

Terms and Conditions of Performance Shares

1.1 Performance Shares

The terms and conditions of the Performance Shares are set out below:

1.1.1 Definitions

A Performance Share means a Performance Share issued by the Company that is subject to the A Performance Share Milestone and these terms.

A Performance Share Expiry Date means five (5) years from the date of issue of the A Performance Shares.

A Performance Share Milestone will be taken to have been satisfied upon the Company achieving 20 million users (at least half of which are directly revenue generative), or \$875,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$3.5 million).

B Performance Share means a Performance Share issued by the Company that is subject to the B Performance Share Milestone and these terms.

B Performance Share Expiry Date means five (5) years from the date of issue of the B Performance Shares.

B Performance Share Milestone will be taken to have been satisfied upon the Company achieving 30 million users (at least half of which are directly revenue generative), or \$1,875,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$7.5 million).

C Performance Share means a Performance Share issued by the Company that is subject to the C Performance Share Milestone and these terms.

C Performance Share Expiry Date means five (5) years from the date of issue of the C Performance Shares.

C Performance Share Milestone will be taken to have been satisfied upon the Company achieving 50 million users (at least half of which are directly revenue generative), or \$3,000,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$12 million).

Change of Control Event means:

- (i) the occurrence of:
 - (A) the offer or under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (B) that takeover bid has become unconditional; or
- (ii) the announcement by the Company that:
 - (A) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and

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(B) the Court, by order, approves the scheme of arrangement,

but, for the avoidance of doubt does not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of the Company.

Company means OpenDNA Limited (ACN 613 410 398) and, where the context requires, includes its subsidiaries.

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

Expiry Date means the A Performance Share Expiry Date or the B Performance Share Expiry Date or the C Performance Share Expiry Date (as the case may be).

Holder means the holder of a Performance Share.

Milestone means the A Performance Share Milestone or the B Performance Share Milestone or the C Performance Share Milestone (as the case may be).

Performance Share means an A Performance Share or a B Performance Share or a C Performance Share (as the case may be) in the capital of OpenDNA Limited (ACN 613 410 398).

Section 606(1) means section 606(1) of the Corporations Act.

1.1.2 Dividend

Performance Share Holders are not entitled to a dividend.

1.1.3 Conversion

(i) Conversion:

The Performance Shares will convert into Shares in accordance with this section.

(ii) Conversion Milestones and Ratio:

Subject to paragraph 1.1.5, upon the satisfaction of the Milestone prior to the Expiry Date, each Performance Share will convert into one (1) Share.

(iii) Conversion on Change of Control Event:

Subject to paragraph 1.1.5 upon the occurrence of a Change of Control Event:

(A) that number of Performance Shares that, after conversion, is equal to 10% of the issued Share capital of the Company (as at the date of the Change of Control Event) shall automatically convert into Shares;

(B) the Company shall ensure a pro-rata allocation of Shares issued under this paragraph to all Holders of Performance Shares; and

(C) any Performance Shares that are not converted into Shares in accordance with this paragraph will continue to be held by the Holder on the same terms and conditions.

1.1.4 Lapse after Expiry Date

If on the relevant Expiry Date:

- (i) the Milestone affecting the A Performance Shares has not been satisfied, then all of A Performance Shares held by each Holder shall consolidate into one A Performance Share and then convert into Shares on a one for one (1:1) basis;
- (ii) the Milestone affecting the B Performance Shares has not been satisfied, then all of B Performance Shares held by each Holder shall consolidate into one B Performance Share and then convert into Shares on a one for one (1:1) basis; and.
- (iii) the Milestone affecting the C Performance Shares has not been satisfied, then all of C Performance Shares held by each Holder shall consolidate into one C Performance Share and then convert into Shares on a one for one (1:1) basis.

1.1.5 Takeover Provisions

- (i) If the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) would result in any person being in contravention of Section 606(1) then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of Section 606(1).
- (ii) The Holders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) may result in the contravention of Section 606(1) failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) will not result in any person being in contravention of Section 606(1).
- (iii) The Company may (but is not obliged to) by written notice request the Holders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) may result in the contravention of Section 606(1). If the Holders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) may result in the contravention of Section 606(1) then the Company shall assume that the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) will not result in any person being in contravention of Section 606(1).

1.1.6 After Conversion

The Shares issued on conversion of any Performance Share will, as and from 5.00pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

1.1.7 Issue of shares for no consideration

The Company shall allot and issue Shares upon conversion of the Performance Shares for no consideration to the holder of the Performance Shares or its nominees and shall record the allotment and issue in the manner required by the Corporations Act and the Listing Rules.

1.1.8 Reconstruction

In the event of any reconstruction, consolidation or division of the issued capital of the Company, the Shares, the Performance Shares and their terms of conversion shall be reconstructed, consolidated or divided in the same manner such that no additional benefits are conferred on the Holders by virtue of such reconstruction, consolidation or division, and otherwise in accordance with the Listing Rules at the time of reorganisation.

1.1.9 Winding up

If the Company is wound up prior to conversion of all of the Performance Shares into Shares then the Holders will have no right to participate in surplus assets or profits of the Company on winding up.

1.1.10 Non-transferable

The Performance Shares are not transferable.

1.1.11 Copies of notices and reports

The Holders have the same right as Shareholders to receive notices, reports and audited accounts.

1.1.12 Voting rights

The Holders shall have no right to vote on any resolutions proposed at a shareholders meeting of the Company, subject to the Corporations Act.

1.1.13 Participation in new issues

There are no participation rights or entitlements inherent in the Performance Shares and Holders will not be entitled to participate in new issues of capital (including but not limited to bonus issues and entitlements issues) offered to Shareholders during the currency of the Performance Shares.

1.1.14 Quotation

The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.

1.1.15 No Other Rights

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The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.