

SCHEDULE A

SYFT TECHNOLOGIES LIMITED (SYFT) SHARE PLAN TO FACILITATE INCREASED PARTICIPATION BY EMPLOYEES AS SHAREHOLDERS

- 1 **INTRODUCTION:** Syft proposes to offer Participating Employees, and in limited cases consultants to Syft (also referred to as Participating Employees for the purposes of this document) the opportunity to acquire Shares, either by Syft issuing new Shares or Syft purchasing Shares from existing Shareholders, for Participating Employees to participate as shareholders. To facilitate this, Syft will offer Participating Employees financial assistance in the form of an interest free, non-recourse Loan (the *Loan*).

The purpose of this share scheme is to facilitate an increase in the level of participation by employees as shareholders in Syft, improving the alignment of interests between employees and shareholders. There is, however, no requirement or expectation that eligible Syft employees will participate, and a decision not to participate will in no way affect your ongoing employment with Syft.

If you are a consultant these Terms will apply with all necessary modifications to reflect the fact you are a consultant, not an employee (e.g. you must repay the Loan if you cease to provide consultancy services to Syft)

- 2 **PARTICIPATING EMPLOYEES:** The Board of Syft will determine who are eligible to become Participating Employees, from time to time, by receiving an offer of Shares and financial assistance in the form of the Loan. In general, a Participating Employee will be required at a minimum to be a permanent employee, not a casual worker, and have had a minimum of 12 months' employment with Syft, and for there not to have been any performance management issues with the employee during the previous 12 month period. In limited circumstances consultants will have the opportunity to participate. Participation in this scheme is, however, at the sole discretion and invitation of the Board.

- 3 **RIGHTS YOU ACQUIRE WHEN YOU ACQUIRE THE SHARES:** Once you acquire the Shares, you will be entitled to exercise voting rights on the same terms as the other Shareholders holding ordinary shares and to receive dividends and other distributions declared in respect of the Shares. The net cash component of any dividends or distributions must first be applied in reduction of the Loan.

However, for the first 3 years that you hold the Shares (the *Restricted Period*) you will not be entitled to sell or otherwise deal with the Shares. Participating Employees will, however, be entitled to accept any takeover offer under the Takeovers Code during the Restricted Period with the proceeds first applied in reduction of the Loan. If you leave the employment of Syft during the Restricted Period you agree to sell the Shares to Syft, or to a third party nominated by Syft, at the Share Price and for the full proceeds of the sale to be applied in repayment of the Loan.

Once the Restricted Period has expired you are free to sell or otherwise deal with your Shares, however when you sell your Shares the proceeds must first be applied in repaying the Loan.

If you cease to be an employee of Syft after the Restricted Period you may retain your Shares but you must repay the Loan. If you do not repay the Loan on leaving employment, you appoint us as your attorney to sell the Shares on your behalf and to apply the proceeds in repayment of the Loan. Syft will then account to you for any surplus funds after repayment of the Loan.

4 **THE SYFT LOAN TERMS:**

- The Loan is interest free and must be repaid in full
- The Loan must be repaid in full upon the termination of your employment with Syft, however, repayment of the Loan in part or in full at any earlier time is permitted and as set out above the net cash component of dividends and distributions is first applied in reducing the Loan. You agree to allow the Company to set-off the cash component of any dividend or distribution against the Loan.
- The obligation to repay the Loan, however, is limited to the value of the Shares held by you under the scheme. In the event you leave the employment of Syft after the Restricted Period, and the value of the Shares held by you in aggregate under the scheme was less than the amount owing under the Loan, we accept the proceeds of the sale of the Shares as a full and final payment of your obligation to repay the Loan. To obtain the benefit of this non-recourse benefit, if the proceeds of the sale of the Shares will be less than the value of the Loan, we must consent to the transaction. We will not unreasonably withhold our consent.
- Alternatively, if on leaving employment you appoint us as your agent to sell the Shares, we will not demand repayment of the Loan until we have sold your Shares for you. This is to reflect that at the time you need to sell your Shares there may only be limited liquidity i.e. potential purchasers for the Shares.
- As security for your obligations in relation to the Loan, you grant to Syft a security interest in the Shares for the purposes of the Personal Property Securities Act 1993 (the *PPSA*). In relation to the security interest held by Syft over the Shares you agree (to the maximum extent permitted by law) with Syft:
 - (i) that Syft shall be entitled to record its security interest in the Shares by way of notation on Syft's share register, with Syft only being required to remove such notation upon Syft's security interest in those Shares being released by Syft;
 - (ii) to provide all information and provide such assistance necessary to allow Syft to register, maintain and enforce its security interest;

- (iii) to waive your right to receive a verification statement in respect of any financing statement or financing change statement relating to Syft's security interest;
- (iv) to contract out of your rights under the sections referred to in section 107(2)(a) and (c) to (i) of the PPSA; and
- (v) that nothing in sections 114(1)(a), 133 and 134 of the PPSA applies to this agreement, and accordingly to contract out of those sections.

- 5 **APPOINTMENT:** You irrevocably and unconditionally appoint any two directors of Syft, as nominated by the Board of Syft from time to time, to be your attorney with the power to take on your behalf any action or to execute any document which you are required to take or execute under the terms of this scheme with respect to the Shares and the repayment of Loan.
- 6 **CAPITAL RESTRUCTURING:** In the event there is a capital restructuring involving a share split, share consolidation or some other event of Syft, so that the Board of Syft forms the opinion the Scheme Terms should be varied to remain equitable as between Syft and Participating Employees, then the Board shall vary the Scheme Terms accordingly.
- 7 **HARDSHIP:** In the event you suffer financial hardship or ill-health or some other similar event, the Board of Syft may in its discretion agree with you for Syft to purchase the Shares or for a third party to purchase the Shares on terms agreed with you at the time.
- 8 **NO FINANCIAL ADVICE:** Syft is not providing financial advice to Participating Employees as to whether the purchase of Shares is a good investment, or an investment appropriate for a particular Participating Employee. There are additional risks in having an investment in your employer, if your employer should become insolvent. You should seek your own financial advice as to whether you wish to participate in this scheme.

SCHEDULE B

QUESTIONS AND ANSWERS ON THE SYFT EMPLOYEE SHARE SCHEME

1 Do I hold all of the Syft Shares in my name?

Yes, all of the Shares are held in your name. The Shares must remain in your name while you remain in the employment of Syft and the Loan remains outstanding. The Shares cannot be transferred, for example, to a family trust or a spouse while the Loan remains outstanding as this affects the status of the Loan for tax purposes.

2 Do I have to pay for the acquisition of the Shares?

No, the full cost of you acquiring the Shares is met by Syft providing you with the Loan.

3 What rights do I have as a shareholder?

You are entitled to all dividends and other distributions declared in relation to the Shares and you are entitled to vote your Shares at any shareholders' meeting. The net cash component of dividends and distributions are, however, applied first to reducing the Loan. The only other restriction on your rights which differs from other shareholders is that while you remain an employee during the Restricted Period of 3 years you cannot sell your Shares. After the Restricted Period you may sell your Shares, however the proceeds of sale must first be applied in repaying the Loan.

4 What happens if I leave the employment of Syft during the Restricted Period?

In that case your Shares will be either repurchased by Syft, or Syft will find a third party to purchase the Shares, at the original Share Price and the proceeds will be used to repay the Loan. This will mean effectively you will be put in the position as if you had never participated in the scheme. To potentially benefit from participating in the scheme you need to remain in the employment of Syft until the expiry of the Restricted Period.

5 What does the Loan being limited recourse mean?

In addition to the Loan being interest free, it is what is known as a limited recourse loan to the value of the Shares. That means that in the situation that the value of the Shares at the time the Loan must be repaid under the scheme is less than the total amount of the Loan, Syft must accept the proceeds of sale of the Shares in full satisfaction of the Loan. To obtain this benefit, however, if you are initiating the sale and the proceeds of sale will be less than the Loan you must obtain Syft's consent to the transaction before proceeding with the sale.

6 **When do I have to repay the Loan?**

You must repay the Loan on the earlier of:

- at the time you leave the employment of Syft; or
- at the time you sell the Shares any time after the Restricted Period of 3 years.

In each case, Syft will liaise with you regarding the sale of the Shares to facilitate repayment of the Loan, unless you wish to repay the Loan using other funds available to you. If on leaving employment you allow Syft to sell your Shares on your behalf, Syft cannot demand repayment of the Loan until Syft has arranged for the sale of the Shares.

In addition, if the Shares are sold for less than the total amount of the Loan, Syft must then accept the proceeds of sale as full and final payment of the Loan. However, to obtain this benefit, if you are initiating the sale and the proceeds of sale will be less than the Loan, you must first obtain Syft's consent to the transaction.

7 **Is Syft requiring employees to hold Shares?**

No, if you elect not to participate this will not affect your employment with Syft. Syft is not providing financial advice to employees and employees are urged to discuss participation in the scheme with their financial adviser.

8 **Will I get the chance to participate in the scheme again in the future?**

That will be at the discretion of the Board. The Board currently intends to make available Shares and Loans to selected employees on an annual basis, but individual employees should have no expectation of this.

9 **What is my tax position?**

There have been some changes to the rules for the taxation of employee share schemes.

If you repay the Loan on or before 31 March 2022, the current rules for the taxation of employee share schemes will apply and you should not have any taxable income in respect of your acquisition of the Shares.

If you repay the Loan after 31 March 2022, new rules will apply and you may have taxable income in respect of the Shares on the date you repay the Loan to the extent the market value of the Shares on that date exceeds the Share Price.

In general, if you acquire the Shares for long-term capital growth and dividend income, you should not be subject to tax on any gain on the sale of the Shares. If you currently do not file a tax return and the correct resident withholding tax rate is applied to any dividends paid by Syft, the fact of your participation in the scheme will not require you to file a tax return, unless you have more than \$200 of taxable income under the new rules for taxation of employee share schemes from acquisition of the Shares.

The above is a very general description of the tax implications of holding the Shares. We are not providing taxation advice as part of the introduction to the scheme and if you have any tax-related questions we recommend you speak with your financial or tax adviser.

If you are a consultant and not an employee you should obtain your own tax advice on the implications of participating in the scheme.