

QANTM Intellectual Property Limited

Employee Incentive Plan Rules

(Adopted by the Plan Committee on 22 August 2016)

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QANTM Intellectual Property Limited

Employee Incentive Plan Rules

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Employee Incentive Plan Rules

Part A - Preliminary Matters

1. Introduction

1.1 Name of Plan

The Plan is called the **QANTM Employee Incentive Plan**.

1.2 Objects of the Plan

The objects of the Plan are to:

- (a) provide an incentive for Eligible Employees to remain in their employment in the long term;
- (b) recognise the ongoing ability of Eligible Employees and their expected efforts and contribution in the long term to the performance and success of the Group; and
- (c) provide Eligible Employees with the opportunity to acquire Rights or Shares in the Company, in accordance with these Rules.

1.3 Structure and Operation of the Plan

The Plan establishes two incentive schemes, the Rights Scheme and the Exempt Shares Scheme. Details of the Schemes (to the extent that it is necessary to set out that information in the Rules) are set out in these Rules.

1.4 Commencement of Plan

The Plan commences on the date determined by the Plan Committee.

2. Defined terms and interpretation

2.1 Defined terms

In these Rules, unless the context otherwise requires:

Accelerated Vesting Event includes:

- (a) the occurrence of a Special Circumstance in respect of a Participant; and
- (b) if determined by the Board, a Corporate Control Event.

Applicable Law means one or more, as the context requires of:

- (a) the Corporations Act;
- (b) Corporations Regulations;
- (c) the Listing Rules;
- (d) any other applicable securities laws;
- (e) the constitution of the Company; and
- (f) any practice note, policy statement, class order, declaration, guideline, policy or procedure authorising or entitling ASIC to regulate, implement or enforce, either directly or indirectly:
 - (i) a provision of the laws, regulations, rules or constitution referred to in paragraphs (a) to (e); or
 - (ii) any agreement or deed made under the laws, regulations, rules or constitution referred to in paragraphs (a) to (e); or

- (iii) a person's conduct or proposed conduct under the laws, regulations, rules or constitution referred to in paragraphs (a) to (e) or any agreement or deed referred to in paragraph (f)(ii).

Application Form means an application form which is in substantially the same form as:

- (a) with respect to Rights, Schedule 2 or any other form approved by the Plan Committee from time to time; or
- (b) with respect to Shares, Schedule 6 or any other form approved by the Plan Committee from time to time.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if:

- (a) section 12(1) of that Act included a reference to this document; and
- (b) the Company was the designated body.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities market which it operates, as the context requires.

Board means all or some of the directors of the Company acting as a board or its delegate under section 198D of the Corporations Act.

Certificate means:

- (a) with respect to a Right, a certificate issued under these Rules which is in substantially the same form as Schedule 4 or any other form approved by the Plan Committee from time to time; or
- (b) with respect to a Share, a certificate issued under these Rules which is in substantially the same form as Schedule 7 or any other form approved by the Plan Committee from time to time.

Company means QANTM Intellectual Property Limited ACN 612 441 326.

Corporate Control Event means any of the following events:

- (a) the Board recommends that the Company's shareholders:
 - (i) accept a takeover bid for the Company; or
 - (ii) approve or vote in favour of a scheme of arrangement for the takeover of the Company;
- (b) a person acquires voting power (within the meaning of section 610 of the Corporations Act) in more than 50% of the Shares in the Company as a result of a takeover bid;
- (c) a person acquires voting power (within the meaning of section 610 of the Corporations Act) in more than 50% of the Shares in the Company through a scheme of arrangement;
- (d) a person becomes a legal or beneficial owner of more than 50% of the Shares in the Company;
- (e) a person becomes entitled to acquire, or has an equitable interest in, more than 50% of the Shares in the Company;
- (f) any event (including a merger of the Company with another company or a private treaty or trade sale other than by way of a sale of the Shares) whether specified above or not and whether at a different percentage to that specified above or not, which the Board determines, in its absolute discretion, to be a Corporate Control Event.

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

Corporations Regulations means any and all regulations made under the Corporations Act.

Date of Grant means:

- (a) with respect to the Rights Scheme, the date on which the Plan Committee grants the Rights to an Eligible Employee; or

- (b) with respect to the Exempt Shares Scheme, the date on which the Shares are issued or transferred to an Eligible Employee.

Deal includes, when used in relation to a Right or Share (including a Share acquired on exercise of a Right), to sell, offer for sale, dispose of, transfer, assign or grant any Security Interest over the Right or Share.

Director means a director of the Company.

Eligible Employee means an Employee whom the Plan Committee determines is to receive an Offer under the Plan.

Employee means:

- (a) an individual whom the Plan Committee determines to be in the full-time or part-time employment of a body corporate in the Group (including any employee on parental leave, long service leave or other special leave as approved by the Plan Committee);
- (b) a director of a body corporate in the Group;
- (c) an individual who provides services to a body corporate in the Group whom the Plan Committee determines to be an Employee for the purposes of the Plan; or
- (d) an individual or entity that is an associate (as that expression is defined in section 318 of the *Income Tax Assessment Act 1936* (Cth)) of an Employee (as that term is defined under paragraph (a), (b) or (c) above) and which the Plan Committee determines to be an Employee for the purposes of the Plan.

Exempt Shares Scheme means the employee share scheme that complies with Parts A, B and D of these Rules.

Exercise Date means the date on which a Participant exercises Vested Rights in accordance with these Rules.

Exercise Notice means a notice in the form set out in Schedule 3 or any other form approved by the Plan Committee from time to time, stating that a Participant exercises Vested Rights.

Exercise Period means, in respect of a Right the period designated by the Plan Committee in the Offer of the Right.

Exercise Price of a Right means the price set out in or determined in accordance with the Offer.

Expiry Date means the last day of the Exercise Period.

Group means the Company and its Subsidiaries and **Group Company** means any one of them.

Holding Lock means a mechanism arranged or approved by the Plan Committee and administered by the Company (including through its share registry) that prevents Shares acquired under the Plan being disposed of by a Participant.

Legal Personal Representative means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person.

Listing Rules means the listing rules of the ASX.

Offer means:

- (a) with respect to a Right, an invitation to apply for Rights, which must be in writing and in substantially the same form as Schedule 1 or any other form determined by the Plan Committee; or
- (b) with respect to a Share, an invitation to apply for Shares, which must be in writing and in substantially the same form as Schedule 5 or any other form determined by the Plan Committee.

Participant means a person who holds Rights or Shares issued or acquired under the Plan and includes, if a Participant dies or becomes subject to a Total and Permanent Disablement and the Plan Committee approves, the Legal Personal Representative of the Participant.

Plan means the QANTM Employee Incentive Plan governed by these Rules.

Plan Committee means the committee of the Board to which power to administer the Plan has been delegated or if there has been no delegation, the Board.

PPS Law means

- (a) the *Personal Property Securities Act 2009* (Cth) and any regulation made at any time under the PPSA, including the *Personal Property Securities Regulations 2010* (Cth) (each as amended); and
- (b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

Redundancy means the termination or cessation of a Participant's employment or office with a body corporate in the Group as a result of redundancy, as determined by the Plan Committee.

Right means a right to acquire one Share in the Company issued to an Eligible Employee under the Plan.

Rights Scheme means a Rights scheme that complies with Parts A, B and C of these Rules.

Rules means the rules governing the operation of the Plan set out in this document, as amended from time to time.

Security Interest means any:

- (a) security interest as defined in the PPS Law;
- (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge (whether fixed or floating), lien, pledge, hypothecation, encumbrance, trust, power or title retention arrangement, finance lease, right of set off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); and
- (c) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset,

and includes any agreement to create any of them or allow them to exist.

Share means a fully paid ordinary share in the capital of the Company, and if the context requires, a fully paid ordinary share in the capital of the Company issued pursuant to the exercise of a Right.

Share Capital means the entire issued share capital of the Company.

Special Circumstance means with respect to a Participant:

- (a) Total and Permanent Disablement;
- (b) Redundancy;
- (c) the death of the Participant; or
- (d) any other circumstances as the Plan Committee may at any time determine (whether in relation to the Participant, a class of Participants, particular circumstances or a class of circumstances) and whether before or after the Date of Grant.

Subsidiary means a subsidiary of the Company (as defined in the Corporations Act) from time to time.

Tax includes any tax, levy, impost, GST, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing.

Tax Act means the *Income Tax Assessment Act 1997* (Cth), as amended from time to time and, if replaced, the replacement Act.

Total and Permanent Disablement means the termination or cessation of a Participant's employment with the Company or a Subsidiary as a result of total and permanent disablement, as determined by the Plan Committee.

Unvested Right means a Right which is not a Vested Right.

Vested Right means a Right which has vested in accordance with Rule 17 or which will vest (subject to Rule 17) on satisfaction with the Vesting Conditions.

Vesting Conditions means the conditions (if any) determined by the Plan Committee and specified in an Offer relating to a Rights Scheme which are, subject to these Rules, required to be satisfied, reached or met before a Right can, during the Exercise Period, be exercised.

Vesting Date means, in relation to any Rights issued to a Participant, the date on which a Right becomes a Vested Right if the relevant Vesting Conditions are satisfied in accordance with the terms set out in the relevant Offer.

2.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a rule, paragraph or schedule is to a rule or paragraph of, or schedule to, this document, and a reference to this document includes any schedule;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to time in Victoria, Australia;
- (g) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (i) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (j) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (k) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this document or any part of it; and
- (l) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2.3 Primary instruments

These Rules are to be interpreted subject to the Applicable Laws.

2.4 Headings

Headings are for ease of reference only and do not affect interpretation.

Part B – General Provisions applicable to the Plan

3. Operation of the Plan

The Plan operates according to these Rules which bind the Company, any Subsidiary and each Participant.

4. Principal conditions

4.1 Plan limit

Unless the Board determines otherwise, the Company will not issue:

- (a) Rights to an Eligible Employee if the total number of Shares that would be issued under the exercise of the Rights, when aggregated with the number of Shares which could be issued under each outstanding offer or grant with respect to Shares or Rights to acquire unissued Shares made during the previous 3 years under the Plan or any other employee, executive or management share scheme of the Company, would exceed 5% of the total number of issued Shares at that time; or
- (b) Shares to an Eligible Employee if the total number of Shares, when aggregated with the number of Shares which could be issued under each outstanding offer or grant with respect to Shares or Rights to acquire unissued Shares made during the previous 3 years under the Plan or any other employee, executive or management share scheme of the Company, would exceed 5% of the total number of issued Shares at that time.

4.2 Rights and Shares issued only to Employees

No Right or Share may be issued to a person under the Plan unless the person is an Employee as at the Date of Grant or the Plan Committee determines otherwise.

4.3 Compliance with laws

No Right or Share may be offered or issued to, or exercised by, an Eligible Employee or Participant if to do so would contravene an Applicable Law.

4.4 Shares rank equally

A Share issued or transferred pursuant to an Offer or the exercise of a Right ranks equally with all existing Shares on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue or transfer of that Share.

4.5 Quotation

If the Shares are listed on the ASX, then as soon as practicable after the date of the allotment of Shares, the Company will, unless the Plan Committee otherwise resolves, apply for official quotation of such Shares on the ASX.

4.6 Variations in the Share Capital

If there are variations in the Share Capital, including (but not limited to) a capitalisation or rights issue, subdivision, consolidation or reduction in Share Capital, the Board may make such adjustments as it considers appropriate under the Plan, in accordance with the Listing Rules.

5. Administration of the Plan

5.1 Administration

The Plan is administered by the Plan Committee.

5.2 Powers of the Plan Committee

The Plan Committee has power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan which are consistent with these Rules;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan;

- (c) terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Rights at that time;
- (d) delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any person or persons whom the Plan Committee reasonably believes to be capable of performing those functions and exercising those powers;
- (e) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules;
- (f) administer the Plan in accordance with these Rules as and to the extent provided in these Rules;
- (g) without limiting Rule 6.1, amend these Rules in order to facilitate the introduction of a loan plan for the benefit of Eligible Employees; and
- (h) make regulations for the operation of the Plan consistent with these Rules.

5.3 Exercise of powers or discretion

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

5.4 Determinations

Where these Rules provide for a determination, decision, approval or opinion of the Plan Committee or Board, that determination, decision, approval or opinion may be made or given by the Plan Committee or Board (as applicable) in its absolute discretion.

5.5 Expenses and costs

Subject to these Rules, the Company and its Subsidiaries must pay all expenses, costs and charges incurred in the administration of the Plan in the amounts and proportions as they shall agree.

5.6 Plan Committee not liable

No member of the Plan Committee shall be liable for anything done, or omitted to be done by him or her or by any other member of the Committee in connection with the Plan, except for his or her own wilful misconduct or as expressly provided by law.

5.7 Tax

The Company is not responsible for any Tax which may become payable by a Participant in connection with the issue or transfer of Rights or Shares pursuant to an Offer.

6. Amendment to Rules

6.1 Amendments

Subject to Rules 6.2 and 6.3, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this Rule 6.1).

6.2 Compliance with Listing Rules

At any time while the Shares are listed on the ASX, amendments may be made to these Rules in accordance with Rule 6.1 unless such amendment would contravene the Listing Rules (but subject to any waiver granted by ASX).

6.3 No Reduction of rights

No amendment to the provisions of these Rules is to reduce the rights of any Participant in respect of Shares issued or transferred or Rights granted under the Plan prior to the date of the amendment, other than:

- (a) an amendment introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth or foreign legislation governing or regulating the maintenance or operation of the Plan or like plans;
 - (ii) to correct any manifest error or mistake; or
 - (iii) to enable the Company to comply with the Applicable Laws; or
- (b) an amendment agreed in writing by a Participant.

6.4 Retrospectivity

Subject to Rules 6.1 and 6.2, any amendment made pursuant to Rule 6.1 may be given retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

7. Rights of Participants

7.1 No conferred rights

These Rules:

- (a) do not confer on any Participant any right or entitlement if that right or entitlement could only be provided with approval of the Company's shareholders;
- (b) do not confer on an Employee the right to receive an Offer;
- (c) do not confer on a Participant the right to continue as an Employee;
- (d) do not affect any rights which the Company or a Subsidiary may have to terminate the employment of a Participant; and
- (e) may not be used to increase damages in an action brought against the Company or a Subsidiary in respect of that termination.

7.2 Voting at general meetings

Participants do not, as Participants, have any right to attend or vote at general meetings of holders of Shares.

7.3 Share Interests

A Participant shall have no interest in a Share the subject of a Right held by the Participant unless and until the Share is issued or transferred to that Participant under these Rules.

7.4 Information

A Participant, as a Participant, is not entitled to demand any financial or other information from the Company and the Company is not obliged to provide the Participant, as a Participant, with any of that information.

8. Notices

Notices may be given by the Company to Participants in any manner that the Plan Committee may from time to time determine.

9. Governing law

These Rules and the rights and obligations of Participants under the Plan are governed by the law of Victoria, Australia, and each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

10. Advice

Eligible Employees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them relating to participation in the Plan.

11. Offers

11.1 Plan Committee may make Offer

Subject to these Rules, the Plan Committee may from time to time make an Offer to an Eligible Employee on terms set at the absolute discretion of the Plan Committee.

11.2 Terms of each Offer

Each Offer (which need not be the same for each Eligible Employee) must specify:

- (a) the name and address of the Eligible Employee to whom the Offer is made;
- (b) the date of the Offer;
- (c) the maximum number of Rights or Shares for which the Eligible Employee may apply;
- (d) the expected Date of Grant of the Rights or Shares the subject of the Offer;
- (e) the time period by which the Application Form must be received by the Company;
- (f) with regard to Rights:
 - (i) the Vesting Conditions attaching to the Rights the subject of the Offer;
 - (ii) the Exercise Price or the manner of determining the Exercise Price of the Rights the subject of the Offer; and
 - (iii) the Exercise Period for the Rights the subject of the Offer; and
- (g) any other specific terms and conditions applicable to the Offer.

11.3 Copy of Plan rules

A copy of the Plan must accompany each Offer.

11.4 Offer personal

Unless the Plan Committee determines that an Offer under the Plan can be accepted by an entity or individual that is an Employee within the meaning of paragraph (d) of that term in clause 2.1:

- (a) an Offer under the Plan is personal to the Eligible Employee to whom it is made; and
- (b) the invitation constituted by an Offer may only be accepted by, and Rights or Shares may only be issued or transferred to, the Eligible Employee to whom the Offer is made.

12. Application for Rights or Shares

12.1 Acceptance of Offer

An Eligible Employee may accept the invitation constituted by an Offer by giving to the Company an Application Form within the period specified in the Offer.

12.2 Application for all (and not some) of the Rights or Shares

The invitation constituted by an Offer may only be accepted in its entirety, and not in part, unless the Plan Committee determines otherwise.

12.3 Lapse of Offer

An Offer not accepted in accordance with Rule 12.1 lapses unless the Plan Committee determines otherwise.

12.4 Withdrawal of Offer prior to acceptance

The Plan Committee reserves the right (subject to any Applicable Law) to withdraw an Offer made to an Eligible Employee, provided that Offer has not yet been accepted in accordance with Rule 12.1.

13. Issue of Rights or Shares

13.1 Acceptance of application and issue

The Company may, within 30 days after receiving a duly completed Application Form from an Eligible Employee but subject to the conditions of the Offer:

- (a) accept the Application Form; and
- (b) issue to the Eligible Employee all of the Rights or Shares the subject of the Application Form.

13.2 Eligible Employee becomes a Participant

An Eligible Employee becomes a Participant and is bound by the Rules when:

- (a) with respect to Rights, the Company issues those Rights to that Eligible Employee; or
- (b) with respect to Shares, that Eligible Employee acquires those Shares (either by way of issue or transfer).

13.3 Certificates

The Company must give to each Participant a Certificate in respect of the number of Rights or Shares held by each Participant.

13.4 Consideration for Rights or Shares

The consideration (if any) for the issue or transfer of a Right or a Share to an Eligible Employee is the acquisition or issue price set out in the Offer.

14. Forfeiture and restriction on Dealing

14.1 Forfeiture conditions

The terms of an Offer may contain conditions relating to forfeiture of Rights or Shares (or the forfeiture of Shares issued or transferred pursuant to the exercise of Rights) and, unless otherwise determined by the Plan Committee, such conditions will:

- (a) apply for a period of 15 years; and
- (b) include those conditions set out in this Rule 14.

14.2 Overriding restriction on Dealing

Unless a Participant Deals with a Right or a Share (including a Share acquired on exercise of a Right) under an arrangement which meets the requirements of section 83A-130 of the Tax Act, the Participant must not Deal with a legal or a beneficial interest in a Right or a Share until the earlier of:

- (a) 3 years after the Date of Grant or an earlier time as the Commissioner of Taxation allows in accordance with subsection 83A-45(5) of the Tax Act; or
- (b) cessation of the Participant's employment with the Group.

14.3 Other restrictions on Dealing

Without limiting Rule 11.1, the terms of an Offer may contain restrictions on Dealing in addition to the restriction referred to in Rule 14.2.

14.4 Enforcement of restrictions

The Plan Committee may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares acquired by a Participant under the Plan.

14.5 Refusal to register transfer

Without limiting Rule 14.4, in order to restrict a Participant from dealing with any Shares acquired by a Participant under the Plan, the Company may refuse to register a paper based transfer, and may apply or cause to be applied a Holding Lock to prevent a transfer of any Shares acquired by a Participant under the Plan.

14.6 Board determination

While Shares or Rights held by a Participant are subject to this Rule 14, if the Board determines that:

- (a) the Participant has committed any act of fraud or defalcation or gross misconduct in relation to the affairs of the Company or a Subsidiary; or
- (b) any matter or circumstance of a type specified in the Offer made to the Participant happens or does not happen as so specified,

the Participant will, subject to this Rule 14, forfeit any right or interest in the Shares or Rights, or other entitlements of the Participant under the Plan.

14.7 Dealing in forfeited Rights or Shares

- (a) On making a determination in respect of Shares under Rule 14.3, the Board, in its discretion, may determine that the forfeited Shares are to be sold, transferred, bought-back or otherwise disposed of and how any proceeds of the sale, transfer, buy-back or other disposal are to be applied.
- (b) Rights which are forfeited will cease to exist on the Board making a determination under Rule 14.3.

14.8 Dealing in rights of forfeited Shares

Pending a determination under Rule 14.3 in respect of forfeited Shares, the Board shall have the absolute discretion as to how any rights or entitlements in respect of the Shares are to be dealt with.

14.9 Participant to have no rights to proceeds

A Participant will have no rights to the proceeds from any forfeited Shares dealt with under Rule 14.7 and releases and shall hold harmless the Company, each Subsidiary and the Board from and indemnifies the Company, each Subsidiary, and the Board against any claim in respect thereof and from any claim that might otherwise arise from the forfeiture of a Right, Share or other entitlement of the Participant under the Plan.

14.10 Buy-back of forfeited Shares

To the extent Shares are forfeited under this Rule 14, then unless otherwise determined by the Board, the Company will buy-back the Shares for an amount equal to:

- (a) in the case of Shares acquired pursuant to the exercise of a Right, the aggregate Exercise Price of the Rights in respect of which the Shares were issued or transferred; and

- (b) in the case of Shares acquired pursuant to an Offer, the issue price paid (if any) in respect of that Offer.

14.11 No transfer

Other than as provided by these Rules, the Company must not register or permit the share registry to register or transfer a Right or a Share to which this Rule 14 applies until the Board determines that this Rule 14 no longer applies to that Right or Share and for that purpose the Company may take whatever action and enter into any arrangements with the share registry or otherwise as it considers necessary to enforce the restrictions on the transfer of the Rights or Shares and Participants will upon request by the Company do all things necessary to give effect thereto and will be bound by those arrangements.

Part C – Provisions applicable to Rights Scheme

15. Tax Act

Subject to the requirements of the Tax Act, Subdivision 83A-C of the Tax Act applies to a Rights Scheme.

16. One Right one Share

Subject to adjustment under Rules 4.6 and 21.4, each Right confers on its holder the right to acquire one Share by way of issue or transfer (as determined by the Company in its sole and absolute discretion).

17. Vesting of Rights

17.1 Vesting

- (a) Subject to Rule 17.2, unless the terms upon which a Right have been issued provide otherwise, Rights which have not lapsed in accordance with Rule 19 and have not been forfeited in accordance with Rule 14 will vest in accordance with the Vesting Conditions specified in the relevant Offer.
- (b) The Plan Committee may, at its discretion, by notice to the Participant, vary, reduce or waive the Vesting Conditions attaching to Rights in whole or in part at any time and in any particular case including due to an Accelerated Vesting Event.

17.2 Eligible Employee at Exercise Date

Unless the terms upon which a Right has been issued provide otherwise, or the Plan Committee determines otherwise due to the occurrence of a Special Circumstance, a Right may not be exercised unless the Participant is an Employee as at the Exercise Date.

18. Exercise of Rights

18.1 Exercise of Vested Rights

All Vested Rights may be exercised during the Exercise Period.

18.2 Exercise of Rights

- (a) A Participant may only exercise all, or a lesser number agreed by the Plan Committee, of its Vested Rights.
- (b) If a Participant wishes to exercise Rights, the Participant must serve on the Company within the Exercise Period:
 - (i) a duly completed and executed Exercise Notice;

- (ii) any Certificate which has been issued by the Company for those Rights; and
- (iii) the aggregate Exercise Price in cleared funds payable in respect of the relevant Rights.

18.3 Unvested Rights

Subject to Rule 21.2, a Participant will not be entitled to exercise any Unvested Rights at any time. For the avoidance of doubt, Unvested Rights cannot be exercised even during the Exercise Period.

18.4 Issue of Shares on exercise of Rights

Subject to these Rules, on the exercise of a Right the Company must:

- (a) procure the transfer of a Share; or
- (b) issue and allot a Share.

18.5 Clearance of Exercise Price

The Company is not obliged to issue Shares on exercise of Rights until any cheque received in payment of the Exercise Price has been honoured on presentation.

19. Lapse of Rights

19.1 Lapse of Rights

Unless otherwise specified in the Vesting Conditions or determined otherwise by the Plan Committee, a Right (whether Vested or Unvested) lapses on the earlier of:

- (a) the Expiry Date of the relevant Right;
- (b) a determination of the Plan Committee that the Right should lapse because the Participant, in the Plan Committee's opinion:
 - (i) has been dismissed or removed from office for a reason which entitles a body corporate in the Group to dismiss the Participant without notice;
 - (ii) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of that body corporate (whether or not charged with an offence); or
 - (iii) has done an act which brings the Group or any body corporate in the Group into disrepute; and
- (c) the date on which the Participant otherwise ceases employment (unless the Plan Committee determines otherwise, other than due to the occurrence of a Special Circumstance).

19.2 Rights cease

If a Right lapses, all rights of a Participant under the Plan in respect of that Right cease, and no consideration will be payable for or in relation to that lapse.

20. Dealings with Rights

20.1 Rights personal

Except where Rights have been transferred with the prior written consent of the Plan Committee, Rights held by a Participant are personal to the Participant and may not be exercised by any other person.

20.2 No unauthorised disposal

Except with the prior written consent of the Plan Committee and subject to these Rules, a Participant must not Deal with a Right or any interest in a Right (or purport to do any of those things), and any Dealing will not be recognised in any manner by the Company.

21. Participation rights, bonus issues, rights issues, reorganisations of capital and winding up

21.1 New issues and recapitalisations

Participants are not entitled to participate, in their capacity as Right holders, in any new issue of securities in the Company, nor in any return of capital, buyback or other distribution or payment to Shareholders, unless the Plan Committee determines otherwise.

21.2 Winding up

If a resolution for a members' voluntary winding up of the Company is proposed (except for the purpose of a reconstruction or amalgamation) the Plan Committee may, in its absolute discretion, give written notice to Participants of the proposed resolution. The Participants may, during the period referred to in the notice, exercise their Rights (whether Vested or Unvested). However, a Right cannot be exercised under this Rule 21.2 after the period referred to in the notice.

21.3 Fractions of Shares

For the purposes of this Rule 21, if Rights are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

21.4 Calculations and adjustments

Any calculations or adjustments which are required to be made under this Rule 21 will be made by the Plan Committee and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

21.5 Notice of change

The Company must within a reasonable period give each Participant notice of any change under the Rules to the number of Shares that the Participant may subscribe for on exercise of a Right.

Part D – Provisions applicable to Exempt Shares Scheme

22. Specific conditions for Exempt Shares Scheme

22.1 Benefits under Exempt Shares Scheme

The Board must ensure that the Exempt Shares Scheme (in its terms and operation) and Shares acquired by Eligible Employees under the Exempt Shares Scheme satisfy exemptions and conditions set out in subsections 83A-35(6) and 83A-35(7) and section 83A-45 of the Tax Act so as to permit the application of subsection 83A-35(1) of the Tax Act to Participants who are resident in Australia and who satisfy the income threshold in paragraph 83A-35(2)(b) of the Tax Act.

22.2 Amendment of the Tax Act

If the Tax Act is amended to vary the nature and/or terms of operation or the conditions under which Participants are entitled to a reduction in assessable income under subsection 83A-35(1) of the Tax Act, these Rules (to the extent that they apply to the Exempt Shares Scheme) will automatically be deemed to have been amended (on and from the date of the relevant amendments to the Tax Act) so that Offers pursuant to an Exempt Shares Scheme are consistent with the requirements that must be satisfied if Participants are to be entitled to a reduction in assessable income under subsection 83A-35(1) of the Tax Act.

22.3 Exempt Shares Scheme Conditions

Subject to Rule 22.2, the Company must not impose any conditions on any Shares issued on acceptance of an Exempt Shares Scheme Offer if the conditions would have the effect of, or could result in, the Participant forfeiting ownership of the Shares issued to them.

22.4 Exempt Shares Scheme Offers

Subject to Rule 22.2, all Exempt Shares Scheme Offers must contain restrictions which prevent Dealing in any Shares offered to an Eligible Employee until (at the earliest) the earlier of the following times:

- (a) the end of the period three years after the Date of Grant of the Shares; and
- (b) the date when the Eligible Employee ceases, or first ceases, to be employed by a Group Company.

Schedule 1 – Offer of Rights

TO: [insert name of Eligible Employee]
[insert address of Eligible Employee]

Date: [] 20[]

Dear []

Offer of Rights under the QANTM Employee Incentive Plan

The Board of QANTM Intellectual Property Limited (**Company**) is pleased to invite you to participate in the QANTM Employee Incentive Plan (**Plan**).

A copy of the rules of the Plan are enclosed. Please read the Plan rules carefully. Capitalised terms used in this letter have the meaning given to them in the Plan.

The acceptance and/or exercise of Rights may have taxation implications. Accordingly, you should consider obtaining independent professional advice to clarify your taxation position in relation to this invitation to apply for Rights.

Under the Plan, Eligible Employees will be able to exercise Rights to acquire fully paid ordinary shares in the Company (**Shares**). Should Rights be exercised by you and Shares be issued to you under the Plan, you and your shareholding will be subject to the Constitution of the Company (an up to date copy of which is enclosed), as amended from time to time.

The Offer is made on the terms and conditions set out in this letter.

The Company offers to issue you the following Rights to you

The issue price of each Right is

The Exercise Price for each Right is

The Rights will be issued on the following date (Date of Grant)

Vesting Conditions

Exercise Period

In respect of a Right or parcel of Rights, the period commencing on the Vesting Date and ending on the earlier of:

- [#] years after the Vesting Date; or
- if a Special Circumstance arises in respect of a Participant, then the date 90 days that is (or any longer period as may be determined by the Plan Committee) after the Special Circumstance arises.

Restrictions on Dealing

In addition to Rules 14.2 and 20.2, [insert any other]

Other terms and conditions

Nothing in this letter (including the Plan rules):

- (a) constitutes financial product advice and any advice or information provided by the Company in relation to this Offer does not take into account your objectives, financial situation or needs; or
- (b) should be taken to constitute a recommendation or statement of opinion that is intended to influence anyone in making a decision to acquire Rights or Shares in the Company.

You should consider obtaining financial advice from a financial adviser licensed by ASIC and advice in respect of legal, accounting and taxation matters from your own advisers. The Company is not responsible for any such advice, which must be obtained by you at your own expense.

As consideration for this Offer, you give and make the following acknowledgments, representations, warranties and agreements for the benefit of the Company and its associates and related bodies corporate (**Associates**):

- (a) you acknowledge that the Company and the other shareholders of the Company have not taken into account your objectives, financial situation or needs in making this Offer;
- (b) if you accept this Offer, you do so on the basis of your own independent investigation and assessment and after making your own enquiries and you acknowledge that you have not relied on any recommendation or representation of any director or shareholder of the Company to acquire Rights or Shares in the Company or the participation of any other shareholder of the Company as an investor in the Company as a basis for you to acquire Rights or Shares in the Company;
- (c) you acknowledge that neither the Company nor other shareholders of the Company nor any of their respective officers or employees has made:
 - (i) any representation or warranty in relation to the proposed business strategy or potential exit strategy or returns achievable on an exit; or
 - (ii) any recommendation on the suitability of an acquisition of Rights or Shares in the Company;
- (d) to the maximum extent permitted by law, the Company and other shareholders of the Company and their respective officers and employees disclaim all liability in relation to these matters;
- (e) you agree that you may not take any action against the Company and/or any other shareholders of the Company (or their respective related bodies corporate or their officers or employees) for any loss or damage suffered as a result of your decision to acquire Rights or Shares in the Company, or in relation to the proposed business strategy, business performance, potential exit strategy or returns achievable on exit;
- (f) any decision made or action taken by you in respect of the Offer has been made or will be made entirely on the basis of your own analysis, investigations and decisions and you warrant that you have not relied on any act, representation or omission made by the Company or any other person; and
- (g) the assignment or transfer of, or otherwise dealing with, this Offer is prohibited without the prior written agreement of the Company (which it may withhold in its absolute discretion).

If you wish to accept this invitation and apply for Rights under the terms of the Plan, you need to complete the enclosed Application Form and return it to us before [].

If you have any questions in relation to the Plan please contact [] on [].

Yours sincerely

[Name]

Schedule 2 – Rights application form

Application for Rights under the QANTM Employee Incentive Plan (**Plan**)

To: QANTM Intellectual Property Limited ACN 612 441 326 (**Company**)

Name of Eligible Employee: _____ (the **Applicant**)

of (address) _____

Tax File Number or Exemption of the Applicant is: _____

1. The Applicant has received an invitation (**Offer**) to participate in the Plan.
2. Terms used in this Application which are defined in the Plan and the Offer have the meanings given in those documents and in the case of conflict the meanings in the Plan prevail.
3. The Applicant hereby applies to be issued the number of Rights as set out in the Offer.
4. The Applicant agrees to be bound by the terms and conditions of the Plan (as amended from time to time) and the terms and conditions of the Offer.
5. In consideration of the approval of this Application, the Applicant irrevocably appoints each member from time to time of the Plan Committee as the Applicant's attorney to complete and execute any documents including share transfers and to do all acts or things in the Applicant's name and on the Applicant's behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan and the Applicant covenants that it will ratify and confirm any act or thing done pursuant to this power.
6. The Applicant acknowledges that any Shares issued on exercise of Rights issued or transferred under the Plan will be subject to the provisions of the Company's constitution.

Executed as a deed

Dated:

Signed sealed and delivered by
[name of Applicant]
in the presence of

Signature of witness

← _____ ←
Signature of the Applicant

Name of witness (print)

Schedule 3 – Exercise Notice

Exercise Notice

TO: The Directors
QANTM Intellectual Property Limited ACN 612 441 326

1. I/we [**insert name of Participant**] of [**insert address of Participant**] (the **Participant**) being the beneficial owner of _____ rights (**Rights**) issued to me/us pursuant to the QANTM Employee Incentive Plan (the **Plan**) hereby:
 - (a) exercise [insert number] Rights; and
 - (b) request QANTM Intellectual Property Limited ACN 612 441 326 (the **Company**) to issue or cause the transfer of Shares to me/us in accordance with the Plan Rules
2. I/we authorise the Company to register me/us as the holder of the Shares to be issued or transferred in accordance with this notice and I/we agree to accept the Shares subject to the constitution of the Company and I/we enclose a cheque in favour of the Company for the total exercise price of the Rights hereby exercised by me/us.

Dated:

_____ (Usual Signature)

_____ (Address)

_____ (Print Name)

Schedule 4 – Right Certificate

Certificate number [*insert number of certificate*]

Right certificate

QANTM Intellectual Property Limited ACN 612 441 326

1. This certifies that [*insert name of right holder*] of [*insert address of right holder*] is the holder of [*insert number of rights that the right holder holds*] Rights (as defined in the plan rules establishing the QANTM Employee Incentive Plan adopted by QANTM Intellectual Property Limited ACN 612 441 326 on or around [] 20[*] (as amended from time to time) (**Plan Rules**)).
2. The Rights are issued subject to the terms contained in the Plan Rules.
3. The terms contained in the Plan Rules are incorporated in, and form part of, this certificate.

Dated

Executed by QANTM Intellectual Property Limited ACN 612 441 326 in accordance with section 127 of the *Corporations Act 2001* (Cth)

Signature of director

Name of director (print)



Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)



Schedule 5– Offer of Shares

TO: [insert name of Eligible Employee]
[insert address of Eligible Employee]

Date:[] 20[]

Dear []

Offer of Shares under the QANTM Employee Incentive Plan

The Board of QANTM Intellectual Property Limited (**Company**) is pleased to invite you to participate in the QANTM Employee Incentive Plan (**Plan**).

A copy of the rules of the Plan are enclosed. Please read the Plan rules carefully. Capitalised terms used in this letter have the meaning given to them in the Plan.

The acquisition of fully paid ordinary shares in the Company (**Shares**) may have taxation implications. Accordingly, you should consider obtaining independent professional advice to clarify your taxation position in relation to this invitation to apply for Shares.

Under the Plan, Eligible Employees will be able to acquire Shares for no consideration. Should you acquire Shares under the Plan, you and your shareholding will be subject to the Constitution of the Company (an up to date copy of which is enclosed), as amended from time to time.

The Offer is made on the terms and conditions set out in this letter.

The Company offers to issue you the following Shares to you

The issue price of each Shares is	\$Nil
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The Shares are intended to be issued or transferred to you on the following date (Date of Grant)
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Restrictions on Dealing	In addition to Rule 14.2, [insert any other]
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Other terms and conditions

Nothing in this letter (including the Plan rules):

- (a) constitutes financial product advice and any advice or information provided by the Company in relation to this Offer does not take into account your objectives, financial situation or needs; or
- (b) should be taken to constitute a recommendation or statement of opinion that is intended to influence anyone in making a decision to acquire Shares in the Company.

You should consider obtaining financial advice from a financial adviser licensed by ASIC and advice in respect of legal, accounting and taxation matters from your own advisers. The Company is not responsible for any such advice, which must be obtained by you at your own expense.

As consideration for this Offer, you give and make the following acknowledgments, representations, warranties and agreements for the benefit of the Company and its associates and related bodies corporate (**Associates**):

- (a) you acknowledge that the Company and the other shareholders of the Company have not taken into account your objectives, financial situation or needs in making this Offer;
- (b) if you accept this Offer, you do so on the basis of your own independent investigation and assessment and after making your own enquiries and you acknowledge that you have not relied on any recommendation or representation of any director or shareholder of the Company to acquire Shares in the Company or the participation of any other shareholder of the Company as an investor in the Company as a basis for you to acquire Shares in the Company;
- (c) you acknowledge that neither the Company nor other shareholders of the Company nor any of their respective officers or employees has made:

- (iii) any representation or warranty in relation to the proposed business strategy or potential exit strategy or returns achievable on an exit; or
 - (iv) any recommendation on the suitability of an acquisition of Shares in the Company;
- (d) to the maximum extent permitted by law, the Company and other shareholders of the Company and their respective officers and employees disclaim all liability in relation to these matters;
- (e) you agree that you may not take any action against the Company and/or any other shareholders of the Company (or their respective related bodies corporate or their officers or employees) for any loss or damage suffered as a result of your decision to acquire Shares in the Company, or in relation to the proposed business strategy, business performance, potential exit strategy or returns achievable on exit;
- (f) any decision made or action taken by you in respect of the Offer has been made or will be made entirely on the basis of your own analysis, investigations and decisions and you warrant that you have not relied on any act, representation or omission made by the Company or any other person; and
- (g) the assignment or transfer of, or otherwise dealing with, this Offer is prohibited without the prior written agreement of the Company (which it may withhold in its absolute discretion).

If you wish to accept this invitation and apply for Shares under the terms of the Plan, you need to complete the enclosed Application Form and return it to us before [].

If you have any questions in relation to the Plan please contact [] on [].

Yours sincerely

[Name]

Schedule 6 – Share application form

Application for Shares under the QANTM Employee Incentive Plan (**Plan**)

To: QANTM Intellectual Property Limited ACN 612 441 326 (**Company**)

Name of Eligible Employee: _____ (the **Applicant**)

of (address) _____

Tax File Number or Exemption of the Applicant is: _____

1. The Applicant has received an invitation (**Offer**) to participate in the Plan.
2. Terms used in this Application which are defined in the Plan and the Offer have the meanings given in those documents and in the case of conflict the meanings in the Plan prevail.
3. The Applicant hereby applies to be issued the number of Shares as set out in the Offer.
4. The Applicant agrees to be bound by the terms and conditions of the Plan (as amended from time to time) and the terms and conditions of the Offer.
5. In consideration of the approval of this Application, the Applicant irrevocably appoints each member from time to time of the Plan Committee as the Applicant's attorney to complete and execute any documents including share transfers and to do all acts or things in the Applicant's name and on the Applicant's behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan and the Applicant covenants that it will ratify and confirm any act or thing done pursuant to this power.
6. The Applicant acknowledges that any Shares acquired under the Plan will be subject to the provisions of the Company's constitution.

Executed as a deed

Dated:

Signed sealed and delivered by
[name of Applicant]
in the presence of

Signature of witness

← _____ ←
Signature of the Applicant

Name of witness (print)

Schedule 7– Share Certificate

Certificate number [*insert number of certificate*]

Share certificate

QANTM Intellectual Property Limited ACN 612 441 326

1. This certifies that [*insert name of Shareholder*] of [*insert address of Shareholder*] is the holder of [*insert number of Shares*] Shares (as defined in the plan rules establishing the QANTM Employee Incentive Plan adopted by QANTM Intellectual Property Limited ACN 612 441 326 on or around [] 20[*] (as amended from time to time) (**Plan Rules**)).
2. The Shares are issued subject to the terms contained in the Plan Rules.
3. The terms contained in the Plan Rules are incorporated in, and form part of, this certificate.

Dated

Executed by QANTM Intellectual Property Limited ACN 612 441 326 in accordance with section 127 of the *Corporations Act 2001* (Cth)

Signature of director

Name of director (print)



Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

