (e) which relates to changes in business conditions affecting the Australian financial advice software industry generally;
- (f) which relates to interest rates, commodity prices or currency exchange rates; or
- (g) which is, and to the extent that it is, a consequence of Losses covered by insurance which Decimal's insurers have agreed to pay.

Material Contracts means the following:

- (a) Master Vendor Agreement between Mercer Australia Pty Ltd and Decimal Pty Ltd dated 17 December 2015;
- (b) Master Technology Supply Agreement between QSuper Ltd and Decimal Pty Ltd dated 23 February 2018;
- (c) Decimal Software Platform Services Agreement between Statewide Super and Decimal Pty Ltd dated 12 October 2016; and
- (d) Decimal Software Platform Service Commercial Agreement between Energy Super and Decimal Pty Ltd dated 21 April 2016.

Material Transaction means, other than:

- (a) as expressly contemplated by this document or the Transaction;
- (b) to the extent that it is Fairly Disclosed in the Disclosure Materials; or
- (c) with the prior written consent of Sargon (not to be unreasonably withheld or delayed),

the occurrence of any of the following:

- (d) Decimal or any Decimal Group Member makes any change to its constitution or other constituent documents;
- (e) Decimal or any Decimal Group Member disposes, or agrees to dispose, of shares in a Related Entity of Decimal;
- (f) the Decimal Group changes in any material respect the nature of its business;
- (g) Decimal or any Decimal Group Member agrees to incur or incurs any financial indebtedness or issues any indebtedness or debt securities or varies any proposed financial indebtedness terms other than by way of extension or in the ordinary course of business;
- (h) Decimal or any Decimal Group Member makes any loans, advances or capital contributions to, or investments in, any other person, other than to or in Decimal or any wholly-owned Related Entity of Decimal or in the ordinary course of business;

- (i) Decimal or any Decimal Group Member announces, declares or pays any dividends;
- (j) Decimal or any Decimal Group Member:
 - (i) grants to any officer of Decimal or any Decimal Group Member any increase in severance or termination pay or superannuation entitlements; or
 - (ii) makes or agrees to make any material change to the terms of, or waives any claims or rights under, or waives the benefit of any provisions of, any contract of employment with any senior executive of Decimal or of any Decimal Group Member;
- (k) Decimal or any material Decimal Group Member ceases, or threatens to cease, to carry on business;
- (l) Decimal or any material Decimal Group Member becomes subject to an Insolvency Event or is deregistered as a company or otherwise dissolved;
- (m) Decimal or any Decimal Group Member disposes or agrees to dispose of any material asset;
- (n) Decimal or any Decimal Group Member acquires, or agrees to acquire, any asset other than:
 - (i) in the ordinary course of business; or
 - (ii) where the amount involved in the relevant transaction in the period until the Second Court Date is less than \$50,000 in aggregate;
- (o) Decimal converting all or any of its shares into a larger or smaller number of shares;
- (p) Decimal or any member of the Decimal Group resolving to reduce, or reducing, its share capital in any way, or reclassifying, redeeming, combining, splitting or repurchasing directly or indirectly any of its shares;
- (q) Decimal or any member of the Decimal Group resolving to buy back, or buying back, any of its shares, including by:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (r) Decimal or any member of the Decimal Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than:
 - (i) to a wholly-owned Related Entity of Decimal;
 - (ii) an issue of Decimal Shares following the valid exercise of any Decimal Options on issue as at the date of this document;

- (s) Decimal or any member of the Decimal Group issuing, or agreeing to issue, securities convertible into shares or debt securities (including any performance rights or options);
- (t) Decimal or any member of the Decimal Group making, in aggregate, capital expenditure in excess of \$50,000;
- (u) Decimal or any member of the Decimal Group:
 - (i) acquiring, leasing or disposing of;
 - (ii) agreeing to acquire, lease or dispose of; or
 - (iii) offering, proposing or announcing a bid or tenders for, any material business, material undertaking (other than trading inventories and consumables in the ordinary and usual course of business) or entity in the period until the Second Court Date, or enters into joint venture, partnership or similar arrangement;
- (v) other than in the ordinary course of business, Decimal or any member of the Decimal Group:
 - (i) entering into any contracts or commitments either individually or collectively involving revenue or expenditure of more than \$50,000 in aggregate over the term of the contract or commitment;
 - (ii) terminating or amending in a material manner any contracts of the Decimal Group's business which either individually or collectively involve expenditure or revenue of more than \$50,000 in aggregate over the term of the contract;
 - (iii) paying, discharging or satisfying any claims, liabilities or obligations under any contracts or commitments (including land access or native title claims) involving revenue or expenditure of more than \$50,000 in aggregate other than the payment, discharge or satisfaction consistent with past practice and in accordance with its terms; or
 - (iv) waiving any material claims or rights under, or waiving the benefit of any provision of, any contracts or commitments involving revenue or expenditure of more than \$50,000 in aggregate;
 - (v) taking any action in respect of its information technology systems and software that would reasonably be expected to have a material impact on those systems and software, other than contracts or commitments associated with the implementation of the Transaction;
- (w) except as expressly provided for in an existing employment contract in place as at the date of this document, Decimal or any member of the Decimal Group:
 - (i) paying any bonus to, or increasing the compensation of, any officer of Decimal or any member of the Decimal Group;

- (ii) accelerating the rights of any officer of Decimal or any member of the Decimal Group to compensation or benefits of any kind (including under any Decimal executive or employee share plan);
 - (iii) granting to any officer of Decimal or any member of the Decimal Group any increase in severance or termination pay or superannuation entitlements or by issuing any Decimal Shares or securities convertible to Decimal Shares to any of those persons; or
 - (iv) establishing, adopting, entering into or amending in any material respect (including by taking any action to accelerate any rights or benefits due under) any enterprise bargaining agreement, Australian workplace agreement, employee benefit plan or superannuation scheme of Decimal or relating to the officers or employees of Decimal or any member of the Decimal Group;
- (x) Decimal or any member of the Decimal Group making any change in its accounting methods, principles or practices which would materially affect the reported consolidated assets, liabilities or results of operations of any member of the Decimal Group, other than as required to comply with law or any changes to generally accepted accounting principles, standards, guidelines or practices in the jurisdiction of the relevant entity's incorporation; or
- (y) Decimal or any Decimal Group Member creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property.

Record Date means 5.00 pm on the second Business Day following the Effective Date or such other date and time as the parties agree.

Register means the register of members of Decimal maintained by or on behalf of Decimal in accordance with section 168(1) of the Corporations Act.

Regulator's Draft means the draft of the Scheme Booklet in a form reasonably acceptable to Decimal, which is provided to ASIC for review pursuant to section 411(2) of the Corporations Act.

Regulatory Approval means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority or exemption from, by or with a Governmental Agency; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Regulatory Review Period means the period from the date on which the Regulator's Draft is submitted to ASIC to the date on which ASIC confirms that

it does not intend to make any submissions at the Court hearing on the First Court Date or otherwise object to the Scheme.

Related Entity of a party means another entity which:

- (a) is a related body corporate of the first entity as defined in section 50 of the Corporations Act;
- (b) is in any consolidated entity which contains the first entity; or
- (c) the first entity controls,

provided that to avoid doubt for the purposes of this document Sargon and its Related Entities as at the date of this document will not be taken to be Related Entities of Decimal, and Decimal and its Related Entities as at the date of this document will not be taken to be Related Entities of Sargon.

Relevant Interest has the meaning it has in sections 608 and 609 of the Corporations Act.

Representative means, in relation to a party:

- (a) each of the party's Related Entities; and
- (b) each of the officers, employees and Advisers of the party or of any of its Related Entities.

Rocking Horse Facility means the \$600,000 R&D rebate funding facility from Rocking Horse Nominees Pty Ltd, which was fully drawn by Decimal on 3 July 2018.

Sargon Board means the board of directors of Sargon (as constituted from time to time).

Sargon Counterproposal has the meaning given to it in **clause 7.6(d)**.

Sargon Director means a director of Sargon.

Sargon Group means Sargon and each of its Related Entities.

Sargon Information means such information regarding Sargon and the Sargon Group provided by or on behalf of Sargon to Decimal or the Independent Expert to enable the Scheme Booklet to be prepared and completed. Sargon Information does not include any information about the Decimal Group (except to the extent it relates to any statement of intention relating to the Decimal Group following the Effective Date).

Sargon Shareholder means each person who is registered in the register of members of Sargon maintained by or on behalf of Sargon in accordance with section 168(1) the Corporations Act as the holder of Sargon Shares.

Sargon Shares means fully paid ordinary shares in the capital of Sargon.

Scheme means the proposed scheme of arrangement between Decimal and the Decimal Shareholders under Part 5.1 of the Corporations Act substantially in the form of **annexure A** which if implemented will give effect to the merger between Decimal and Sargon as described in **clause 4.1**, subject to any

alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Decimal and Sargon.

Scheme Booklet means the information to be despatched to Decimal Shareholders and approved by the Court, including the Scheme, explanatory statement in relation to the Scheme issued pursuant to section 412 of the Corporations Act and registered with ASIC, the Independent Expert's report, the Deed Poll, a summary of this document and a notice convening the Scheme Meeting (together with proxy forms).

Scheme Consideration means the consideration to be provided by Sargon in consideration for the transfer of the Scheme Shares held by a Scheme Participant to Sargon, being, in respect of each Scheme Share, \$0.0141 cash (subject to the terms of the Scheme).

Scheme Meeting means the meeting ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme.

Scheme Order means the order of the Court made for the purposes of section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Scheme.

Scheme Participant means each holder of Scheme Shares as at the Record Date.

Scheme Shares means all the Decimal Shares on issue on the Record Date.

Second Court Date means the first day on which an application made to the Court for the Scheme Order is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

Share Splitting means a Decimal Shareholder splitting its holding of Scheme Shares into 2 or more parcels, or a number of affiliated persons acquiring a number of parcels in different names or other manipulative conduct resulting in an increased number of shareholdings in Decimal.

Superior Proposal means a bona fide Competing Proposal in relation to Decimal that the Decimal Board determines, acting in good faith, after taking advice from its legal and financial advisers, and in order to satisfy what the Decimal Board considers to be its fiduciary and statutory duties:

- (a) is reasonably capable of being valued and completed, taking into account all aspects of the proposal; and
- (b) would, if completed in accordance with its terms, be of a higher financial value and more favourable to Decimal Shareholders than the Scheme, taking into account all terms of the proposal, including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and financial matters.

Takeovers Panel means the body established under section 171 of the *Australian Securities and Investments Commission Act 1989* (Cth) as continuing in existence under section 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) as the primary forum for resolving disputes about takeovers.

Third Party means any of the following:

- (a) a person other than Sargon, Decimal or any of their Related Entities; or
- (b) a consortium, partnership, limited partnership, syndicate or other group in which neither Sargon nor any of its Related Entities has agreed in writing to be a participant.

Third Party Consent means a:

- (a) consent that is required from a Third Party under the terms of any Key Customer Contract to the change in control of Decimal that will occur when the Scheme becomes Effective; or
- (b) confirmation from a Third Party that has or will have a right to terminate a Key Customer Contract (whether the right is at will or as a result of the transactions contemplated in this document), that it will not exercise that right as a result of the change in control of Decimal that will occur when the Scheme becomes Effective.

Timetable means the indicative timetable set out in **schedule 2** or such other timetable as may be agreed in writing by the parties.

Trading Day has the meaning given in the ASX Listing Rules.

Transaction means the acquisition by Sargon of all of the Scheme Shares through the implementation of the Scheme as contemplated in this document.

1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) 'includes' means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, permitted assigns and persons substituted by permitted novation;
 - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;

- (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (v) a right includes a benefit, remedy, discretion or power;
 - (vi) time is to local time in Perth, Western Australia;
 - (vii) '\$' or 'dollars' is a reference to Australian currency;
 - (viii) this or any other document includes the document as novated, varied or replaced by agreement between the parties and despite any change in the identity of the parties;
 - (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
 - (x) this document includes all schedules and annexures to it;
 - (xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
 - (xii) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this document; and
 - (xiii) a reference to the ASX Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day;
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded;
- (i) any provision of this document that requires a statement or recommendation in relation to the Scheme to be made or maintained by:
- (i) each Decimal Director; or
 - (ii) the Decimal Board acting unanimously or collectively,
- is deemed to be satisfied by such statement or recommendation being made or maintained by each Decimal Director who is not precluded from making or maintaining such statement or recommendation; and
- (j) a reference to any statement, including a warranty made by a party on the basis of its knowledge, belief or awareness, is made on the basis of the actual knowledge, belief or awareness of the officers of the party (and no other persons) as at the date of this document.

1.3 Headings

Headings do not affect the interpretation of this document.

1.4 Reasonable endeavours

Any provision of this document that requires a party to use reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs does not include any obligation:

- (a) to pay any significant sum of money or to provide any significant financial compensation, valuable consideration or any other incentive to or for the benefit of any person, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Governmental Agency or fees to any professional advisers; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens,

except where that provision expressly specifies otherwise.

2 Implementation of the Scheme

2.1 Agreement to implement Transaction

The parties agree to implement the Transaction on the terms set out in this document.

2.2 Decimal to propose Scheme

Decimal agrees to propose the Scheme on and subject to the terms set out in this document.

2.3 Sargon to assist with the Scheme

Sargon agrees to assist Decimal to propose the Scheme on and subject to the terms set out in this document.

3 Conditions Precedent

3.1 Conditions precedent

Subject to this **clause 3**, the Scheme will not become Effective and the obligations of Sargon under **clause 4.2** are not binding unless each of the Conditions Precedent are satisfied or waived to the extent and in the manner set out in **clauses 3.2 to 3.5**.

3.2 Benefit and waiver of certain Conditions Precedent

- (a) A Condition Precedent may only be waived in writing by a party entitled to the benefit of the Condition Precedent as noted in the table set out in **schedule 1**.
- (b) A party entitled to waive the breach or non-fulfilment of a Condition Precedent under this **clause 3.2** may do so in its absolute discretion.
- (c) A waiver of a breach or non-fulfilment in respect of one Condition Precedent does not constitute:

- (i) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same events or circumstances; or
- (ii) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event or circumstances.

3.3 Reasonable endeavours

- (a) Each party must use all reasonable endeavours to procure that:
 - (i) each of the Conditions Precedent for which it is responsible, as noted in the table set out in **schedule 1**, is satisfied as soon as practicable after the date of this document, and continues to be satisfied at all times until the last time it is to be satisfied (as the case may require), with a view to the Effective Date occurring on or before the End Date, provided that the parties are not obliged to waive any Condition Precedent; and
 - (ii) there is no event or circumstance within the reasonable control or influence of that party that would prevent the Conditions Precedent being satisfied.
- (b) Without limiting its obligations under **clause 3.3(a)**, each party must not do or omit to do (and must procure that its Related Entities do not do or omit to do) anything designed, intended or which would otherwise be reasonably expected to result in any of the Conditions Precedent being breached or to prevent any of the Conditions Precedent being satisfied.

3.4 Regulatory Approvals

A Regulatory Approval required to be obtained under **clause 3.1** will be taken to have been obtained even though a condition has been attached to it if it has been granted on terms acceptable to the party in receipt of the Regulatory Approval (acting reasonably).

3.5 Notification of certain events

Each party must:

- (a) **keep informed:** promptly inform the other either directly or through its Advisers of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;
- (b) **notice of satisfaction:** promptly notify the other if it becomes aware that any Condition Precedent has been satisfied;
- (c) **notice of failure:** promptly notify the other if it becomes aware that any Condition Precedent has failed to be satisfied or has become incapable of being satisfied or is not reasonably capable of being satisfied or of any circumstances which may reasonably be expected to lead to such a state of affairs; and
- (d) **notice of waiver:** after having given or received a notice in accordance with **clause 3.5(c)** in relation to a Condition Precedent that it is entitled under **clause 3.2(a)** to waive, give notice to the other party as soon as reasonably practicable (and in any event no later than five Business

Days before, or such shorter time to ensure that notice is given before, 5.00 pm on the last Business Day before the Second Court Date) as to whether or not it waives the breach or non-fulfilment of the relevant Condition Precedent, specifying the Condition Precedent in question.

3.6 Scheme voted down

If the Scheme is not approved by Decimal Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test, and Sargon or Decimal considers, acting reasonably, that Share Splitting or other improper conduct may have caused or materially contributed to the Headcount Test not having been satisfied then Decimal must:

- (a) seek the Scheme Order, notwithstanding that the Headcount Test has not been satisfied;
- (b) make such submissions to the Court and file such evidence as counsel engaged by Decimal to represent it in all Court proceedings related to the Scheme, in consultation with Sargon, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test; and
- (c) if the Court agrees to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test, the parties acknowledge that it will not be necessary to meet the Headcount Test in order to satisfy the Condition Precedent in **item 10 of schedule 1**.

3.7 Consultation if Conditions Precedent not met

If:

- (a) there is a breach or non-fulfilment of a Condition Precedent which is not waived in accordance with this document by the time or date specified in this document for its satisfaction;
- (b) there is an act, failure to act, event or occurrence which will prevent a Condition Precedent being satisfied by the time or date specified in this document for its satisfaction (and the breach or non-fulfilment of the Condition Precedent which would otherwise occur has not already been waived); or
- (c) the Scheme has not become Effective by the End Date,

then the parties must consult in good faith with a view to determining whether:

- (d) the Transaction may proceed by way of alternative means or methods and, if so, to agree on the terms of such alternative means or methods;
- (e) to extend the relevant time or date for satisfaction of the Conditions Precedent;
- (f) to change the date of the application to be made to the Court for the Scheme Order or adjourning that application (as applicable) to a later date agreed by the parties; or

- (g) to extend the End Date.

3.8 Failure to agree

- (a) If the parties are unable to reach agreement under **clause 3.7** within five Business Days (or any shorter period ending at 5.00 pm on the Business Day before the Second Court Date), then unless that Condition Precedent is waived in accordance with **clause 3.2**, a party entitled to the benefit of that Condition Precedent may (subject to **clause 3.8(b)**) terminate this document before 8.00am on the Second Court Date.
- (b) A party will not be entitled to terminate this document pursuant to **clause 3.8(a)** if the relevant Condition Precedent has not been satisfied as a result of:
 - (i) a breach of this document by that party; or
 - (ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that condition being satisfied.
- (c) Termination of this document under **clause 3.8(a)** does not affect any accrued rights of either party arising from any breach of this document prior to termination.

4 Scheme

4.1 Scheme

Subject to the terms of this document and of the Scheme, Decimal must propose the Scheme, under which, on the Implementation Date:

- (a) all of the Scheme Shares held by Scheme Participants will be transferred to Sargon; and
- (b) the Scheme Participants will receive the Scheme Consideration.

4.2 Scheme Consideration

Subject to the terms of this document and the Scheme, Sargon covenants in favour of Decimal (in its own right and separately as trustee or nominee for each of the Decimal Shareholders), that in consideration for the transfer to Sargon of the Scheme Shares held by a Scheme Participant under the terms of the Scheme, Sargon will on the Implementation Date:

- (a) accept that transfer; and
- (b) in accordance with the Deed Poll and this document, pay, or procure the payment of, the Scheme Consideration to each Scheme Participant.

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up or down (as applicable) to the nearest cent.

4.3 No amendment to the Scheme without consent

Decimal must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme which could reasonably be considered to be materially adverse to the interests of Sargon without the prior written consent of Sargon (not to be unreasonably withheld or delayed).

5 Steps for implementation

5.1 Mutual obligations

Without limiting the general nature of **clause 2**, each party must:

- (a) **Regulatory Approvals:**
 - (i) apply in a timely manner for all relevant Regulatory Approvals, providing a copy to the other party of all such applications, and take all steps it is responsible for as part of the approval process for the Scheme, including responding to requests for information at the earliest practicable time; and
 - (ii) use reasonable endeavours to consult with the other in advance in relation to all material Communications with any Governmental Agency relating to any Regulatory Approval and provide the other party with all information reasonably requested in connection with the application for any Regulatory Approval from a Governmental Agency;
- (b) **certificate:** subject to the satisfaction and/or waiver of the Conditions Precedent, provide the Court on the Second Court Date with a certificate that, in respect of the matters within the relevant party's knowledge, all of the Conditions Precedent (other than the Condition Precedent requiring Court approval of the Scheme) are satisfied, or if not satisfied, are waived. A draft of such certificate must be provided by each party to the other party by 5.00 pm on the Business Day before the Second Court Date;
- (c) **timing:** consult with each regularly in relation to the Timetable for performing their respective obligations; and
- (d) **compliance with obligations:** use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external Advisers) so as to produce the Scheme Booklet and implement the Transaction as soon as reasonably practicable and substantially in accordance with the Timetable.

5.2 Decimal's obligations

Without limiting the general nature of **clause 2**, Decimal must comply with its obligations in **schedule 3** and must take all reasonable steps that are necessary or reasonably requested by Sargon to implement the Scheme on a

basis consistent with this document, in accordance with the Timetable and in any event before the End Date.

5.3 Sargon's obligations

Without limiting the general nature of **clause 2**, Sargon must comply with its obligations in **schedule 4** and must take all reasonable steps that are necessary or reasonably requested by Decimal to implement the Scheme on a basis consistent with this document, in accordance with the Timetable and in any event before the End Date.

5.4 Access to people and Decimal information

- (a) During the Exclusivity Period, Decimal must provide Sargon and its officers and advisers with any documents, records, and other information (subject to any existing confidentiality obligations owed to third parties, or applicable privacy laws) reasonably requested by them, and reasonable access to Decimal's officers and advisers which Sargon reasonably requires, for the purposes of implementing the Scheme, provided that:
 - (i) such requests for information or access do not place an unreasonable burden on the ability of Decimal to run its business; and
 - (ii) nothing in this **clause 5.4(a)** requires Decimal to provide Sargon with information concerning Decimal's consideration of the Transaction, a Competing Proposal or assessment of Sargon.
- (b) During the Exclusivity Period, Sargon must provide Decimal and its officers and advisers with any documents, records, and other information (subject to any existing confidentiality obligations owed to third parties, or applicable privacy laws) reasonably requested by them, and reasonable access to Sargon's officers and advisers which Decimal reasonably requires, for the purposes of implementing the Scheme, provided that:
 - (i) such requests for information or access does not place an unreasonable burden on the ability of Sargon to run its business; and
 - (ii) nothing in this **clause 5.4(b)** requires Sargon to provide Decimal with information concerning Sargon's consideration of the Transaction, a Competing Proposal or assessment of Decimal.

5.5 Preparation of the Scheme Booklet

- (a) **Preparation:** without limiting **clauses 5.2** or **5.3**:
 - (i) Decimal is generally responsible for the preparation of the Scheme Booklet but will provide drafts to and consult with Sargon in accordance with **clause 5.5(b)**;
 - (ii) Decimal must take all necessary steps to endeavour to ensure that the Decimal Information included in the Scheme Booklet:
 - (A) complies with the requirements of all applicable laws, including:

- (1) the Corporations Act;
 - (2) the Corporations Regulations;
 - (3) ASIC Regulatory Guide 60; and
 - (4) the ASX Listing Rules; and
 - (B) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission); and
 - (C) includes a statement by the Decimal Board:
 - (1) unanimously recommending that Decimal Shareholders vote in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Decimal Shareholders and there being no Superior Proposal; and
 - (2) that each Decimal Director who holds Decimal Shares intends to vote his or her Decimal Shares in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Decimal Shareholders and there being no Superior Proposal;
- (iii) Sargon must take all necessary steps to endeavour to ensure that the Sargon Information included in the Scheme Booklet:
 - (A) complies with the requirements of all applicable laws, including:
 - (1) the Corporations Act;
 - (2) the Corporations Regulations;
 - (3) ASIC Regulatory Guide 60; and
 - (4) the ASX Listing Rules; and
 - (B) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission).
- (b) **Consultation on Scheme Booklet:** without limiting **clause 5.2**, Decimal must:
 - (i) consult with Sargon regarding the Scheme Booklet, including:
 - (A) as soon as reasonably practicable after the date of this document, provide to Sargon an initial draft of the Scheme Booklet and allow Sargon a reasonable opportunity to review and comment on that draft document;
 - (B) provide to Sargon amended drafts of the Scheme Booklet as reasonably agreed and allow Sargon a reasonable

- opportunity to review and comment on those draft documents;
- (C) take the comments made by Sargon into account in good faith when producing revised drafts of the Scheme Booklet; and
 - (D) provide to Sargon a revised penultimate draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and allow Sargon a reasonable opportunity to review and comment on the Regulator's Draft at least five Business Days before its submission;
- (ii) implement such changes to those parts of the Scheme Booklet which are provided in accordance with **clause 5.5(b)(i)** as reasonably requested by Sargon and prior to finalising the Regulator's Draft;
 - (iii) as soon as reasonably practicable after finalisation of an advanced draft of the Regulator's Draft suitable for review by ASIC, procure that a meeting of the Decimal Directors convened to consider approving the Regulator's Draft as being in a form appropriate for provision to ASIC for review;
 - (iv) during the Regulatory Review Period:
 - (A) promptly provide to Sargon, and include in a revised draft of the Scheme Booklet, any new information not included in the Regulator's Draft which is required by any applicable law, including the Corporations Act, the Corporations Regulations, ASIC Regulatory Guide 60 or the Listing Rules to be included in the Scheme Booklet; and
 - (B) keep Sargon informed of any matters raised by ASIC in relation to the Scheme Booklet and use best endeavours, in co-operation with Sargon, to resolve any such matters; and
 - (v) obtain consent from Sargon to the inclusion of the Sargon Information in the form and context in which the Sargon Information appears in the Scheme Booklet, which approval must not be unreasonably delayed or withheld.
- (c) **Sargon information:** without limiting **clause 5.3**, Sargon:
- (i) consents to the inclusion of the Sargon Information in the Scheme Booklet in the form and context approved by it; and
 - (ii) acknowledges that:
 - (A) it is responsible for ensuring that the Sargon Information is not misleading or deceptive in any material respect (whether by omission or otherwise) and that Decimal will not verify or edit the final form of the Sargon Information in the Scheme Booklet; and

(B) the Scheme Booklet will state that Sargon is responsible for the Sargon Information.

(iii) must:

(A) as soon as possible after the date of this document, prepare the Sargon Information and provide that Sargon Information to Decimal for inclusion in the Scheme Booklet;

(B) consult with Decimal in relation to the content of the Sargon Information;

(C) consider in good faith, for the purpose of amending the Sargon Information, any reasonable comments received from Decimal and its Representatives;

(D) ensure that the Sargon Information is not misleading or deceptive in any material respect (whether by omission or otherwise); and

(E) provide to Decimal all such further or new information which may arise or become known to Sargon after the Scheme Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Sargon Information is not misleading or deceptive in any material respect (whether by omission or otherwise).

(iv) must, on each of:

(A) the Business Day which is immediately prior to the day on which a meeting of the Decimal Board has been convened to consider approving the Regulator's Draft as being in a form appropriate for provision to ASIC for review;

(B) the Business Day which is immediately prior to the day on which the Scheme Booklet is proposed by Decimal to be dispatched to Decimal Shareholders; and

(C) the Business Day which is immediately prior to the day of the Scheme Meeting;

(each a **Verification Point**) verify all statements forming part of the Sargon Information, and any statements directly derived from Sargon Information, contained in the Scheme Booklet. Sargon will provide such documentation to evidence its verification that Decimal may reasonably request, including a verification certificate signed by Representatives of Sargon responsible for verification; and

(v) will ensure that the Sargon Information, and all information provided by or on its behalf to the Independent Expert, is not misleading or deceptive in any material respect (whether by omission or otherwise) as at each Verification Point.

(d) **Disagreement on content:**

- (i) If Sargon and Decimal disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet.
- (ii) If complete agreement is not reached after reasonable consultation, then:
 - (A) if the disagreement relates to the form or content of the Sargon Information contained in the Scheme Booklet, Decimal will make such amendments as Sargon reasonably requires; and
 - (B) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the Decimal Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet.
- (e) **Verification:** without limiting **clause 5.5(c)(iv)**, each party must undertake appropriate verification processes for the information supplied by that party for the Scheme Booklet and must provide each other with full and free access to, and on request (acting reasonably), copies of all materials and documents used or created in connection with their respective verification processes, and must maintain those materials and documents for at least 7 years from the date of this document for that purpose.

5.6 Court proceedings

- (a) **Appeal process:** if the Court refuses to make an order convening the Scheme Meeting or approving the Scheme, at Sargon's request Decimal must appeal the Court's decision to the fullest extent possible, except to the extent that:
 - (i) the parties agree otherwise; or
 - (ii) an independent senior counsel indicates that, in their view, an appeal would have no reasonable prospects of success before the End Date,
 in which case either party may terminate this document.
- (b) **Defence of proceedings:** each of the parties must vigorously defend, or must cause to be vigorously defended, any lawsuits or other claims or proceedings (including any Takeovers Panel proceedings) brought against it (or any member of the Sargon Group or Decimal Group) challenging this document or the completion of the Transaction. Neither Sargon nor Decimal may settle or compromise (or permit any member of the Sargon Group or Decimal Group to settle or compromise) any claim brought in connection with this document without the prior written consent of the other, such consent not to be unreasonably withheld.
- (c) **Costs:** any costs incurred as a result of the operation of this **clause 5.6** are to be borne equally by the parties.

- (d) **Undertakings:** this document does not give Decimal or Sargon any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent. Decimal or Sargon must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme as contemplated by this document.

5.7 Decimal Board recommendation

- (a) **Best endeavours:** Decimal must use its best endeavours to procure that none of the Decimal Directors withdraws, or changes their recommendation in favour of the Scheme, unless:
 - (i) there is a Superior Proposal; or
 - (ii) the Independent Expert concludes that the Scheme is not in the best interests of Decimal Shareholders, or adversely changes its previously given opinion that the Scheme is in the best interests of Decimal Shareholders; and
 - (iii) the Decimal Board determines in good faith and acting reasonably, having received expert advice in writing from its legal advisors, (who must be reputable advisers experienced in transactions of this nature) that they must do so because of their fiduciary or statutory duties to Decimal Shareholders.
- (b) **Withdrawal or change of recommendation:** without limiting clause 7, if a Decimal Director proposes to withdraw or change their recommendation in accordance with clause 5.7:
 - (i) Decimal must notify Sargon in writing immediately; and
 - (ii) the parties must consult in good faith for 2 Business Days after the date on which the notification in sub clause (a) is given to consider and determine whether the recommendation in place at the time can be maintained. That recommendation cannot be withdrawn or changed in accordance with clause 5.7 until the end of the consultation period.

5.8 Decimal Board and Sargon Board

- (a) Decimal must as soon as practicable:
 - (i) after the Scheme becomes Effective, take all actions necessary to cause the appointment as directors of Decimal of such number of persons nominated by Sargon as would constitute those nominees (acting together) as a majority of the directors on the Decimal Board; and
 - (ii) after the Scheme Consideration has been paid, ensure that all directors on the Decimal Board other than the Sargon nominees resign.
- (b) Decimal represents and warrants to Sargon that each director of Decimal has confirmed that he or she will resign and provide written notice to the

effect that they have no claim outstanding for loss of office, remuneration or otherwise against Decimal as soon as practicable after the Scheme becomes Effective, provided that a proper board is constituted at all times in accordance with Decimal's constitution, the Corporations Act and the ASX Listing Rules.

5.9 Decimal Unexpired Options

Decimal must procure that, as soon as practicable after the date of this document, each holder of Decimal Options enters into a deed with Decimal under which the holder agrees to the cancellation of all of their Decimal Unexpired Options for nil consideration, subject to the Scheme becoming Effective.

6 Conduct of business

During the Exclusivity Period, Decimal must, and must procure that each member of the Decimal Group:

- (a) conducts its business and operations in the ordinary course and substantially consistent (subject to any applicable laws, regulations and Regulatory Approvals) with the manner in which each such business and operation has been conducted in the period prior to the date of this document and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals;
- (b) to the extent consistent with that obligation, use its reasonable endeavours to preserve intact the Decimal Group's current business organisation and assets, to keep available the services of the current officers of it and its Related Entities and to preserve the Decimal Group's relationship with Governmental Agencies, ratings agencies, customers, suppliers, licensors, licensees and others having business dealings with it;
- (c) ensure there is no material decrease in the amount of cash in Decimal other than as used in the ordinary course of business and consistent with forecast cash utilisation, or as a result of reasonable costs incurred directly in relation to the transactions contemplated by the Scheme; and
- (d) not permit any Material Transaction,

except to the extent required to be done or procured by Decimal pursuant to, or which is otherwise expressly permitted by, this document, or with Sargon's prior written consent, such consent not to be unreasonably withheld or delayed.

7 Exclusivity

7.1 Termination of existing discussions

At the date of this document, Decimal represents and warrants to Sargon that it has terminated all other negotiations or discussions with any other person which may reasonably be expected to lead to a Competing Proposal.

7.2 No shop restriction

During the Exclusivity Period, Decimal must not, and must use all reasonable endeavours to ensure that each of its Representatives does not, except with the prior written consent of Sargon, directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or which may reasonably be expected to lead to, a Competing Proposal, or communicate to any person an intention to do any of those things.

7.3 No talk restriction

During the Exclusivity Period, Decimal must not, and must use all reasonable endeavours to ensure that each of its Representatives do not, except with the prior written consent of Sargon, enter into, facilitate, continue or participate in negotiations or discussions with, or enter into any agreement, arrangement or understanding with, any Third Party in relation to, or which may reasonably be expected to lead to, a Competing Proposal, even if:

- (a) the Competing Proposal was not directly or indirectly solicited, invited, facilitated, encouraged or initiated by the party or any of its Representatives; or
- (b) the Competing Proposal has been publicly announced,

unless the Decimal Board, acting in good faith, after taking advice from its legal and financial advisers, and in order to satisfy what the Decimal Board reasonably considers to be its fiduciary or statutory duties, determines that, where there is a Competing Proposal, the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal but only if that Competing Proposal was not directly or indirectly solicited, invited, facilitated, encouraged or initiated by Decimal or any of its Representatives in a manner that would breach its obligations under this **clause 7.3** or **clause 7.2**.

7.4 Provision of information

- (a) Decimal must, and must (where necessary) cause its Representatives to, within 2 Business Days provide Sargon with any information or due diligence materials (including responses to requests for further information) provided or made available to any Third Party who is or may be considering a Competing Proposal (other than identical copies of documents that have previously been provided to those other parties).
- (b) Such provision of information or materials to a Third Party referred to in this **clause 7.4** is only permitted to be undertaken pursuant to **clause 7.3** and only after the Third Party has executed a confidentiality agreement on customary terms.

7.5 Notification of approaches

- (a) During the Exclusivity Period, Decimal must notify Sargon within 24 hours in writing if it or any of its Representatives:
 - (i) is contacted by, or has discussions or negotiations with, any person in connection with a matter (including a proposal) that

relates or may lead to a Competing Proposal, or otherwise becomes aware of such a matter; or

- (ii) proposes or is asked to take any of the action referred to in **clauses 7.2 and 7.3**,

(each a **Competing Proposal Notice**).

- (b) The Competing Proposal Notice given under **clause 7.5(a)** must be accompanied by all material details of the relevant event (including the identity of the Third Party and all material terms of any Competing Proposal such as the consideration proposed to be offered under the transaction and any conditions to which the transaction would be subject).
- (c) A Competing Proposal Notice and any information provided with a Competing Proposal will be provided subject to the terms of the Confidentiality Agreement.
- (d) For the avoidance of doubt, if Decimal gives Sargon a Competing Proposal Notice, it will still be required to, in accordance with this **clause 7.5**, notify Sargon of all future events of a kind referred to in **clause 7.5(a)** which relate to the first-mentioned event (whether or not it is relying on an exception to **clause 7.3** as contained in that clause).

7.6 Sargon's right to match Competing Proposal

- (a) Decimal must not enter into any agreement, arrangement or understanding in relation to the Competing Proposal (whether or not in writing) and must use its best endeavours to procure that no Decimal Directors change their recommendation in favour of the Scheme to publicly recommend an actual, proposed or potential Competing Proposal (or recommend against the Scheme), unless:
 - (i) the Decimal Board determines that the Competing Proposal would be or would be likely to be an actual, proposed or potential Superior Proposal;
 - (ii) Decimal gives Sargon a Competing Proposal Notice in relation to the Competing Proposal;
 - (iii) a period of 4 Business Days has elapsed from the date on which Sargon receives that notification; and
 - (iv) Sargon has not announced a proposal which the Decimal Board (acting reasonably) considers to be equivalent or superior to the terms of the actual, proposed or potential Competing Transaction by the expiry of the 4 Business Day period referred to in clause 7.6(a)(iii).
- (b) Decimal acknowledges and agrees that each successive modification of any actual, proposed or potential Competing Transaction will constitute a new actual, proposed or potential Competing Transaction for the purposes of the requirements under clause 7.6 and accordingly Decimal must comply with clause **7.6(a)** in respect of any new actual, proposed or

potential Competing Transaction unless clauses 7.6(a)(i) to 7.6(a)(iv) (inclusive) apply

- (c) Despite anything in **clause 7.6(a)**, to the extent required to satisfy what the Decimal Board have determined (having received written advice from its external legal advisers) in good faith to be their fiduciary or statutory obligations, the Decimal Board may release a public announcement acknowledging the receipt of a Competing Proposal and:
 - (i) recommending that Decimal Shareholders take no action in relation to a Competing Proposal; and
 - (ii) reserving its position in relation to its recommendation of the Competing Proposal and the Scheme.
- (d) If Decimal gives a Competing Proposal Notice, Sargon will have the right, but not the obligation, at any time until the expiration of 4 Business Days following receipt of the Competing Proposal Notice to:
 - (i) offer to amend the terms of the Scheme; or
 - (ii) to propose any other transaction,

which must be submitted to Decimal in writing (each **Sargon Counterproposal**), and if Sargon does so, Decimal must procure that the Decimal Board consider the Sargon Counterproposal in good faith to determine whether the Sargon Counterproposal is equivalent or more favourable to Decimal Shareholders than the Competing Proposal, taking into account all of the terms and conditions of the Sargon Counterproposal.

- (e) If the Decimal Board determines, in good faith and after having obtained written advice from its legal and financial advisers, that the Sargon Counterproposal:
 - (i) would provide an equivalent or superior outcome for the Decimal Shareholders than the Competing Proposal (it being acknowledged that the Sargon Counterproposal does have to be above the price or value implied by the Competing Proposal for the Decimal Board to consider the Sargon Counterproposal in relation to price to be superior); and
 - (ii) the other terms of the Sargon Counterproposal taken as a whole are not less favourable than those under the Competing Proposal,then:
 - (iii) if the Sargon Counterproposal contemplates an amendment to the Scheme, the parties must enter into a deed amending this document and all other necessary documents to reflect the Sargon Counterproposal; and
 - (iv) if the Sargon Counterproposal contemplates any other transaction, Decimal must make an announcement as soon as reasonably practicable recommending the Sargon Counterproposal, in the

absence of a Superior Proposal, and the parties must pursue implementation of the Sargon Counterproposal in good faith, subject to this document.

7.7 Compliance with the law

- (a) If a court or the Takeovers Panel determines that the agreement by the parties under this **clause 7** or any part of it:
 - (i) constitutes or would, if performed, constitute:
 - (A) a breach of the fiduciary or statutory duties of the Decimal Board; or
 - (B) unacceptable circumstances; or
 - (ii) is unenforceable or would, if paid, be unlawful for any reason, then, to that extent (and only to that extent) the parties will not be obliged to comply with that provision of **clause 7**.
- (b) The parties must not make, cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in **clause 7.7(a)** and, subject to **clause 7.7(c)**, must use all reasonable endeavours to ensure that no such determination is made.
- (c) If in Takeovers Panel proceedings described in **clause 7.7(a)**, the Takeovers Panel indicates to the parties or either of them that in the absence of a written undertaking pursuant to section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) it will make a declaration of unacceptable circumstances, each of Decimal and Sargon (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this **clause 7** will operate in a manner consistent with the terms of such undertakings.

8 Representations and warranties

8.1 Preliminary

- (a) Each of the representations and warranties of Decimal and Sargon in **clauses 8.2** and **8.4** respectively is to be read down and qualified by any matter Fairly Disclosed in the Disclosure Materials and transactions contemplated by this document.
- (b) Each party acknowledges that no other party (nor any person acting on that party's behalf) has made any warranty, representation or other inducement to it to enter into this document, except for the representations and warranties expressly set out in this document.

8.2 Decimal representations and warranties

Decimal represents and warrants to Sargon (on its own behalf and separately as trustee or nominee for each of the Sargon Directors) that each of the

statements set out in **schedule 5** is true and correct in all material respects as at the date of this document and as at 5.00pm on the Business Day immediately prior to the Second Court Date.

8.3 Decimal's indemnity

Decimal indemnifies Sargon from any Losses of whatever nature and however arising which Sargon or any of its officers suffers, incurs or is liable for arising out of any breach of any of the Decimal's representations and warranties in **clause 8.2**.

8.4 Sargon representations and warranties

Sargon represents and warrants to Decimal (on its own behalf and separately as trustee or nominee for each of the Decimal Directors) that each of the statements set out in **schedule 6** is true and correct in all material respects as at the date of this document and as at 5.00pm on the Business Day immediately prior to the Second Court Date.

8.5 Sargon's indemnity

Sargon indemnifies Decimal from any Losses of whatever nature and however arising which Decimal or any of its officers suffers, incurs or is liable for arising out of any breach of any of the Sargon's representations and warranties in **clause 8.4**.

8.6 Notifications

Each party will promptly advise the other party in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under **clause 8.2** or **8.4**.

8.7 Status of representations and warranties

Each representation and warranty in this **clause 8.2** and **8.4**:

- (a) is severable;
- (b) will survive the termination of this document; and
- (c) is given with the intent that liability under it will not be confined to breaches which are discovered prior to the date of termination of this document.

8.8 Decimal officers and employees

- (a) Sargon releases its respective rights, and agrees with Decimal that it will not make a Claim, against any officer or employee of Decimal or of any of its Related Entities as at the date of this document in connection with:
 - (i) any breach of any representations or warranties made or given by Decimal in this document; or
 - (ii) any disclosures to Sargon containing any statement which is false or misleading whether in content or by omission,whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the officer has not acted

in good faith or has engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this **clause 8.8** limits Sargon's termination rights (if any).

- (b) **Clause 8.8(a)** is subject to any Corporations Act restriction and will be read down accordingly. Decimal receives and holds the benefit of **clause 8.8(a)** to the extent it relates to each officer or employee as trustee for each of them.

8.9 Sargon officers and employees

- (a) Decimal releases its respective rights, and agrees with Sargon that it will not make a claim, against any officer or employee of Sargon or of any of its Related Entities as at the date of this document in connection with:
 - (i) any breach of any representations, covenants and warranties of Sargon in this document; or
 - (ii) any disclosures to Decimal containing any statement which is false or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the officer has not acted in good faith or has engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this **clause 8.9** limits Decimal's termination rights (if any).

- (b) **Clause 8.9(a)** is subject to any Corporations Act restriction and will be read down accordingly. Sargon receives and holds the benefit of **clause 8.9(a)** to the extent it relates to each officer and employee as trustee for each of them.

8.10 Insurances

- (a) Subject to the Scheme becoming Effective, Sargon undertakes that it will:
 - (i) for a period of seven years from the Implementation Date, ensure that the constitutions of Decimal and each other member of the Decimal Group continue to contain such rules as are contained in those constitutions at the date of this document that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the relevant company to any person other than a member of the Decimal Group;
 - (ii) procure that Decimal and each member of the Decimal Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained for a period of seven years from the retirement date of each director and officer; and

- (iii) not take any action which would prejudice or adversely affect any existing directors' and officers' insurance policy (including any run-off insurance cover) Decimal has in place as at the date of this document or will have in place prior to the Implementation Date.
- (b) Sargon acknowledges that, notwithstanding any other provision of this document, Decimal may, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for up to seven years, and any actions to facilitate such insurance or in connection with it will not constitute a breach any provision of this document.
- (c) Decimal receives and holds the benefit of **clause 8.10(b)** as trustee for each director and officer of each member of the Decimal Group.

9 Confidentiality, public announcements and Communications

9.1 Confidentiality Agreement

Except as set out in **clause 9.5**, the parties acknowledge that:

- (a) the parties to the Confidentiality Agreement continue to be bound by the Confidentiality Agreement after the date of this document; and
- (b) the rights and obligations of the parties under the Confidentiality Agreement and Sargon under **clause 9.1(a)** survive termination of this document.

9.2 Public announcements

- (a) On the Announcement Date, Decimal and Sargon must issue a joint public announcement in connection with the Transaction in an agreed form, that:
 - (i) the Decimal Board intends to unanimously recommend to Scheme Participants that the Scheme be approved; and
 - (ii) each Decimal Director who holds Decimal Shares intends to vote their Decimal Shares in favour of the Scheme,

subject to there being no Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Decimal Shareholders and not adversely changing or withdrawing that conclusion prior to the Effective Date.
- (b) Subject to any deadlines imposed by law or applicable stock exchange requirement and **clause 9.4**, any public announcements made in connection with the Transaction must be made outside the trading hours of ASX.
- (c) Subject to **clause 9.2(d)**, **9.4** and **9.5**, prior to making any other public announcement or disclosure in connection with the Transaction or any major public announcement regarding its business (in any such case in this clause a **Disclosure**), each party must use its reasonable

endeavours to consult with the other party as to, and seek to agree with the other party (each party acting reasonably and in good faith), the form and content of that announcement or disclosure.

- (d) Subject to **clause 9.4** and **9.5**, where a party is required by applicable law or regulation, the ASX Listing Rules or any other applicable stock exchange regulation to make any Disclosure, it may do so only after it has given the other party as much notice as is reasonably practicable in the context of any deadlines imposed by law or applicable requirement, but in any event prior notice, and has, to the extent reasonably practicable in the context of such deadlines, consulted with the other party as to (and has given the other party a reasonable opportunity to comment on) the form and content of that Disclosure.

9.3 Agreement on Communications

Except in relation to Communications regulated by **clause 9.2** and to the extent permitted by applicable law, and subject to **clause 9.4**:

- (a) Decimal and Sargon must in good faith consult with each other and agree in advance on all aspects (including the timing, form, content and manner) of:
 - (i) any Communications with any Governmental Agency; and
 - (ii) any press release,in relation to the conduct of the Transaction, whether or not such Communications are for the purposes of satisfying a Condition Precedent;
- (b) each of Decimal and Sargon must ensure that any other Communications with third parties in relation to the Transaction (such as with employees, shareholders, contract counterparties or with the media other than by way of press release) must be in accordance with the communication protocols and messages agreed between the parties (and if branded with the name or logo of the other party, must be consented to by that party);
- (c) each party must provide copies to the other party of any written Communications sent to or received from a person referred to in **clause 9.3(b)** promptly upon despatch or receipt (as the case may be); and
- (d) each party will have the right to be present and make submissions at or in relation to any proposed meeting with any Governmental Agency in relation to the Transaction.

9.4 Competing or Superior Proposal

The requirements of **clauses 9.2(b), 9.2(c), 9.2(d)** and **9.3** do not apply to either party if a Competing Proposal or a Superior Proposal has been announced and publicly recommended, promoted or otherwise endorsed by any of the Decimal Board and has not been publicly withdrawn.

9.5 Termination of this document

If this document is terminated under **clause 10**, either party may disclose by way of announcement to ASX or any stock exchange on which securities of Sargon are listed the fact that this document has been terminated, where such disclosure is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed, and provided, where reasonably practicable, that party consults with the other party as to (and gives the other party a reasonable opportunity to comment on) the form and content of the announcement prior to its disclosure.

10 Termination

10.1 Termination by either party

A party may terminate this document before 5.00 pm on the Business Day before the Second Court Date:

- (a) **resolution voted down:** if the resolution to approve the Scheme submitted to the Scheme Meeting is not approved by the requisite majorities of Decimal Shareholders (except in the circumstances contemplated by **clause 3.6**);
- (b) **End Date:** if the Effective Date for the Scheme has not occurred on or before the End Date;
- (c) **Independent Expert:** the Independent Expert concludes that the Scheme is not in the best interests of Decimal Shareholders;
- (d) **material breach:** if the other party is in material breach of any clause of this document, taken in the context of the Transaction as a whole, provided that either Decimal or Sargon, as the case may be, has, if practicable given notice to the other setting out the relevant circumstances and stating an intention to terminate, and the relevant circumstances continue to exist five Business Days (or any shorter period ending at 5.00 pm on the Business Day before the Second Court Date) after the time such notice is given;
- (e) **no Court orders:** if the party is entitled to terminate the document in accordance with **clause 5.6(a)**;
- (f) **restraint:** subject to prior compliance with **clause 5.6**, if any court, the Takeovers Panel or Governmental Agency has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, or has refused to do anything necessary to permit the Scheme, and the parties fail to agree on conducting an appeal within five Business Days;
- (g) **Conditions Precedent:** in the circumstances permitted in **clause 3.8**; or
- (h) **insolvency:** if an Insolvency Event has occurred in relation to Decimal or any member of the Decimal Group (in which case Sargon may

terminate) or Sargon or any member of Sargon Group (in which case Decimal may terminate).

10.2 Termination by Decimal

Decimal may terminate this document at any time before the End Date by notice in writing to Sargon if at any time prior to 5.00 pm on the day before the Second Court Date:

- (a) Decimal receives a Competing Proposal which:
 - (i) was not solicited, invited encouraged or initiated in breach of **clause 7.2**; and
 - (ii) a majority of Decimal Directors consider, after all of Sargon's rights under **clause 7.6** have been exhausted, to be a Superior Proposal (as evidenced by a written resolution of those Decimal Directors to that effect); or
- (b) a Third Party obtains a Relevant Interest in more than 25% of the Decimal Shares in circumstances where Decimal has not breached its obligations under **clause 7.2**.

10.3 Termination by Sargon

Sargon may terminate this document at any time before the End Date by notice in writing to Decimal if at any time prior to 5.00 pm on the day before the Second Court Date:

- (a) any Decimal Director changes their recommendation or ceases or fails to recommend to Decimal Shareholders that they vote in favour of the resolution to approve the Scheme, including any adverse modification to their recommendation, or otherwise make a public statement indicating that they no longer support the Scheme; or
- (b) a Third Party obtains a Relevant Interest in more than 20% of the Decimal Shares after the date of this document.

10.4 Exercise of termination right

Where a party has a right to terminate this document, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this document.

10.5 Effect of termination

In the event of termination of this document by either Sargon or Decimal pursuant to **clause 10.1** or **10.3**, this document will have no further force or effect and the parties will have no further obligations under this document, provided that:

- (a) this **clause 10** (Termination) and **clauses 1** (Interpretation), **5.6(a)** (Appeal process), **9** (Confidentiality, public announcements and Communications), **11** (GST), **12** (Notices) and **13** (General) will survive termination; and

- (b) each party will retain any accrued rights and remedies, including any rights and remedies it has or may have against the other party in respect of any past breach of this document.

10.6 Damages

In addition to the right of termination under **clause 10.1(d)** where there is no appropriate remedy for the breach in the document (other than termination), the non-defaulting party is entitled to damages for Losses suffered by it and expenses incurred as a result of the breach of the terms of this document.

11 GST

11.1 Construction

In this **clause 11**:

- (a) words and expressions which are not defined in this document but which have a defined meaning in GST Law have the same meaning as in the GST Law;
- (b) **GST Law** has the same meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999*; and
- (c) references to GST payable and input tax credit entitlement include GST payable by, and the input tax credit entitlement of, the representative member for a GST group of which the entity is a member.

11.2 Consideration GST exclusive

Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under this document are exclusive of GST.

11.3 Payment of GST

If GST is payable on any supply made by a party (or any entity through which that party acts) (**Supplier**) under or in connection with this document, the recipient will pay to the Supplier an amount equal to the GST payable on the supply.

11.4 Timing of GST payment

The recipient will pay the amount referred to in **clause 11.3** in addition to and at the same time that the consideration for the supply is to be provided under this document.

11.5 Tax invoice

The Supplier must deliver a tax invoice or an adjustment note to the recipient before the Supplier is entitled to payment of an amount under **clause 11.3**.

The recipient can withhold payment of the amount until the Supplier provides a tax invoice or an adjustment note, as appropriate.

11.6 Adjustment event

If an adjustment event arises in respect of a taxable supply made by a Supplier under this document, the amount payable by the recipient under **clause 11.3** will be recalculated to reflect the adjustment event and a payment will be made by the recipient to the Supplier or by the Supplier to the recipient as the case requires.

11.7 Reimbursements

Where a party is required under this document to pay or reimburse an expense or outgoing of another party, the amount to be paid or reimbursed by the first party will be the sum of:

- (a) the amount of the expense or outgoing less any input tax credits in respect of the expense or outgoing to which the other party is entitled; and
- (b) if the payment or reimbursement is subject to GST, an amount equal to that GST.

11.8 No merger

This **clause 11** does not merge in the completion or termination of this document or on the transfer of the property supplied under this document.

12 Notices

12.1 General

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

12.2 How to give a communication

- (a) In addition to any other lawful means, a communication may be given by being:
 - (i) personally delivered;
 - (ii) left at the party's current address for notices;
 - (iii) sent to the party's current address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or
 - (iv) sent by fax to the party's current fax number for notices.
- (b) The parties will use all reasonable endeavours to provide a copy of any communication provided under **clause 12.2(a)** by email to the email address of the other party set out in **clause 12.3**. To avoid doubt, such email communication is provided as support for the official communication provided in accordance with **clause 12.2(a)** and does not supersede or replace any obligation on a party to provide that communication in accordance with **clause 12.2(a)** or derogate from the other provisions of this **clause 12**.

12.3 Particulars for delivery of notices

- (a) The particulars for delivery of notices are initially:

Sargon

Address: Level 9, 287 Collins Street, Melbourne VIC 3000
Email: phil@trimantium.com
Attention: Phil Kingston
copy to: Henrik Moritz, King & Wood Mallesons, Level 61,
Governor Philip Tower, 1 Farrer Place, Sydney NSW
2000 (Henrik.moritz@au.kwm.com)

Decimal

Address: 1/174 Hampden Road, Nedlands, Western Australia,
6009
Fax: +61 8 6389 1977
Email: dw@decimal.com.au
Attention: Company Secretary
copy to: Russell Philip, Corrs Chambers Westgarth,
Brookfield Place Tower 2, Level 6, 123 St Georges
Terrace, Perth, WA 6000
(Russell.Philip@corrs.com.au)

- (b) Each party may change its particulars for delivery of notices by notice to each other party.

12.4 Communications by post

Subject to **clause 12.7**, a communication is given if posted:

- (a) within Australia to an Australian address, three Business Days after posting; or
(b) in any other case, ten Business Days after posting.

12.5 Communications by fax

Subject to **clause 12.7**, a communication is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

12.6 Communications by email

Subject to **clause 12.7**, a communication is given if sent by email, when a delivery confirmation is received by the sender which records the time that the email was delivered to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee).

12.7 After hours communications

If a communication is given:

- (a) after 5.00 pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

12.8 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 12** or in accordance with any applicable law.

13 General

13.1 Duty

- (a) Sargon as between the parties is liable for and must pay all duty (including any fine, interest or penalty except where it arises from default or delay by Decimal) on or relating to this document, the Scheme, the Deed Poll, any document executed under any of these, or any dutiable transaction evidenced or effected by any of these.
- (b) If a party other than Sargon pays any duty (including any fine, interest or penalty) on or relating to this document, the Scheme, the Deed Poll, any document executed under any of these, or any dutiable transaction evidenced or effected by any of these, Sargon must pay that amount to the paying party on demand (except where it arises from default or delay by Decimal).

13.2 Legal costs

Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document.

13.3 Amendment

This document may only be varied or replaced by a document executed by the parties.

13.4 Waiver and exercise of rights

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any Losses, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

- (c) Any waiver or consent given by any party under this document is only effective and binding on that party if it is given or confirmed in writing by that party and signed by both parties.

13.5 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

13.6 Consents

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

13.7 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

13.8 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

13.9 Assignment

- (a) A party must not assign or deal with any right under this document without the prior written consent of the other party.
- (b) Any purported dealing in breach of this **clause 13.9** is of no effect.

13.10 Liability

An obligation of two or more persons binds them separately and together.

13.11 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

13.12 Entire understanding

- (a) This document and the Confidentiality Agreement contain the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this document; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

13.13 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties. The business of each party will continue to operate independently from the other until the Implementation Date.

13.14 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this document. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

Schedule 1

Conditions Precedent

Condition	Party entitled to benefit	Party responsible
<p>1 No regulatory actions</p> <p>Between the date of this document and 5.00 pm on the day before the Second Court Date (each inclusive):</p> <ul style="list-style-type: none">(a) there is not in effect any preliminary or final decision, order or decree issued by a Governmental Agency;(b) no action or investigation is announced, commenced or threatened by any Governmental Agency; and(c) no application is made to any Governmental Agency, <p>in consequence of or in connection with the Transaction which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, the implementation of the Transaction or any part of it or the acquisition of Decimal Shares under the Scheme.</p>	Both	Both
<p>2 Regulatory Approvals</p> <p>All Regulatory Approvals (other than Court and Decimal Shareholder approval) having been obtained or deemed to have been obtained by 5.00 pm on the Business Day immediately prior to the Second Court Date including ASIC and ASX providing all consents, approvals and waivers and doing all other acts which are necessary or reasonably desirable to implement the Scheme on terms that are unconditional or subject only to conditions which are acceptable to Decimal and Sargon.</p>	Both	Both
<p>3 Court orders</p> <p>No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition being in effect at 5.00 pm on the day before the Second Court Date which prevents the consummation of any aspect of the Transaction.</p>	Both	Both

Condition	Party entitled to benefit	Party responsible
<p>4 No Material Transaction</p> <p>No Material Transaction occurs between the date of this document and 5.00 pm on the day before the Second Court Date.</p>	Sargon	Decimal
<p>5 No Material Adverse Change</p> <p>No Material Adverse Change occurs or becomes apparent between the date of this document and 5.00 pm on the day before the Second Court Date.</p>	Sargon	Decimal
<p>6 Decimal representations and warranties</p> <p>The representations and warranties of Decimal set out in clause 8.2 being true and correct as at the date of this document and as at 8.00 am on the Second Court Date.</p>	Sargon	Decimal
<p>7 Sargon representations and warranties</p> <p>The representations and warranties of Sargon set out in clause 8.4 being true and correct as at the date of this document and as at 8.00 am on the Second Court Date.</p>	Decimal	Sargon
<p>8 Independent Expert recommendation</p> <p>The Independent Expert opines that the Scheme is in the best interests of Decimal Shareholders before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act and the Independent Expert does not change its conclusions or withdraw its report prior to 5.00 pm on the day before the Second Court Date.</p>	Decimal	Decimal
<p>9 Board recommendation</p> <p>Between the date of this document and the date on which the Scheme is approved by Decimal Shareholders, the Decimal Directors do not change or withdraw their recommendation to Decimal Shareholders as set out in the form in the agreed Announcement the subject of clause 9.2(a) to vote in favour of the Scheme and all resolutions (if any) incidental to the Scheme.</p>	Sargon	Decimal
<p>10 Scheme approval</p> <p>The Scheme being approved with or without modification, in accordance with section 411(4)(a) of the Corporations Act, at the Scheme Meeting or, if the Scheme is not agreed to by the requisite majority of Decimal Shareholders, the Court orders otherwise in accordance with section 411(4)(a) of the Corporations Act.</p>	Cannot be waived	Decimal

Condition	Party entitled to benefit	Party responsible
<p>11 Court approval of Scheme</p> <p>The Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that are customary or usual and an office copy of the Scheme Order is lodged with ASIC as contemplated by section 411(10) of the Corporations Act.</p>	Cannot be waived	Decimal
<p>12 Decimal Unexpired Options</p> <p>Before 5.00 pm on the day before the Second Court Date, each holder of Decimal Options has agreed to the cancellation of all of their Decimal Unexpired Options (subject to the Scheme becoming Effective) for nil consideration.</p>	Sargon	Decimal
<p>13 Key Customer Contracts</p> <p>Before 5.00 pm on the day before the Second Court Date, the Third Party Consents (to the extent required) in respect of the Key Customer Contracts are obtained on terms acceptable to Sargon (acting reasonably).</p>	Sargon	Decimal
<p>14 Material Contracts</p> <p>Before 5.00 pm on the day before the Second Court Date, Decimal has confirmed in writing to Sargon that each Material Contract has a term of at least 12 months from the Effective Date.</p>	Sargon	Decimal
<p>15 Rocking Horse Facility</p> <p>Before 5.00 pm on the day before the Second Court Date, Decimal has provided written evidence reasonably acceptable to Sargon that the Rocking Horse Facility has been repaid in full using R&D rebates Decimal has received from the Australian Tax Office.</p>	Sargon	Decimal

Schedule 2

Timetable

Action	Date
Draft Scheme Booklet lodged with ASIC	Late September - Early October 2018
Deed Poll executed by Sargon	Mid October 2018 - Early November 2018
First Court Date	Mid October 2018 - Early November 2018
Scheme Booklet registered by ASIC and released on ASX	Mid October 2018 - Early November 2018
Scheme Booklet despatched to Decimal Shareholders	Late October - Early November 2018
Scheme Meeting	Late November - Early December 2018
Second Court Date	Late November - Mid December 2018
Effective Date: Scheme Order lodged with ASIC	Late November - Mid December 2018
Record Date	Late November - Mid December 2018
Implementation Date	December 2018

Schedule 3

Decimal's Obligations

- 1 **Announcement:** on the Announcement Date, lodge the Announcement in accordance with clause 9.2(a).
- 2 **Prepare Scheme Booklet:** as soon as practicable after the date of this document, prepare the Scheme Booklet.
- 3 **Decimal Information:** ensure that the Decimal Information included in the Scheme Booklet:
 - (a) complies with all applicable laws, including the Corporations Act, the Corporations Regulations, the ASX Listing Rules and ASIC Regulatory Guide 60; and
 - (b) is not false, misleading or deceptive in any material respect (including because of any material omission).
- 4 **Further Decimal Information:** provide to Sargon and Decimal Shareholders such further or new Decimal Information as may arise after the Scheme Booklet has been sent until the date of the Scheme Meeting as may be necessary to ensure that the Decimal Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission).
- 5 **Independent Expert:** promptly appoint the Independent Expert and provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's report for the Scheme Booklet as soon as practicable.
- 6 **Provide a copy of the Independent Expert's report:** as soon as reasonably practicable, provide Sargon with a copy of all drafts of the Independent Expert's report received by Decimal from the Independent Expert from time to time for review for factual accuracy.
- 7 **Promote merits of Transaction:** participate in and ensure that the Decimal Board participates in efforts reasonably requested by Sargon to promote the merits of the Transaction, including meeting with key Decimal Shareholders at the reasonable request of Sargon, unless and until the recommendations of the Decimal Directors are withdrawn or modified because of a Superior Proposal or because the Independent Expert concludes that the Scheme is not in the best interests of Decimal Shareholders.
- 8 **Directors' recommendation:** state in the Scheme Booklet and the Announcement (on the basis of statements made to Decimal by each of the Decimal Directors) that each of the Decimal Directors recommend to Scheme

Participants that the Scheme be approved in the absence of a Superior Proposal and subject to the Independent Expert expressing an opinion that the Scheme is in the best interest of the Decimal Shareholders.

- 9 **Lodgement of Regulator’s Draft:**
- (a) no later than 14 days before the First Court Date, provide the Regulator’s Draft to ASIC for its review for the purposes of section 411(2) of the Corporations Act, and provide a copy of the Regulator’s Draft to Sargon immediately thereafter; and
 - (b) keep Sargon reasonably informed of any material issues raised by ASIC in relation to the Regulator’s Draft and, where practical to do so, consult with Sargon in good faith prior to taking any steps or actions to address those material issues (provided that, where those issues relate to Sargon Information, Decimal must not take any steps to address them without Sargon’s prior written consent, not to be unreasonably withheld);
- 10 **Directors’ voting:** use its best endeavours to procure that:
- (a) each Decimal Director votes any Decimal Shares in which they have a relevant interest in favour of the Scheme and any other resolution submitted to Decimal Shareholders for their approval in connection with the Scheme; and
 - (b) each Decimal Director does not change that voting intention, or make any public statement or take any action which qualified their support for the Scheme or contradicts, or subsequently changes or withdraws or modifies the recommendation in favour of the Scheme,
- unless the Decimal Directors’ recommendation is withdrawn or modified.
- 11 **Section 411(17)(b) statement:** apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.
- 12 **Court application and representation:** apply to the Court for an order under section 411(1) of the Corporations Act directing Decimal to convene the Scheme Meeting and engage suitable senior counsel to represent Decimal in all Court proceedings related to the Scheme and consult with Sargon in relation to the content of the document required for the purpose of the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and take into account all reasonable comments provided for and on behalf of Sargon in relation to such documents prior to filing such documents with the Court.
- 13 **Registration of explanatory statement:** request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act.
- 14 **Send Scheme Booklet:** send the Scheme Booklet to Scheme Participants as soon as practicable after the Court orders Decimal to convene the Scheme Meeting.

- 15 **Scheme Meeting:** convene the Scheme Meeting in accordance with any such orders made by the Court and seek the approval of Scheme Participants for the Scheme.
- 16 **Supplementary disclosure:** if, after despatch of the Scheme Booklet, Decimal becomes aware:
- (a) that information included in the Scheme Booklet is or has become misleading or deceptive in any material respect (whether by omission or otherwise); or
- (b) of information that is required to be disclosed to Decimal Shareholders under any applicable law but was not included in the Scheme Booklet, promptly consult with Sargon in good faith as to the need for, and the form of, any supplementary disclosure to Decimal Shareholders, and make any disclosure that Decimal considers reasonably necessary in the circumstances, having regard to applicable laws and to ensure that there would be no breach of clause 13.1(g) if it applied as at the date that information arose.
- 17 **Court order:** apply to the Court for the Scheme Order.
- 18 **Lodge:** lodge with ASIC an office copy of any such Court order approving the Scheme as approved by the Decimal Shareholders at the Scheme Meeting in accordance with section 411(10) of the Corporations Act on the day after that office copy is received (or any later date agreed in writing by Sargon).
- 19 **Register information:** close the Register as at 5.00 pm on the Record Date.
- 20 **Transfer and registration:** on the Implementation Date:
- (a) subject to Sargon satisfying its obligations under clause 4.2, execute proper instruments of transfer and effect the transfer of the Decimal Shares to Sargon or its nominee in accordance with the Scheme; and
- (b) register all transfers of Scheme Shares to Sargon or its nominee.
- 21 **Suspension of trading:** apply to ASX to suspend trading in Decimal Shares with effect from the close of trading on the Effective Date.
- 22 **Listing:** take all reasonable steps to maintain Decimal's listing on ASX, notwithstanding any suspension of the quotation of Decimal Shares, up to and including the Implementation Date, including making appropriate applications to ASX and ASIC.
- 23 **Compliance with laws:** use its best endeavours to do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction.
- 24 **Other steps:** do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme including lodging all necessary documents and filing.

Schedule 4

Sargon's Obligations

- 1 **Sargon Information:** prepare and promptly provide to Decimal for inclusion in the Scheme Booklet such Sargon Information as Decimal reasonably requires to prepare and issue the Scheme Booklet (including any information required under applicable laws including the Corporations Act, the Corporations Regulations, the Listing Rules or ASIC Regulatory Guide 60) and ensure that the Sargon Information contained in the Scheme Booklet is not false, misleading or deceptive in any material respect (including because of any material omission).
- 2 **Further Sargon Information:** promptly provide to Decimal such further or new Sargon Information as may arise after the Scheme Booklet has been sent until the date of the Scheme Meeting as may be necessary to ensure that the Sargon Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission).
- 3 **Independent Expert information:** provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's report to be included in the Scheme Booklet.
- 4 **Representation:** procure that it is represented by counsel at the court hearings convened for the purposes of seeking the Scheme Order, at which, through its counsel Sargon must undertake (if requested by the Court) to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this document and the Scheme.
- 5 **Deed Poll:** not later than two clear Business Days before the First Court Hearing, execute the Deed Poll and deliver an original executed copy to Decimal.
- 6 **Assistance:** provide any assistance or information reasonably requested by Decimal in connection with the preparation of the Scheme Booklet and any other document to be sent to Decimal Shareholders in connection with the Transaction.
- 7 **Approval of draft Sargon Information for ASIC:** as soon as practicable after the preparation of an advanced draft of the Sargon Information suitable for review by ASIC, procure that a meeting of the Sargon Board (or a duly appointed committee of the Sargon Board) is convened to approve the Sargon Information provided to Decimal as being in a form appropriate for provision to ASIC for review.

- 8 **Approval of Sargon Information for Scheme Booklet:** as soon as practicable after the conclusion of the review by ASIC of the Scheme Booklet:
- (a) procure that a meeting of the Sargon Board (or a duly appointed committee of the Sargon Board) is convened to approve the inclusion of the Sargon Information in the Scheme Booklet; and
 - (b) provide to Decimal, Sargon’s unconditional written consent to the inclusion of the Sargon Information in the Scheme Booklet in the form and context in which the Sargon Information appears.
- 9 **Decimal Information:** during the period until the Decimal Information becomes publically available, not use the Decimal Information for any purposes other than those expressly contemplated by this document or the Scheme;
- 10 **Share transfer:** if the Scheme becomes Effective, accept a transfer of the Decimal Shares as contemplated by **clause 4.2** and the Scheme.
- 11 **Consideration:** if the Scheme becomes Effective, pay or procure the payment of the Scheme Consideration to each Scheme Participant in the manner and amount contemplated by **clause 4.2** and the Deed Poll.
- 12 **Compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction.
- 13 **Other steps:** do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

Schedule 5

Decimal's Representations and Warranties

- 1 **Incorporation:** it is a valid existing corporation registered under the laws of its place of incorporation.
- 2 **Execution:** the execution and delivery of this document has been properly authorised by all necessary corporate action of Decimal.
- 3 **Corporate power:** it has full corporate power and lawful authority to execute and deliver this document and to consummate and perform or cause to be performed its obligations under this document in accordance with its terms.
- 4 **Binding obligations:** (subject to laws generally affecting creditors' rights and the principles of equity) this document constitutes legal, valid and binding obligations on it and will not conflict with:
 - (a) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
 - (b) any law binding on or applicable to it or its assets.
- 5 **Authorisations:** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced.
- 6 **Validity of obligations:** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms.
- 7 **Disclosure:** Decimal has provided to Sargon all information requested in writing by Sargon in connection with the Transaction and actually known to the Decimal Directors (having made reasonable enquiries) as at the date of this document and has not knowingly withheld any information from Sargon because Decimal believed that the provision of that information would affect Sargon's willingness to enter into this document at all or only entering into this document on materially different terms.
- 8 **Decimal Information:** the Decimal Information provided in accordance with this document and included in the Scheme Booklet, as at the date of the Scheme Booklet, will not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, the ASX Listing Rules and ASIC Regulatory Guide 60.
- 9 **Opinions:** any statement of opinion or belief contained in the Decimal Information is honestly held and there are reasonable grounds for holding the opinion or belief.

- 10 **Information:** to the best of the knowledge of each Decimal Director as at the date of this document, the Disclosure Materials:
- (a) were prepared in good faith with due care, skill and diligence;
 - (b) are complete and accurate and are not misleading, whether by way of omission or otherwise.
- 11 **Reliance:** the Decimal Information contained in the Scheme Booklet will be included in good faith and on the understanding that Sargon and its directors will rely on that information for the purposes of considering and approving the Sargon Information in the Scheme Booklet before it is despatched, approving the entry into the Deed Poll and implementing the Scheme.
- 12 **Further information:** Decimal will, as a continuing obligation, provide to Sargon all such further or new information which may arise after the date of the Scheme Booklet until the date of the Scheme Meeting which may be necessary to ensure that there would be no breach of **item 10** of this **schedule 5** if it applied as at the date upon which that information arose.
- 13 **Periodic disclosure:** the periodic financial disclosures made by Decimal in its most recent annual financial report and half-yearly financial report were not misleading or deceptive when made and are prepared in accordance with the Corporations Act and with all relevant Accounting Standards and give a true and fair view of the financial position and performance of the Decimal Group as at the date they were made.
- 14 **Continuous disclosure:** Decimal is not in breach of its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and is not relying on the carve-outs in Listing Rule 3.1A to withhold any information from disclosure.
- 15 **Provision of information to Independent Expert:** all information provided by or on behalf of Decimal to the Independent Expert to enable the Independent Expert's report to be included in the Scheme Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing an Independent Expert's report.
- 16 **No litigation:**
- (a) no actions, suits, arbitrations or legal proceedings which, in any such case, may result in a judgment, fine or other penalty of \$50,000 or more is pending or, so far as Decimal is aware after due enquiry, threatened against Decimal or any of its subsidiaries;
 - (b) neither Decimal nor any of its subsidiaries is the subject of any material pending or, so far as Decimal is aware after making due enquiries, material threatened investigation by a Governmental Agency;
 - (c) neither Decimal nor any of its subsidiaries nor the respective assets, properties or business of Decimal or any of its subsidiaries is subject to any judgment, order, writ, forfeiture application, injunction or decree of any court, Governmental Agency or arbitration tribunal; and

- (d) there is no agreement, judgment, injunction, order or decree binding on Decimal or any of its subsidiaries that has or would reasonably be likely to have the effect of prohibiting, restricting or materially impairing any business of Decimal or any of its subsidiaries.
- 17 **No default:** neither Decimal nor any Decimal Group member is in default under any document, agreement or instrument binding on it or its assets which would reasonably be expected to have a material adverse effect on any member of the Decimal Group nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default, prepayment event or similar event, or give another party a termination right or right to accelerate any right or obligation, under any such document or agreement with such an effect.
- 18 **Compliance:** as at the date of this document and to the best of the knowledge of each Decimal Director, Decimal and its subsidiaries have complied in all material respects with all laws applicable to them and orders of Australian and foreign governmental agencies having jurisdiction over them and have all material licenses, permits and franchises necessary for them to conduct their respective businesses as presently being conducted.
- 19 **Insolvency:** no member of the Decimal Group is subject to an Insolvency Event (other than a member of the Decimal Group currently in liquidation).
- 20 **Securities:** Decimal's issued securities as at the date of this document are 315,773,155 fully-paid ordinary shares quoted on ASX (of which 28,900,000 are subject to voluntary escrow restrictions), and the Decimal Group has not issued, or agreed to issue, any other securities or instruments which are still in force and may convert into Decimal Shares or any other securities in Decimal other than 48,333,334 Decimal Options.
- 21 **No Encumbrance:** there is no Encumbrance over any of its assets or revenues, other than as publicly released to ASX or in the ordinary course of business.

Schedule 6

Sargon's Representations and Warranties

- 1 **Incorporation:** it is a valid existing corporation registered under the laws of its place of incorporation.
- 2 **Execution:** the execution and delivery of this document has been properly authorised by all necessary corporate action of Sargon.
- 3 **Corporate power:** it has full corporate power and lawful authority to execute and deliver this document and to consummate and perform or cause to be performed its obligations under this document in accordance with its terms.
- 4 **Binding obligations:** (subject to laws generally affecting creditors' rights and the principles of equity) this document constitutes legal, valid and binding obligations on it.
- 5 **Disclosure:** Sargon has provided to Decimal all information requested in writing by Decimal in connection with the Transaction and actually known to the Sargon Directors as at the date of this document and has not knowingly withheld any information from Decimal because Sargon believed that the provision of that information would affect Decimal's willingness to enter into this document.
- 6 **Funding:** Sargon has the necessary funds available to pay in full the Scheme Consideration in immediately available funds as and when required in accordance with the Scheme and Deed Poll.
- 7 **Sargon Information:** the Sargon Information provided in accordance with this document and included in the Scheme Booklet, as at the date of the Scheme Booklet, will not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, the ASX Listing Rules and ASIC Regulatory Guide 60.
- 8 **Reliance:** the Sargon Information contained in the Scheme Booklet will be included in good faith and on the understanding that Decimal and its directors will rely on that information for the purposes of preparing the Scheme Booklet, and implementing the Scheme.
- 9 **Further information:** Sargon will, as a continuing obligation, provide to Decimal all such further or new information which may arise after the date of the Scheme Booklet until the date of the Scheme Meeting which may be necessary to ensure that there would be no breach of **item 7** of this **schedule 6** if it applied as at the date upon which that information arose.

- 10 **Provision of information to Independent Expert:** all information provided by or on behalf of Sargon to the Independent Expert to enable the Independent Expert's report to be included in the Scheme Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing an Independent Expert's report.
- 11 **Compliance:** as at the date of this document and to the best of the knowledge of each Sargon Director, Sargon and its subsidiaries have complied in all material respects with all laws applicable to them and orders of Australian and foreign governmental agencies having jurisdiction over them and have all material licenses, permits and franchises necessary for them to conduct their respective businesses as presently being conducted.
- 12 **Insolvency:** no member of the Sargon Group is subject to an Insolvency Event (other than a member of the Sargon Group currently in liquidation).

Execution

Executed as an agreement.

Executed by Decimal Software Limited



.....
Company Secretary/Director

David Gardner
.....
Name of Company Secretary/Director
(print)

)
)



.....
Director

Mark Potts
.....
Name of Director (print)

Executed by Sargon Capital Pty Ltd



.....
Company Secretary/Director

PHILLIP KINGSTON
.....
Name of Company Secretary/Director
(print)

)
)



.....
Director

Dr A.P. D'SOUZA
.....
Name of Director (print)

Annexure A

Scheme

Decimal Software Limited

The holders of ordinary shares in Decimal Software Limited as at the Record Date

Scheme of arrangement

Pursuant to section 411 of the Corporations Act

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Date

Parties

Decimal Software Limited ACN 009 235 956 (**Decimal**)

The holders of ordinary shares in Decimal as at the Record Date

Agreed terms

1 Definitions

In this document these terms have the following meanings:

ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.
ASX Listing Rules	The official listing rules of ASX.
Business Day	A day that is each of the following: <ul style="list-style-type: none">(a) a Business Day within the meaning given by the ASX Listing Rules; and(b) a day that banks are open for business in Perth, Western Australia or Melbourne, Victoria.
CHESS	The Clearing House Electronic Subregister System, which facilitates electronic security transfer in Australia, operated by ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Court	The Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing by Decimal and Sargon.
Decimal Option	An option to subscribe for Decimal Shares issued by Decimal.
Decimal Register	The register of members of Decimal maintained by or on behalf of Decimal in accordance with section 168(1) of the Corporations Act and Decimal Registry has a corresponding meaning.
Decimal Share	A fully paid ordinary share in the capital of Decimal.

Decimal Shareholder	Each person who is registered in the Decimal Register as the holder of Decimal Shares.
Deed Poll	The deed poll dated [insert date] executed by Sargon in substantially the same form of Annexure B of the Scheme Implementation Agreement, under which Sargon covenants in favour of each Scheme Participant to perform its obligations under this Scheme and the Scheme Implementation Agreement in relation to the implementation of this Scheme.
Effective	The coming into effect, pursuant to section 411(10) of the Corporations Act, of the Scheme Order, but not before an office copy of the Scheme Order is lodged with ASIC.
Effective Date	The date on which the Scheme becomes Effective.
End Date	31 December 2018 or such later date as Sargon and Decimal agree in writing.
GST	The meaning given to that term in the <i>A New Tax System (Goods & Services Tax) Act 1999</i> (Cth).
Immediately Available Funds	Electronic funds transfer or other form of cleared funds acceptable to Decimal.
Implementation Date	The fifth Business Day following the Record Date, or such other date as ordered by the Court or agreed between Sargon and Decimal.
Record Date	5.00 pm on the second Business Day following the Effective Date or such other date and time as Decimal and Sargon agree.
Registered Address	In relation to a Decimal Shareholder, the address shown in the Decimal Register as at the Record Date.
Sargon	Sargon Capital Pty Ltd ACN 608 799 873.
Scheme	This scheme of arrangement, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Decimal and Sargon.
Scheme Consideration	The consideration to be provided by Sargon in consideration for the transfer of the Scheme Shares held by a Scheme Participant to Sargon, being, in respect of each Scheme Share, \$0.0141 cash (subject to the terms of this Scheme).
Scheme Implementation Agreement	The scheme implementation agreement between Sargon and Decimal dated [Insert].
Scheme Meeting	The meeting ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in

	respect of the Scheme.
Scheme Order	The order of the Court made for the purposes of section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in respect of the Scheme.
Scheme Participant	Each holder of Scheme Shares as at the Record Date.
Scheme Shares	All the Decimal Shares on issue on the Record Date.
Scheme Transfer	For each Scheme Participant, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Second Court Date	The first day on which an application made to the Court for the Scheme Order is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.
Second Court Hearing	The hearing of the application made to the Court for the Scheme Order.
Trust Account	The trust account operated by or on behalf of Decimal to hold the Scheme Consideration on trust for the Scheme Participants for the purpose of paying the Scheme Consideration to the Scheme Participants in accordance with clause 5.2 of this Scheme, as nominated by Decimal at least 5 Business Days prior to the Implementation Date.

2 Preliminary

2.1 Decimal

- (a) Decimal is a public company incorporated in Australia and registered in New South Wales, having its registered office at Level 12, 680 George Street, Sydney NSW 2000.
- (b) Decimal is:
 - (i) a public company limited by shares under section 112(1) of the Corporations Act; and
 - (ii) admitted to the official list of ASX and fully paid Decimal Shares are quoted on the official list of ASX.

2.2 Sargon

- (a) Sargon is a proprietary company incorporated in Australia and registered in Victoria, having its registered office at Level 9, 287-293 Collins Street, Melbourne VIC 3000.
- (b) Sargon is a proprietary company limited by shares under section 112(1) of the Corporations Act.

2.3 Summary of the Scheme

If the Scheme becomes Effective, then:

- (a) in consideration of the transfer of the Scheme Shares to Sargon, Decimal will procure Sargon to provide the Scheme Consideration to each Scheme Participant in respect of each Scheme Share held by the Scheme Participant in accordance with the terms of the Scheme;
- (b) subject to Sargon's compliance with its obligations in **clause 2.3(a)** and the Deed Poll, all of the Scheme Shares will be transferred to Sargon on the Implementation Date; and
- (c) Decimal will enter the name and address of Sargon in the Decimal Register as the holder of the Scheme Shares transferred to Sargon in accordance with the terms of the Scheme.

2.4 Scheme Implementation Agreement

Sargon and Decimal have entered into the Scheme Implementation Agreement to record the terms on which Sargon and Decimal have agreed to implement the Scheme.

2.5 Deed Poll

Sargon has executed the Deed Poll in favour of the Scheme Participants pursuant to which it has covenanted to perform (or procure the performance of) its obligations under the Scheme, including to provide to each Scheme Participant the Scheme Consideration to which such Scheme Participant is entitled under the Scheme and to carry out its other obligations under the Scheme Implementation Agreement and do all things necessary or expedient on its part to implement the Scheme.

3 Conditions

3.1 Conditions of Scheme

The Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all of the conditions precedent set out in schedule 1 of the Scheme Implementation Agreement having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement (other than the condition precedent in item 11 of schedule 1 of that agreement), as at 8.00 am on the Second Court Date;
- (b) as at 8.00 am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms;
- (c) the Scheme having been approved at the Scheme Meeting, with or without modification, by the requisite majority of Decimal Shareholders in accordance with section 411(4)(a) of the Corporations Act or, if the Scheme is not agreed to by the requisite majority of Decimal

Shareholders, the Court orders otherwise in accordance with section 411(4)(a) of the Corporations Act;

- (d) the Court having approved the Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are acceptable to both Decimal and Sargon;
- (e) such other conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Sargon and Decimal being satisfied.

3.2 Effect of conditions

The satisfaction of the conditions in **clause 3.1** is a condition precedent to the operation of the provisions of **clauses 4, 5, 6 and 8**.

3.3 Certificate

- (a) Decimal must provide, and must procure Sargon to provide, to the Court on the Second Court Date a certificate authorised by its respective board and signed by at least one of its respective directors (or such other evidence as the Court may request) stating (to the best of its knowledge) whether or not all the conditions precedent in **clauses 3.1(a), 3.1(b) and 3.1(c)** have been satisfied or waived (subject to the terms of the Scheme Implementation Agreement) as at 8.00 am on the Second Court Date.
- (b) The giving of a certificate by each of Decimal and Sargon in accordance with this **clause 3.3** will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

3.4 Termination of Scheme Implementation Agreement

Without limiting rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before 8.00 am on the Second Court Date, Decimal and Sargon are each released from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme,

provided that Decimal and Sargon retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Agreement in accordance with the terms of that agreement.

3.5 Effective Date

Subject to **clause 3.6**, this Scheme takes effect on the Effective Date.

3.6 End Date

The Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date has not occurred on or before the End Date; or
- (b) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless Decimal and Sargon otherwise agree in writing.

4 Scheme

4.1 Lodgement of Court order

Decimal must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Scheme Order as soon as reasonably practicable and in any event no later than 5.00pm on the first Business Day after the day on which the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act or such later time as Decimal and Sargon agree in writing.

4.2 Transfer of Scheme Shares held by Scheme Participants

On the Implementation Date, in consideration of and subject to provision by Sargon of the Scheme Consideration in accordance with **clause 5.1**, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at that date, will be transferred to Sargon without the need for any further acts by any Scheme Participant (other than acts performed by Decimal as attorney and agent for Scheme Participants under **clause 6**) by:

- (a) Decimal delivering to Sargon on the Implementation Date a duly completed Scheme Transfer executed by Decimal as attorney for the Scheme Participants for execution by Sargon; and
- (b) Sargon duly executing and delivering the Scheme Transfer to Decimal on the Implementation Date.

4.3 Transfer documentation

Immediately following receipt by Decimal of the duly executed Scheme Transfer, Decimal must register Sargon in the Decimal Register as the holder of all of the Scheme Shares transferred to Sargon in accordance with the terms of this Scheme.

4.4 Provision of Scheme Consideration

- (a) Decimal must procure Sargon to provide, or procure the provision of, the Scheme Consideration to each Scheme Participant on, or as soon as practicable after, the Implementation Date in accordance with, and subject to the terms of, this Scheme and the Deed Poll.
- (b) Decimal undertakes in favour of each Scheme Participant to enforce the Deed Poll against Sargon on behalf of and as agent for the Scheme Participants.

4.5 Beneficial entitlement by Sargon

From the time of the provision of the Scheme Consideration to the Scheme Participants in accordance with **clause 5.1** on the Implementation Date, Sargon will be beneficially entitled to the Scheme Shares (together with all rights and entitlements attached to the Scheme Shares) to be transferred to it

under the Scheme pending registration of Sargon in the Decimal Register as the holder of those Scheme Shares.

4.6 Transfer free of encumbrances

To the extent permitted by law, all Decimal Shares (including any rights and entitlements attaching to those shares) which are transferred to Sargon under this Scheme will, at the date of transfer of them to Sargon, vest in Sargon free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind (whether legal or otherwise), and free from any restrictions on transfer of any kind not referred to in this Scheme.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Sargon of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with this Scheme subject to the terms of the Deed Poll.

5.2 Payment of Scheme Consideration

- (a) On the Implementation Date Decimal must pay or procure the payment of the Scheme Consideration to each Scheme Participant.
- (b) Sargon must, and Decimal must use its best endeavours to procure that Sargon does, no later than 2 Business Days before the Implementation Date, deposit (or procure the deposit) in Immediately Available Funds the aggregate amount of the Scheme Consideration payable to all Scheme Participants into the Trust Account (except that the amount of any interest on the amount deposited, less bank fees and other charges, will be to Sargon's account).
- (c) On the Implementation Date, subject to receipt of the Scheme Consideration from Sargon in accordance with **clause 5.2(b)** of this Scheme, Decimal must pay or procure the payment to each Scheme Participant an amount equal to the Scheme Consideration for each Scheme Share transferred to Sargon on the Implementation Date by that Scheme Participant, whereby the amounts referred to in this **clause 5.2(c)** must be paid by:
 - (i) where a Scheme Participant before the Record Date has made an election in accordance with the requirements of the Decimal Registry to receive dividend payments from Decimal by electronic funds transfer to a bank account nominated by the Scheme Participant, paying by direct credit to the nominated bank account; or
 - (ii) a Scheme Participant has not made an election referred to in **clause 5.2(c)(i)**, sending a cheque drawn on an Australian bank in

Australian currency to each Scheme Participant by pre-paid ordinary post (or if the address of the Scheme Participant in the Decimal Register is outside Australia, by pre-paid airmail post) to their address recorded in the Decimal Register as at the Record Date (or in the case of joint holders, in accordance with the procedures set out in **clause 5.3**).

5.3 Joint holders

In the case of Scheme Shares held in joint names, any cheque required to be paid to Scheme Participants will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Decimal Register as at the Record Date.

5.4 Unclaimed monies

- (a) Decimal may cancel a cheque issued under **clause 5.1** of this Scheme if the cheque:
 - (i) is returned to Decimal; or
 - (ii) has not been presented for payment within six months after the date on which the cheque is sent.
- (b) During the period of one year commencing on the Implementation Date, on a written request from a Scheme Participant, Decimal must re-issue a cheque that was previously cancelled under this **clause 5.4**. Any interest of other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Sargon.
- (c) The *Unclaimed Money Act 1990 (WA)* will apply in relation to any Scheme Consideration that becomes “unclaimed money” (as defined in the *Unclaimed Money Act 1990 (WA)*).

5.5 Orders of a court

In the case of notice having been given to Decimal (or the Decimal Registry) of an order made by a court of competent jurisdiction:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant which would otherwise be payable to that Scheme Participant in accordance with **clause 5.2** of this Scheme, then Decimal shall procure that payment is made in accordance with that order; or
- (b) which would prevent Decimal from dispatching payment to any particular Scheme Participant in accordance with **clause 5.2** of this Scheme, then Decimal will retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as payment in accordance with **clause 5.2** of this Scheme is permitted by law.

6 Scheme Participants

6.1 Appointment of Sargon as sole proxy

Subject to the payment of the Scheme Consideration for the Scheme Shares in accordance with this Scheme, on and from the Implementation Date until Decimal registers Sargon as the holder of all the Scheme Shares in the Decimal Register, each Scheme Participant:

- (a) is deemed to have irrevocably appointed Sargon as its attorney and agent (and directed Sargon in such capacity) to appoint such officer or agent nominated by Sargon to be its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of Decimal, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders' resolution, whether in person, by proxy or by corporate representative, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 6.1(a)**);
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as Sargon directs; and
- (c) acknowledges and agrees that in exercising the powers referred to in this clause, Sargon may act in the best interests of Sargon as the intended registered holder of the Scheme Shares.

6.2 Appointment of Decimal as sole attorney and agent

Each Scheme Participant, without the need for any further act, irrevocably appoints Decimal and each of the directors and officers of Decimal, jointly and severally, as the Scheme Participant's attorney and agent for the purpose of executing any document necessary or expedient to give effect to the Scheme (including executing a Scheme Transfer and any instrument appointing Sargon as sole proxy for or, where applicable, corporate representative of each Scheme Participant as contemplated by **clause 6.1**) or doing any other act necessary or desirable to give full effect to the Scheme and the transactions contemplated by it.

6.3 Scheme Participant's consent

Each Scheme Participant:

- (a) consents to Decimal doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Scheme and Decimal, as agent of each Scheme Participant, may sub-delegate its functions under this **clause 6.3** to any of its directors and officers, severally; and
- (b) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares to Sargon, in accordance with the Scheme.

6.4 Warranties by Scheme Participants

Each Scheme Participant is deemed to have warranted to Decimal, in its own right and for the benefit of Sargon, that:

- (a) all of the Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Sargon under the Scheme will be transferred to Sargon free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind, whether legal or otherwise; and
- (b) they have full power and capacity to sell and transfer their Scheme Shares to Sargon (including any rights and entitlements attaching to those shares).

7 Dealings in Decimal Shares

7.1 Determination of Scheme Participants

- (a) For the purpose of establishing the persons who are the Scheme Participants, dealings in Scheme Shares will only be recognised if:
 - (i) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Decimal Register as the holder of the relevant Scheme Shares at the Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before the Record Date at the place where the Decimal Register is kept.
- (b) Decimal must register registrable transmission applications or transfers of the kind referred to in **clause 7.1(a)(ii)** by the Record Date.
- (c) Decimal will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of Scheme Shares received after the Record Date, other than a transfer to Sargon in accordance with the Scheme and any subsequent transfer by Sargon, or its successors in title.
- (d) If the Scheme becomes Effective, a holder of Decimal Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Decimal Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever.

7.2 Maintenance of Decimal Register

- (a) For the purpose of determining entitlements to the Scheme Consideration, Decimal will, until the Scheme Consideration has been provided, maintain the Decimal Register in accordance with the provisions of this **clause 7** and the Decimal Register in this form will solely determine entitlements to the Scheme Consideration.

- (b) All certificates and holding statements for Scheme Shares (other than holding statements in favour of Sargon and its successors in title after the Implementation Date) will cease to have any effect from the Record Date as documents of title in respect of those Scheme Shares. Subject to provision of the Scheme Consideration by Sargon and registration of the transfer to Sargon of the Scheme Shares contemplated by **clause 4.2**, after the Record Date, each entry current at that date on the Decimal Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

8 Quotation of Decimal Shares

- (a) Decimal will apply to ASX to suspend trading on ASX in Decimal Shares with effect from the close of trading on ASX on the Effective Date.
- (b) After the Scheme has been fully implemented, Decimal will apply:
 - (i) for termination of the official quotation of Decimal Shares on ASX; and
 - (ii) to have itself removed from the official list of ASX.

9 Notices

9.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

9.2 Communications by post

Subject to **clause 9.4**, where a Notice referred to in this document is sent by post to Decimal, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Decimal's registered office or at the Decimal Registry.

9.3 Communications by fax

Subject to **clause 9.4**, a Notice is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

9.4 After hours communications

If a Notice is given:

- (a) after 5.00 pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

10 General

10.1 Decimal and Scheme Participants bound

The Scheme binds Decimal and all Scheme Participants (including Scheme Participants who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of Decimal.

10.2 Further assurances

Subject to **clause 10.3**, Decimal will execute all documents and do all acts and things (on its own behalf and on behalf of each Decimal Shareholder) necessary or expedient for the implementation of, and performance of its obligations under, the Scheme.

10.3 Alterations and conditions

Decimal may, with the consent of Sargon, by its counsel consent on behalf of all Scheme Participants to any modifications or conditions which the Court thinks fit to impose, provided that in no circumstances will Decimal be obliged to do so.

10.4 No liability when acting in good faith

Neither Decimal nor Sargon nor any of their respective directors, officers, employees or advisors (as applicable) will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

10.5 GST

Decimal must pay to the Scheme Participants an amount equal to any GST for which the Scheme Participants are liable on any supply by the Scheme Participants under or in connection with the Scheme, without deduction or set off of any other amount.

10.6 Costs

Any costs, and any stamp duty and any related fines, interest or penalties, which are payable on or in respect of this document or on any document referred to in this document will be paid as provided for in the Scheme Implementation Agreement. For the avoidance of doubt, the Scheme Participants do not have to pay any stamp duty, related fines, interest or penalties which are payable on or in respect of this document or any document referred to in this document.

10.7 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

10.8 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (c) 'includes' means includes without limitation;
- (d) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (e) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (f) a reference to:
 - (i) a holder includes a joint holder;
 - (ii) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (iii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iv) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (v) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (vi) a right includes a benefit, remedy, discretion or power;
 - (vii) time is to local time in Perth and Sydney, Australia;
 - (viii) '\$' or 'dollars' is a reference to Australian currency;
 - (ix) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;

- (x) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
- (xi) this document includes all schedules and annexures to it; and
- (xii) a clause, party, schedule, exhibit or annexure is a reference to a clause, party, schedule, exhibit or annexure, as the case may be, of this document;
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

10.9 Headings

Headings do not affect the interpretation of this document.

Annexure B

Deed Poll

Sargon Capital Pty Ltd

Deed Poll

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Date

By

Sargon Capital Pty Ltd ACN 608 799 873 of Level 9, 287 Collins Street, Melbourne VIC 3000 (**Sargon**)

in favour of each Scheme Participant.

Background

- A Sargon and Decimal Software Limited (**Decimal**) have entered into the Scheme Implementation Agreement to propose the Scheme.
- B In the Scheme Implementation Agreement, Sargon has agreed amongst other things and subject to the satisfaction of certain conditions, to pay the Scheme Consideration to Decimal on behalf of Scheme Participants.
- C Sargon is entering into this document for the purpose of covenanting in favour of Scheme Participants to perform its obligations under the Scheme.

Declarations

1 Definitions and interpretation

- (a) In this document, unless the context requires otherwise, all words and phrases have the same meaning as given to them in the proposed scheme of arrangement under section 411 of the Corporations Act between Decimal and the Scheme Participants (being substantially in the same form as Annexure A or as otherwise agreed by Decimal and Sargon), subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Decimal and Sargon (**Scheme**).
- (b) **Clauses 10.8 and 10.9** of the Scheme applies to the interpretation of this document except that references to “this Scheme” in that clause are to be read as references to “this deed poll”.

2 Nature of this deed poll

Sargon acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participants are not party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Decimal and any of Decimal's directors as its agent and attorney, *inter alia*, to enforce this document against Sargon.

3 Conditions precedent and termination

3.1 Conditions precedent

The obligations of Sargon pursuant to this document are subject to the Scheme becoming Effective.

3.2 Termination

If:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms; or
 - (b) the Scheme does not become Effective on or before the End Date,
- then Sargon's obligations under this document will automatically terminate, unless Sargon and Decimal otherwise agree in writing.

3.3 Consequences of termination

If this document is terminated under **clause 3.2** then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Sargon is released from its obligations to further perform this document, except those obligations contained in **clause 7** except those obligations which by their nature survive termination; and
- (b) each Scheme Participant retains any rights, power or remedies it has against Sargon in respect of any breach of this document by Sargon which occurred before termination of this document.

4 Certificate in relation to conditions

Sargon must provide to the Court on the Second Court Date a certificate which is authorised by the board of Sargon and signed by at least one director of Sargon (or such other evidence as the Court may request) stating, to the best of its knowledge, whether or not the conditions precedent set out in clauses 3.1(a), 3.1(b) and 3.1(c) of the Scheme have been satisfied or waived, subject

to the terms of the Scheme Implementation Agreement as at 8.00 am on the Second Court Date.

5 Scheme Consideration

5.1 Performance of obligations generally

Subject to **clause 3.1**, Sargon must comply with its obligations under the Scheme Implementation Agreement and must do all things necessary or desirable on its part to implement the Scheme, including executing the Scheme Transfer as contemplated by clause 4.2 of the Scheme to effect the transfer of the Scheme Shares from the Scheme Participants to Sargon and delivering that executed Scheme Transfer to Decimal for registration.

5.2 Provision of Scheme Consideration

Subject to **clause 3.1**, Sargon undertakes in favour of each Scheme Participant to pay or procure the payment of the Scheme Consideration to the trust account held by Decimal on behalf of each Scheme Participant subject to and in accordance with the terms of the Scheme.

5.3 Payment of Scheme Consideration

Sargon's obligation to provide the Scheme Consideration to Decimal on behalf of the Scheme Participants will be satisfied by Sargon, no later than 2 Business Days before the Implementation Date, depositing in Immediately Available Funds the aggregate amount of the Scheme Consideration payable to all Scheme Participants into the Trust Account held by Decimal on behalf of each Scheme Participant (except that the amount of any interest on the amount deposited, less bank fees and other charges, will be to Sargon's account).

6 Representations and warranties

Sargon represents and warrants that:

- (a) it is a company validly existing under the laws of Victoria, Australia;
- (b) it has the corporate power to enter into and perform its obligations under this document and to carry out the transactions contemplated by this document;
- (c) it has taken all necessary corporate action to authorise the entry into this document and has taken or will take all necessary corporate action to authorise the performance of this document and to carry out the transactions contemplated by this document;
- (d) this document is its valid and binding obligation enforceable in accordance with its terms; and
- (e) this document does not conflict with, or result in the breach of or default under, any provision of the constitution of Sargon, or any writ, order or

injunction, judgement, law, rule or regulation to which it is a party or subject or by which it is bound.

7 Continuing obligations

This document is irrevocable and, subject to **clause 3**, remains in full force and effect until:

- (a) Sargon has completely performed its obligations under this document; or
 - (b) this document is terminated in accordance with **clause 3**,
- whichever comes first.

8 Stamp duty

- (a) Sargon as between the parties is liable for, must pay, and indemnify the Scheme Participants for, all stamp duty, duty, or like duties or imposts (**Duty**) (including any fine, interest or penalty) payable or assessed on or in connection with:
 - (i) this document;
 - (ii) any document executed under or required by or contemplated by this document; and
 - (iii) any transaction evidenced, effected or contemplated by a document referred to in **clause 8(a)(i)** or **clause 8(a)(ii)**.
- (b) If a party other than Sargon pays any Duty referred to in **clause 8(a)** (including any fine, interest or penalty), in whole or in part, Sargon must reimburse the paying party without set-off or deduction immediately on demand.

9 Notices

9.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made to Sargon under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

9.2 How to give a Notice

A Notice must be given to Sargon by being:

- (a) personally delivered;
- (b) left at Sargon's current delivery address for notices;
- (c) sent to Sargon's current postal address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or

- (d) sent by fax to Sargon's current fax number for notices.

9.3 Particulars for delivery of notices

The particulars for delivery of Notices to Sargon are:

Attention: Phil Kingston
Delivery address: Level 9
287 Collins Street
MELBOURNE VIC 3000
Postal address: Same as delivery address
Email: phil@trimantium.com

9.4 Communications by post

Subject to **clause 9.6**, a Notice is given if posted:

- (a) within Australia to an Australian postal address, three Business Days after posting; or
(b) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, ten Business Days after posting.

9.5 Communications by email

Subject to **clause 9.6**, a Notice is given if sent by email to the email address nominated in **clause 9.3**, when the email (including any attachment) comes to the attention of the addressee or a person acting on its behalf.

9.6 After hours communications

If a Notice is given:

- (a) after 5.00 pm in the place of receipt; or
(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

9.7 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 9** or in accordance with any applicable law.

10 General

10.1 Waiver

Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of

that or any other rights, power or remedy provided by law or under this document. A waiver is not valid or binding on the person granting that waiver unless made in writing.

10.2 Cumulative rights

The rights, powers and remedies of Sargon and of each Scheme Participant under this document are cumulative and do not exclude any other rights, powers or remedies provided by law or equity independently of this document.

10.3 Amendment

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the variation is agreed to in writing by Decimal and Sargon; and
- (b) the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event Sargon must enter into a further deed poll in favour of the Scheme Participants giving effect to that variation, alteration or amendment.

10.4 Assignment

The rights and obligations of Sargon and of each Scheme Participant under this document are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt, or purport, to do so without the prior written consent of Sargon and Decimal.

10.5 Severability

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This **clause 10.5** has no effect if the severance alters the basic nature of this document or is contrary to public policy.

10.6 Further assurances

Sargon will execute and deliver all documents and do all acts and things (on its own behalf and on behalf of each Scheme Participant) necessary or desirable to give full effect to this document and the transactions contemplated by it.

10.7 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any courts which have jurisdiction to hear appeals from any of those courts, and waives any right to object to any proceedings being brought in those courts.

Annexure A

Scheme of Arrangement

Decimal Software Limited

The holders of ordinary shares in Decimal Software Limited as at the Record Date

Scheme of arrangement

Pursuant to section 411 of the Corporations Act

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Date

Parties

Decimal Software Limited ACN 009 235 956 (**Decimal**)

The holders of ordinary shares in Decimal as at the Record Date

Agreed terms

1 Definitions

In this document these terms have the following meanings:

ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.
ASX Listing Rules	The official listing rules of ASX.
Business Day	A day that is each of the following: <ul style="list-style-type: none">(a) a Business Day within the meaning given by the ASX Listing Rules; and(b) a day that banks are open for business in Perth, Western Australia or Melbourne, Victoria.
CHESS	The Clearing House Electronic Subregister System, which facilitates electronic security transfer in Australia, operated by ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Court	The Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing by Decimal and Sargon.
Decimal Option	An option to subscribe for Decimal Shares issued by Decimal.
Decimal Register	The register of members of Decimal maintained by or on behalf of Decimal in accordance with section 168(1) of the Corporations Act and Decimal Registry has a corresponding meaning.
Decimal Share	A fully paid ordinary share in the capital of Decimal.

Decimal Shareholder	Each person who is registered in the Decimal Register as the holder of Decimal Shares.
Deed Poll	The deed poll dated [insert date] executed by Sargon in substantially the same form of Annexure B of the Scheme Implementation Agreement, under which Sargon covenants in favour of each Scheme Participant to perform its obligations under this Scheme and the Scheme Implementation Agreement in relation to the implementation of this Scheme.
Effective	The coming into effect, pursuant to section 411(10) of the Corporations Act, of the Scheme Order, but not before an office copy of the Scheme Order is lodged with ASIC.
Effective Date	The date on which the Scheme becomes Effective.
End Date	31 December 2018 or such later date as Sargon and Decimal agree in writing.
GST	The meaning given to that term in the <i>A New Tax System (Goods & Services Tax) Act 1999</i> (Cth).
Immediately Available Funds	Electronic funds transfer or other form of cleared funds acceptable to Decimal.
Implementation Date	The fifth Business Day following the Record Date, or such other date as ordered by the Court or agreed between Sargon and Decimal.
Record Date	5.00 pm on the second Business Day following the Effective Date or such other date and time as Decimal and Sargon agree.
Registered Address	In relation to a Decimal Shareholder, the address shown in the Decimal Register as at the Record Date.
Sargon	Sargon Capital Pty Ltd ACN 608 799 873.
Scheme	This scheme of arrangement, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Decimal and Sargon.
Scheme Consideration	The consideration to be provided by Sargon in consideration for the transfer of the Scheme Shares held by a Scheme Participant to Sargon, being, in respect of each Scheme Share, \$0.0141 cash (subject to the terms of this Scheme).
Scheme Implementation Agreement	The scheme implementation agreement between Sargon and Decimal dated [Insert].
Scheme Meeting	The meeting ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in

	respect of the Scheme.
Scheme Order	The order of the Court made for the purposes of section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in respect of the Scheme.
Scheme Participant	Each holder of Scheme Shares as at the Record Date.
Scheme Shares	All the Decimal Shares on issue on the Record Date.
Scheme Transfer	For each Scheme Participant, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Second Court Date	The first day on which an application made to the Court for the Scheme Order is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.
Second Court Hearing	The hearing of the application made to the Court for the Scheme Order.
Trust Account	The trust account operated by or on behalf of Decimal to hold the Scheme Consideration on trust for the Scheme Participants for the purpose of paying the Scheme Consideration to the Scheme Participants in accordance with clause 5.2 of this Scheme, as nominated by Decimal at least 5 Business Days prior to the Implementation Date.

2 Preliminary

2.1 Decimal

- (a) Decimal is a public company incorporated in Australia and registered in New South Wales, having its registered office at Level 12, 680 George Street, Sydney NSW 2000.
- (b) Decimal is:
 - (i) a public company limited by shares under section 112(1) of the Corporations Act; and
 - (ii) admitted to the official list of ASX and fully paid Decimal Shares are quoted on the official list of ASX.

2.2 Sargon

- (a) Sargon is a proprietary company incorporated in Australia and registered in Victoria, having its registered office at Level 9, 287-293 Collins Street, Melbourne VIC 3000.
- (b) Sargon is a proprietary company limited by shares under section 112(1) of the Corporations Act.

2.3 Summary of the Scheme

If the Scheme becomes Effective, then:

- (a) in consideration of the transfer of the Scheme Shares to Sargon, Decimal will procure Sargon to provide the Scheme Consideration to each Scheme Participant in respect of each Scheme Share held by the Scheme Participant in accordance with the terms of the Scheme;
- (b) subject to Sargon's compliance with its obligations in **clause 2.3(a)** and the Deed Poll, all of the Scheme Shares will be transferred to Sargon on the Implementation Date; and
- (c) Decimal will enter the name and address of Sargon in the Decimal Register as the holder of the Scheme Shares transferred to Sargon in accordance with the terms of the Scheme.

2.4 Scheme Implementation Agreement

Sargon and Decimal have entered into the Scheme Implementation Agreement to record the terms on which Sargon and Decimal have agreed to implement the Scheme.

2.5 Deed Poll

Sargon has executed the Deed Poll in favour of the Scheme Participants pursuant to which it has covenanted to perform (or procure the performance of) its obligations under the Scheme, including to provide to each Scheme Participant the Scheme Consideration to which such Scheme Participant is entitled under the Scheme and to carry out its other obligations under the Scheme Implementation Agreement and do all things necessary or expedient on its part to implement the Scheme.

3 Conditions

3.1 Conditions of Scheme

The Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all of the conditions precedent set out in schedule 1 of the Scheme Implementation Agreement having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement (other than the condition precedent in item 11 of schedule 1 of that agreement), as at 8.00 am on the Second Court Date;
- (b) as at 8.00 am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms;
- (c) the Scheme having been approved at the Scheme Meeting, with or without modification, by the requisite majority of Decimal Shareholders in accordance with section 411(4)(a) of the Corporations Act or, if the Scheme is not agreed to by the requisite majority of Decimal

Shareholders, the Court orders otherwise in accordance with section 411(4)(a) of the Corporations Act;

- (d) the Court having approved the Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are acceptable to both Decimal and Sargon;
- (e) such other conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Sargon and Decimal being satisfied.

3.2 Effect of conditions

The satisfaction of the conditions in **clause 3.1** is a condition precedent to the operation of the provisions of **clauses 4, 5, 6 and 8**.

3.3 Certificate

- (a) Decimal must provide, and must procure Sargon to provide, to the Court on the Second Court Date a certificate authorised by its respective board and signed by at least one of its respective directors (or such other evidence as the Court may request) stating (to the best of its knowledge) whether or not all the conditions precedent in **clauses 3.1(a), 3.1(b) and 3.1(c)** have been satisfied or waived (subject to the terms of the Scheme Implementation Agreement) as at 8.00 am on the Second Court Date.
- (b) The giving of a certificate by each of Decimal and Sargon in accordance with this **clause 3.3** will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

3.4 Termination of Scheme Implementation Agreement

Without limiting rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before 8.00 am on the Second Court Date, Decimal and Sargon are each released from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme,

provided that Decimal and Sargon retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Agreement in accordance with the terms of that agreement.

3.5 Effective Date

Subject to **clause 3.6**, this Scheme takes effect on the Effective Date.

3.6 End Date

The Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date has not occurred on or before the End Date; or
- (b) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless Decimal and Sargon otherwise agree in writing.

4 Scheme

4.1 Lodgement of Court order

Decimal must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Scheme Order as soon as reasonably practicable and in any event no later than 5.00pm on the first Business Day after the day on which the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act or such later time as Decimal and Sargon agree in writing.

4.2 Transfer of Scheme Shares held by Scheme Participants

On the Implementation Date, in consideration of and subject to provision by Sargon of the Scheme Consideration in accordance with **clause 5.1**, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at that date, will be transferred to Sargon without the need for any further acts by any Scheme Participant (other than acts performed by Decimal as attorney and agent for Scheme Participants under **clause 6**) by:

- (a) Decimal delivering to Sargon on the Implementation Date a duly completed Scheme Transfer executed by Decimal as attorney for the Scheme Participants for execution by Sargon; and
- (b) Sargon duly executing and delivering the Scheme Transfer to Decimal on the Implementation Date.

4.3 Transfer documentation

Immediately following receipt by Decimal of the duly executed Scheme Transfer, Decimal must register Sargon in the Decimal Register as the holder of all of the Scheme Shares transferred to Sargon in accordance with the terms of this Scheme.

4.4 Provision of Scheme Consideration

- (a) Decimal must procure Sargon to provide, or procure the provision of, the Scheme Consideration to each Scheme Participant on, or as soon as practicable after, the Implementation Date in accordance with, and subject to the terms of, this Scheme and the Deed Poll.
- (b) Decimal undertakes in favour of each Scheme Participant to enforce the Deed Poll against Sargon on behalf of and as agent for the Scheme Participants.

4.5 Beneficial entitlement by Sargon

From the time of the provision of the Scheme Consideration to the Scheme Participants in accordance with **clause 5.1** on the Implementation Date, Sargon will be beneficially entitled to the Scheme Shares (together with all rights and entitlements attached to the Scheme Shares) to be transferred to it

under the Scheme pending registration of Sargon in the Decimal Register as the holder of those Scheme Shares.

4.6 Transfer free of encumbrances

To the extent permitted by law, all Decimal Shares (including any rights and entitlements attaching to those shares) which are transferred to Sargon under this Scheme will, at the date of transfer of them to Sargon, vest in Sargon free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind (whether legal or otherwise), and free from any restrictions on transfer of any kind not referred to in this Scheme.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Sargon of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with this Scheme subject to the terms of the Deed Poll.

5.2 Payment of Scheme Consideration

- (a) On the Implementation Date Decimal must pay or procure the payment of the Scheme Consideration to each Scheme Participant.
- (b) Sargon must, and Decimal must use its best endeavours to procure that Sargon does, no later than 2 Business Days before the Implementation Date, deposit (or procure the deposit) in Immediately Available Funds the aggregate amount of the Scheme Consideration payable to all Scheme Participants into the Trust Account (except that the amount of any interest on the amount deposited, less bank fees and other charges, will be to Sargon's account).
- (c) On the Implementation Date, subject to receipt of the Scheme Consideration from Sargon in accordance with **clause 5.2(b)** of this Scheme, Decimal must pay or procure the payment to each Scheme Participant an amount equal to the Scheme Consideration for each Scheme Share transferred to Sargon on the Implementation Date by that Scheme Participant, whereby the amounts referred to in this **clause 5.2(c)** must be paid by:
 - (i) where a Scheme Participant before the Record Date has made an election in accordance with the requirements of the Decimal Registry to receive dividend payments from Decimal by electronic funds transfer to a bank account nominated by the Scheme Participant, paying by direct credit to the nominated bank account; or
 - (ii) a Scheme Participant has not made an election referred to in **clause 5.2(c)(i)**, sending a cheque drawn on an Australian bank in

Australian currency to each Scheme Participant by pre-paid ordinary post (or if the address of the Scheme Participant in the Decimal Register is outside Australia, by pre-paid airmail post) to their address recorded in the Decimal Register as at the Record Date (or in the case of joint holders, in accordance with the procedures set out in **clause 5.3**).

5.3 Joint holders

In the case of Scheme Shares held in joint names, any cheque required to be paid to Scheme Participants will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Decimal Register as at the Record Date.

5.4 Unclaimed monies

- (a) Decimal may cancel a cheque issued under **clause 5.1** of this Scheme if the cheque:
 - (i) is returned to Decimal; or
 - (ii) has not been presented for payment within six months after the date on which the cheque is sent.
- (b) During the period of one year commencing on the Implementation Date, on a written request from a Scheme Participant, Decimal must re-issue a cheque that was previously cancelled under this **clause 5.4**. Any interest of other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Sargon.
- (c) The *Unclaimed Money Act 1990 (WA)* will apply in relation to any Scheme Consideration that becomes “unclaimed money” (as defined in the *Unclaimed Money Act 1990 (WA)*).

5.5 Orders of a court

In the case of notice having been given to Decimal (or the Decimal Registry) of an order made by a court of competent jurisdiction:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant which would otherwise be payable to that Scheme Participant in accordance with **clause 5.2** of this Scheme, then Decimal shall procure that payment is made in accordance with that order; or
- (b) which would prevent Decimal from dispatching payment to any particular Scheme Participant in accordance with **clause 5.2** of this Scheme, then Decimal will retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as payment in accordance with **clause 5.2** of this Scheme is permitted by law.

6 Scheme Participants

6.1 Appointment of Sargon as sole proxy

Subject to the payment of the Scheme Consideration for the Scheme Shares in accordance with this Scheme, on and from the Implementation Date until Decimal registers Sargon as the holder of all the Scheme Shares in the Decimal Register, each Scheme Participant:

- (a) is deemed to have irrevocably appointed Sargon as its attorney and agent (and directed Sargon in such capacity) to appoint such officer or agent nominated by Sargon to be its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of Decimal, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders' resolution, whether in person, by proxy or by corporate representative, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 6.1(a)**);
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as Sargon directs; and
- (c) acknowledges and agrees that in exercising the powers referred to in this clause, Sargon may act in the best interests of Sargon as the intended registered holder of the Scheme Shares.

6.2 Appointment of Decimal as sole attorney and agent

Each Scheme Participant, without the need for any further act, irrevocably appoints Decimal and each of the directors and officers of Decimal, jointly and severally, as the Scheme Participant's attorney and agent for the purpose of executing any document necessary or expedient to give effect to the Scheme (including executing a Scheme Transfer and any instrument appointing Sargon as sole proxy for or, where applicable, corporate representative of each Scheme Participant as contemplated by **clause 6.1**) or doing any other act necessary or desirable to give full effect to the Scheme and the transactions contemplated by it.

6.3 Scheme Participant's consent

Each Scheme Participant:

- (a) consents to Decimal doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Scheme and Decimal, as agent of each Scheme Participant, may sub-delegate its functions under this **clause 6.3** to any of its directors and officers, severally; and
- (b) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares to Sargon, in accordance with the Scheme.

6.4 Warranties by Scheme Participants

Each Scheme Participant is deemed to have warranted to Decimal, in its own right and for the benefit of Sargon, that:

- (a) all of the Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Sargon under the Scheme will be transferred to Sargon free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind, whether legal or otherwise; and
- (b) they have full power and capacity to sell and transfer their Scheme Shares to Sargon (including any rights and entitlements attaching to those shares).

7 Dealings in Decimal Shares

7.1 Determination of Scheme Participants

- (a) For the purpose of establishing the persons who are the Scheme Participants, dealings in Scheme Shares will only be recognised if:
 - (i) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Decimal Register as the holder of the relevant Scheme Shares at the Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before the Record Date at the place where the Decimal Register is kept.
- (b) Decimal must register registrable transmission applications or transfers of the kind referred to in **clause 7.1(a)(ii)** by the Record Date.
- (c) Decimal will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of Scheme Shares received after the Record Date, other than a transfer to Sargon in accordance with the Scheme and any subsequent transfer by Sargon, or its successors in title.
- (d) If the Scheme becomes Effective, a holder of Decimal Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Decimal Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever.

7.2 Maintenance of Decimal Register

- (a) For the purpose of determining entitlements to the Scheme Consideration, Decimal will, until the Scheme Consideration has been provided, maintain the Decimal Register in accordance with the provisions of this **clause 7** and the Decimal Register in this form will solely determine entitlements to the Scheme Consideration.

- (b) All certificates and holding statements for Scheme Shares (other than holding statements in favour of Sargon and its successors in title after the Implementation Date) will cease to have any effect from the Record Date as documents of title in respect of those Scheme Shares. Subject to provision of the Scheme Consideration by Sargon and registration of the transfer to Sargon of the Scheme Shares contemplated by **clause 4.2**, after the Record Date, each entry current at that date on the Decimal Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

8 Quotation of Decimal Shares

- (a) Decimal will apply to ASX to suspend trading on ASX in Decimal Shares with effect from the close of trading on ASX on the Effective Date.
- (b) After the Scheme has been fully implemented, Decimal will apply:
 - (i) for termination of the official quotation of Decimal Shares on ASX; and
 - (ii) to have itself removed from the official list of ASX.

9 Notices

9.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

9.2 Communications by post

Subject to **clause 9.4**, where a Notice referred to in this document is sent by post to Decimal, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Decimal's registered office or at the Decimal Registry.

9.3 Communications by fax

Subject to **clause 9.4**, a Notice is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

9.4 After hours communications

If a Notice is given:

- (a) after 5.00 pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

10 General

10.1 Decimal and Scheme Participants bound

The Scheme binds Decimal and all Scheme Participants (including Scheme Participants who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of Decimal.

10.2 Further assurances

Subject to **clause 10.3**, Decimal will execute all documents and do all acts and things (on its own behalf and on behalf of each Decimal Shareholder) necessary or expedient for the implementation of, and performance of its obligations under, the Scheme.

10.3 Alterations and conditions

Decimal may, with the consent of Sargon, by its counsel consent on behalf of all Scheme Participants to any modifications or conditions which the Court thinks fit to impose, provided that in no circumstances will Decimal be obliged to do so.

10.4 No liability when acting in good faith

Neither Decimal nor Sargon nor any of their respective directors, officers, employees or advisors (as applicable) will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

10.5 GST

Decimal must pay to the Scheme Participants an amount equal to any GST for which the Scheme Participants are liable on any supply by the Scheme Participants under or in connection with the Scheme, without deduction or set off of any other amount.

10.6 Costs

Any costs, and any stamp duty and any related fines, interest or penalties, which are payable on or in respect of this document or on any document referred to in this document will be paid as provided for in the Scheme Implementation Agreement. For the avoidance of doubt, the Scheme Participants do not have to pay any stamp duty, related fines, interest or penalties which are payable on or in respect of this document or any document referred to in this document.

10.7 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

10.8 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (c) 'includes' means includes without limitation;
- (d) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (e) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (f) a reference to:
 - (i) a holder includes a joint holder;
 - (ii) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (iii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iv) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (v) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (vi) a right includes a benefit, remedy, discretion or power;
 - (vii) time is to local time in Perth and Sydney, Australia;
 - (viii) '\$' or 'dollars' is a reference to Australian currency;
 - (ix) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;

- (x) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
- (xi) this document includes all schedules and annexures to it; and
- (xii) a clause, party, schedule, exhibit or annexure is a reference to a clause, party, schedule, exhibit or annexure, as the case may be, of this document;
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

10.9 Headings

Headings do not affect the interpretation of this document.