

Atomos Employee Share and Option Plan Rules

Tetsuwan Limited ACN 139 730 500

Adopted by the Board on 04 April 2018

Amended by Board resolution on 20 July 2018

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1. Purpose

1.1 Name

The Plan Name is as set out at Schedule 1.

1.2 Objects of the Plan

The objects of the Plan is as set out at Schedule 1.

1.3 Commencement

The Plan commences on the date determined by the Board.

2. Operation of the Plan

The Plan must be operated in accordance with these Plan Rules which bind the Company Group and each Participant.

3. Invitation

3.1 Eligibility

Only Eligible Employees may participate in the Plan.

3.2 Invitation

The Board may, from time to time and at its absolute discretion, invite an Eligible Employee to participate in the Plan.

3.3 Terms of Invitation

Subject to these Plan Rules, an Invitation may be issued to an Eligible Employee on such terms and conditions as the Board determines at its absolute discretion, provided the Invitation:

- (a) is made in writing and specifies:
 - (i) the type of Award that may be applied for;
 - (ii) the number of Awards that may be applied for;
 - (iii) any Exercise Price;
 - (iv) the Expiration Date;
 - (v) any Vesting Conditions;
 - (vi) any Disposal Restrictions;
 - (vii) any Exercise Restrictions;
 - (viii) in respect of Start Ups Options, the specific additional terms set out in Schedule 2;
 - (ix) the Invitation Lapse Date;
 - (x) any other specific terms and conditions that apply to the Awards;
- (b) is accompanied by an Application Form; and
- (c) includes any document required to be provided by law or regulatory authority.

4. Application

4.1 Form

On receipt of an Invitation, an Eligible Employee may apply to participate in the Plan on the terms specified in the Invitation by completing the Application Form and submitting it to the Company before the Invitation Lapse Date.

4.2 Bound

On submitting an Application Form in accordance with this Rule 4, an Eligible Employee is deemed to have agreed to be bound by:

- (a) the Invitation;
- (b) these Plan Rules; and
- (c) all Applicable Laws.

4.3 When the Application Form must be received

Unless determined otherwise at the Board's absolute discretion, if an Application Form is not submitted by the Invitation Lapse Date, the Invitation lapses.

4.4 Acceptance of Application in whole or in part

The Board may determine at its absolute discretion that an application made by way of Application Form and submitted in accordance with Rule 4.1 will not be accepted in whole or in part by the Company.

5. Issue of Awards

5.1 Issue of Awards

Subject to any Applicable Laws and specific terms included in the Invitation, as soon as reasonably practicable following acceptance of an Application Form in accordance with Rule 4.4, the Company will issue to the Participant the type and number of Awards specified in an Application Form that the Board has accepted.

5.2 Eligible Employee becomes Participant

On the issue of Awards to an Eligible Employee, the Eligible Employee becomes a Participant and is bound by the Plan Rules.

5.3 Company to give notice of issue

The Company shall give notice to the Participant of the type, number and date of issue of the Awards within ten (10) business days.

5.4 Rights attaching to Awards

The Awards:

- (a) do not confer any rights on the Participant either as a member or creditor of the Company;
- (b) are unlisted;
- (c) are unsecured;
- (d) are not transferrable except at the approval of the Board; and
- (e) must not be sold, assigned or otherwise disposed of or Encumbered by the Participant.

6. Vesting of Awards

6.1 Vesting Conditions

Subject to Rule 6.2, the Options shall Vest subject to the Vesting Conditions (if any) set out in the Invitation being met.

6.2 Board may accelerate Vesting

Notwithstanding any Vesting Conditions set out in the Invitation not being met, the Board may determine in its absolute discretion to Vest all or some of the not Vested Options.

6.3 Buy back or cancel Vested Awards

Subject to Rule 15.2, the Company may buy back or cancel some or all of the Vested Awards in exchange for their market value.

6.4 Not Vested Awards

If some or all of the Awards do not Vest by the end of the Vesting Period, those not Vested Awards will lapse immediately.

7. Exercise of Options

7.1 How to exercise Options

Subject to any Exercise Restrictions, on receipt of a Vesting Notice, the Participant may exercise the Vested Options during the Exercise Period:

- (a) by giving the Company a signed Exercise Notice; or
- (b) in such other way as determined by the Board, at its absolute discretion, and as set out in the Invitation.

7.2 Bound by Exercise Restrictions

If a Participant purports to exercise an Option in contravention of any applicable Exercise Restriction, the Option will be deemed to have been exercised on the first date the Exercise Restriction ceases to apply, subject to payment of the relevant Exercise Price.

7.3 Payment of Exercise Price

The Company shall instruct the Participant within ten (10) business days:

- (a) that payment is required and, if so, the due date for payment and the method for the Participant making payment; or
- (b) if the Company is to satisfy the exercised Options in cash in accordance with Rule 10.

7.4 Failure to pay Exercise Price

If the Participant fails to pay the Exercise Price for any of the Option Shares in respect of which Vested Options have been exercised within the timeframe, and in the manner, instructed by the Company in accordance with Rule 7.3, the Participant's entitlement to such Option Shares will lapse even though the Expiration Date of the Vested Options may not have passed.

7.5 Not exercised Vested Options

If some or all of the Vested Options are not exercised by the end of the Expiration Date, those Vested Options will lapse immediately.

8. Delivery

8.1 Delivery of Award Share on Vest of a Right to Share

Unless otherwise determined by the Board and specified in the Invitation, a Vested Right to Share will be automatically exercised on Vesting and an Award Share delivered.

8.2 Delivery of Award Share on Exercise of an Option

Subject to any Applicable Laws, as soon as reasonably practicable following receipt of an Exercise Notice in accordance with Rule 7.1 and payment of the Exercise Price by the Participant, the Company will, or will cause the relevant party to, deliver to the extent that it has accepted such Exercise Notice, that number of Award Shares referable to Vested Options that have been exercised.

8.3 New or existing Award Shares

The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules.

8.4 Shareholders Agreement

(a) Where there is a Shareholders' Agreement in place:

- (i) A Participant may not be registered as the holder of Award Shares unless and until that Participant is a party to the Shareholders' Agreement or executes a deed of accession to the Shareholders' Agreement in a form acceptable to the existing Shareholders by which that Participant becomes bound by the Shareholders' Agreement.
- (ii) A Participant may request that the Board make a copy of the Shareholders' Agreement available to them. Upon such request, the Board shall make available to the Participant a copy of the Shareholders' Agreement.

(b) Where the Company is not Listed and there is no Shareholders' Agreement in place, Rule 8.3(a)(i) and 8.3(a)(ii) will not apply until such time that a Shareholders' Agreement is in place.

8.5 Holding of Award and Award Shares

The Board may determine at its absolute discretion how Award and Award Shares are to be held under the Plan.

8.6 Nominee

A Participant is not permitted to have Award Shares issued, allotted or transferred to any other person or associated body corporate unless the Board, at its absolute discretion, determines otherwise.

8.7 Quotation

Where the Company is Listed, then as soon as practicable after the date of the allotment of Award Shares, the Company will, unless the Board at its absolute discretion, determines otherwise, apply for official quotation of such Award Shares on the ASX.

9. Dividends and Voting

9.1 Dividends and voting rights

Subject to the terms of any Invitation, a Participant is entitled to:

- (a) receive any Dividend or other distribution or entitlement; and
- (b) exercise any voting rights,

in respect of Award Shares held by that Participant.

10. Cash settlement

10.1 General

Provided such discretion was stated in the Invitation, exercised Options or Vested Rights to Shares or both, may be satisfied at the absolute discretion of the Company in cash rather than Award Shares by payment to the Participant of the Cash Equivalent Value.

10.2 Board discretion

The Board retains its absolute discretion as to how the Cash Equivalent Value is determined for the purpose of Rule 10.1.

11. Lapse or clawback for fraud or breach

11.1 Board discretion to lapse

Where, in the opinion of the Board, a Participant has committed an act which:

- (a) constitutes fraud, or dishonest or gross misconduct in relation to the affairs of any member of the Company Group;
- (b) brings any member of the Company Group into disrepute;
- (c) is in breach of his or her obligations to the Company Group;
- (d) fails to perform any other act reasonably and lawfully requested of the Participant; or
- (e) has the effect of delivering a strong Company Group performance in a manner which is unsustainable or involves unacceptably high risk,

the Board may make a determination under Rule 20.1 to ensure that no unfair benefit is obtained by the Participant.

11.2 Clawback

Where, in the opinion of the Board:

- (a) an Award which would not have otherwise Vested, Vests or may Vest, as a result directly or indirectly of:
 - (i) the fraud, dishonestly or breach of obligations (including, without limitation, a material misstatement of financial information) of any person; or
 - (ii) any other action or omission (whether intentional or inadvertent) of any person,

the Board may make a determination under Rule 20.1 to ensure that no unfair benefit is obtained by any Participant; or

- (b) an Award that may otherwise have Vested, has not Vested directly or indirectly as a result of any circumstance referred to in this Rule 11.2, the Board may reconsider the level of satisfaction of the applicable Vesting Conditions and may:
 - (i) reinstate and Vest any Award that may have lapsed to the extent that the Board determines appropriate in the circumstances;
 - (ii) make a new issue of Awards that reflect the terms of the original Award; or
 - (iii) a combination of the above Rule 11.2(b)(i) and 11.2(b)(ii).

12. Restrictions

12.1 General

Except as specified in these Plan Rules or unless otherwise approved by the Board at its absolute discretion, a Participant must not sell, assign, transfer or otherwise Encumber their Award or Award Shares.

12.2 Disposal Restrictions

- (a) The Board may, at its absolute discretion, determine that Disposal Restrictions apply to some or all Awards or Award Shares and may determine the terms and conditions of such Disposal Restrictions.
- (b) If Disposal Restrictions apply to Awards or Award Shares, a Participant must not dispose of or otherwise deal with, or purport to deal with or Encumber, the relevant Award or Award Shares for the period the Disposal Restrictions apply unless otherwise as required or approved by the Board.

12.3 Arrangements to enforce restrictions

The Company is entitled to make any arrangements it considers necessary to enforce any Disposal Restrictions and Participants are bound by those arrangements and must take any steps reasonably required by the Company.

12.4 Expiration of restrictions

Upon the expiration of any Disposal Restrictions, the Company will take all actions reasonably necessary to ensure that the Participant can deal with those Awards or Award Shares.

13. Employment

13.1 Termination of employment

Where a Participant terminates employment with the Company Group, the Awards and Award Shares will be treated in accordance with the Plan Rules and Invitation.

14. Variation and Adjustment of Awards

14.1 Variation and Adjustment of Awards

- (a) Subject to all Applicable Laws, the Board at its absolute discretion may also make such adjustments as it considers appropriate, if any, to one or more of the following:
 - (i) the number of Awards;
 - (ii) the Exercise Price of any Option;
 - (iii) where Options have been exercised but no Award Shares have been issued following the exercise, the number of Award Shares that may be issued; or
 - (iv) the terms of Vesting Conditions

in the event of any of the circumstances set out in Rule 14.1(b).

- (b) The circumstances in which the Board at its absolute discretion may determine to make adjustments under Rule 14.1(a) are:
 - (i) if there are variations or reorganisations in the issued share capital of the Company, including a capitalisation of reserves or distributed profits, rights issue, sub-division, consolidation or reduction of share capital, a demerger (in whatever form) or other distribution in specie; or
 - (ii) in relation to a Vesting Condition, other events not in the ordinary course (and not related solely to the performance of the Company Group) which cause the Board to consider that the original terms of the Vesting Conditions are no longer measurable, meaningful and/or unlikely to incentivise Participants appropriately, provided that the Vesting Condition is in the opinion of the Board, at its absolute discretion, no less difficult to satisfy than the original Vesting Condition as at the time the Award was made.
- (c) Where additional Awards are granted to the Participant under this Rule 14.1, such Awards will be subject to the same terms and conditions as the original Awards granted to the Participant (including Vesting Conditions) unless the Board in its absolute discretion determines otherwise.

- (d) The Board must as soon as reasonably practicable after making any adjustments under this Rule 14.1, give notice in writing of the adjustments to any affected Participant.
- (e) All entitlements shall be rounded down to the nearest whole number and fractions shall be disregarded, and in all other respects, the terms for the exercise of Options or Vesting of Right to Shares or both shall remain unchanged as a consequence of any reconstruction or reorganisation.
- (f) Each Participant agrees to any variation to the Plan in accordance with this Rule 14.

15. Exit Events

15.1 Application of Rule

This Rule 15 will only apply where the Company is not Listed and if provisions the same or substantially similar to the provisions of this Rule 15 in the Shareholders' Agreement or Constitution do not apply.

15.2 Treatment of Awards on an Exit Event

Where an Exit Event occurs, or is about to occur, the Company may, by notice to the Participant:

- (a) provide for the issue of new awards in substitution of some or all of the Awards;
- (b) arrange for some or all of the Awards to be acquired by the other company, or some other party, in exchange for the Award Market Value;
- (c) cancel some or all of the Awards (whether Vested or not Vested) in exchange for the Award Market Value;
- (d) make appropriate arrangements to ensure that such Options may be exercised on or prior to the Exit Event; or
- (e) take any combination of the above steps.

15.3 Treatment of Award Shares on an Exit Event

In connection with an Exit Event, on or prior to the Exit Event, the Board must, if requested by the Majority Shareholders (**Dragging Shareholders**), issue a notice (**Drag-Along Notice**) to the Company and to the Participant (referred to as the **Dragged Holder**) stating that they want the Dragged Holder to sell all of their Award Shares to:

- (a) a third party buyer in connection with a Sale;
- (b) an IPO Entity in connection with a Listing; or
- (c) another company in connection with a Sale.

15.4 Drag-Along Notice

The Drag-Along Notice must specify:

- (a) the number of Shares which the Dragging Shareholders propose to sell (**Sale Shares**), which must be all of the Shares held by those Dragging Shareholders;
- (b) the name of the proposed buyer of the Sale Shares (**Third Party Buyer**), and the material terms on which the Dragging Shareholders propose to sell the Sale Shares;
- (c) that the Third Party Buyer is either:
 - (i) a prospective third party purchaser who has made an offer to purchase the Sale Shares at the price and on the terms set out in the Drag-Along Notice;
 - (ii) an IPO Entity; or
 - (iii) another company;
- (d) the sale price per share (which may be cash consideration, scrip consideration or a combination of both cash and scrip); and

- (e) that the Dragging Shareholders require the Dragged Holder to sell all of the Dragged Holder's Award Shares to the Third Party Buyer in accordance with this Rule **Error! Reference source not found.**

15.5 Impact of a Drag-Along Notice

- (a) A Drag-Along Notice is irrevocable.
- (b) If the Dragging Shareholders serve a Drag-Along Notice, a Dragged Holder must as part of the sale of the Sale Shares to the Third Party Buyer, sell all of their Award Shares to the Third Party Buyer on terms that comply with Rule 15.5(c).
- (c) The sale of the Dragged Holder's Award Shares to the Third Party Buyer under this Rule 15 must be for the same sale price per share as those applicable to the sale by the Dragging Shareholders of the Sale Shares to the Third Party Buyer.
- (d) The Dragging Shareholders must procure that the purchase price payable for the Dragged Holder's Award Shares is paid on the closing of the purchase and sale, which must take place at the same time as the closing of the sale of the Sale Shares by the Dragging Shareholders to the Third Party Buyer.
- (e) Without limiting Rule **Error! Reference source not found.**, at least ten (10) days before the closing of the purchase and sale of the Dragged Holder's Award Shares, the Dragged Holder must deliver to the Third Party Buyer:
 - (i) the share certificates and an executed transfer for the Dragged Holder's Award Shares; and
 - (ii) a duly executed notice irrevocably appointing the Third Party Buyer as the Dragged Holder's proxy in respect of the Dragged Holder's Award Shares until such time as those Award Shares are registered in the name of the Third Party Buyer.

16. Change of Control

- (a) This Rule 16 will only apply where the Company is Listed.
- (b) Where a Change of Control occurs, or is about to occur, the Board in its absolute discretion will determine the manner in which all not Vested and Vested Awards will be dealt with, including determination in the circumstances of:
 - (i) the extent to which relevant Vesting Conditions will be waived;
 - (ii) the extent to which, and the time at which not Vested Awards are to be replaced by options or rights to shares of the new controlling company on substantially the same terms and subject to substantially the same conditions as the not Vested Awards with any appropriate amendments, including to defined terms and Vesting Conditions; and
 - (iii) the extent to which, and the time at which, not Vested Awards will lapse (with the relevant Participant being treated as having never held any right or interest in those not Vested Awards from the time of lapse).

17. Taxes and duties

- (a) The Participants must pay all brokerage, commission, stamp duty or other transaction costs, and withholding taxes and other tax obligations in connection with the issue of an Award or any other dealing with the Award or in relation to the Award Shares, whether in respect of taxes imposed under a Tax Act or other.
- (b) If the Participant fails to satisfy its obligations under Rule 17(a) within a reasonable time, at the Company's election, the Company may withhold such number of Award Shares, or other debt due to the Participant by any member of the Company Group, in satisfaction of the Participant's obligations under this Rule 17.

18. Administration of the Plan

18.1 Board to administer Plan

The Plan is to be administered by the Board in accordance with these Plan Rules.

18.2 Delegation of Board powers and discretions

Any power or discretion which is conferred on the Board by these Plan Rules including the power to issue an Invitation to Eligible Employees may be delegated by the Board to any person on such terms it determines at its absolute discretion.

18.3 Documents

The Company may from time to time require an Eligible Employee or Participant to complete and return such documents as may be required by law to be completed by that Eligible Employee or Participant, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that Eligible Employee or Participant.

18.4 Decisions of the Board final

All decisions of the Board as to the interpretation, effect or application of these Plan Rules and Invitation and all calculations and determinations made by the Board under these Plan Rules and Invitation are final, conclusive and binding in the absence of manifest error and any dispute raised will be resolved by the Board at its absolute discretion.

18.5 Suspension or termination of Plan

- (a) The Board may:
 - (i) from time to time suspend the operation of the Plan; or
 - (ii) at any time terminate the operation of the Plan.
- (b) The Plan terminates and is to be wound up if an order is made or an effective resolution is passed for the winding up of the Company other than for the purpose of amalgamation or reconstruction.
- (c) The suspension or termination of the Plan must not prejudice the existing rights (if any) of Participants.

19. Limitations on capital

The Company will comply with such legal and regulatory limits (including those imposed by the Applicable Laws), which limit the percentage of the capital of the Company that may be available under this Plan from time to time as determined by the Board to be appropriate.

20. Amendments to the Plan

20.1 Board may amend

Subject to Rule 20.2, the Board may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Plan Rules (including this Rule 20).

20.2 No alteration to existing rights

Any amendment to the provisions of these Plan Rules must not materially alter the rights of any Participant under the Plan prior to the date of the amendment, unless the amendment is introduced primarily:

- (a) to correct any manifest error or mistake;
- (b) in accordance with Rule 11; or
- (c) to enable the Plan or the Company to comply with any applicable local laws or any required policy of a local regulatory body.

21. Adjustments to Plan in the case of foreign resident Participants

Where an Award is granted under the Plan to a participant who is not a resident of Australia, the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any Applicable Laws, matters of convenience or similar factors which may have application to the Participant or to the Company Group in relation to the Award.

22. General Provisions

22.1 Rights of Participants

- (a) Nothing in these Plan Rules:
 - (i) confers on any Eligible Employee any expectation to become a Participant or a Shareholder;
 - (ii) confers on any person the right to be invited to apply for, to be offered or to receive any Options or Rights to Shares or both;
 - (iii) confers on any Participant the right to continue as an employee of the Company;
 - (iv) affects any rights which the Company may have to terminate the employment of any person; or
 - (v) may be used to increase damages in any action brought against the Company in respect of any termination of employment.
- (b) No person, whether a Participant, Shareholder or otherwise, has any claim, right or interest in respect of the Plan or any Shares or other property of the Plan, whether against the Company or any other person, as a consequence of termination of the person's employment or appointment or otherwise, except under and in accordance with these Plan Rules.

22.2 Attorney

- (a) Each Participant, in consideration of the issue of an Invitation, shall be deemed to irrevocably appoint the Company, and any person nominated from time to time by the Company (each an Attorney) severally, as the Participant's attorney to complete and execute any documents including applications for Awards and Award transfers and to do all things necessary on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Plan Rules.
- (b) The Participant shall be deemed to covenant that the Participant shall:
 - (i) ratify and confirm any act or thing done pursuant to the powers conferred by this Rule 22.2;
 - (ii) release the Company, each Director and the Attorney (where applicable) from any liability whatsoever arising from the exercise of the powers conferred by this Rule 22.2; and
 - (iii) shall indemnify and hold harmless the Company, each Director and the Attorney (where applicable) in respect of such powers.

22.3 Notices

- (a) Any notice, certificate, consent, approval, waiver or other communications given under these Plan Rules is deemed to have been duly given if:
 - (i) sent by electronic mail or delivered by hand; or
 - (ii) sent by ordinary registered prepaid mail,and is deemed to have been served:
 - (i) if sent by electronic mail or delivered by hand, at the time of sending or delivery; or
 - (ii) if posted by registered prepaid mail, three Business Days (or, if posted to an address outside Australia, seven Business Days) after the date of posting.

(b) Delivery, transmission and postage:

- (i) if not given personally, is to the last known address of an Eligible Employee or Participant;
- (ii) is to the address of the Company.

22.4 Changes to the Applicable Law

If a change occurs to an Applicable Law in a manner that affects the legal or practical effect or validity of the Plan, the Company agrees to work with Participants and make any changes necessary to this Plan to restore the legal or practical effect and validity of the Plan.

22.5 Governing Law and Jurisdiction

This Plan is governed by the laws of the Governing Jurisdiction. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of the Governing Jurisdiction.

23. Definitions and Interpretation

23.1 Definitions

In this agreement the following definitions apply:

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

- (a) the laws of the Governing Jurisdiction;
- (b) the Corporations Act;
- (c) the Tax Act;
- (d) the Listing Rules as they apply to the Company from time to time;
- (e) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a),(b)and (c) above;
- (f) the Constitution;
- (g) the Shareholders' Agreement; and
- (h) any other legal requirement that applies to the Plan.

Application Form means an application form in respect of an Invitation in the form approved by the Board from time to time.

Attorney has the meaning within Rule 22.2.

Award means an Option or a Right to Share or both.

Award Market Value means the market value of the Option or Right to Share as determined at the discretion of the Board.

Award Share means a Share allocated under this Plan:

- (a) as a result of the exercise by the Participant of an Option; or
- (b) as a result of the Vest of a Right to Share.

Board means all or some of the Directors of the Company acting as a board or duly authorised committee of the board.

Business means the business conducted by the Company Group.

Business Day means a day that is not a Saturday, Sunday or public holiday in the Governing Jurisdiction.

Cash Equivalent Value means, per Award, a cash amount equal to the market value of the Award Share that would otherwise have been issued to the Participant, less any Exercise Price.

Change of Control means:

- (a) the acquisition of a minimum 50% of the Shares by one party or parties who are associated as defined in the Corporations Act; or
- (b) the Board concludes that there has been a Change of Control of the Company.

Company has the meaning within Schedule 1.

Company Group means the Company and any Subsidiary of the Company or each or any combination of them as the context requires.

Control has the meaning given to that term in section 50AA of the Corporations Act.

Constitution means the constitution of the Company as amended from time to time.

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

Directors means a director of the Company within the meaning of the Corporations Act.

Disposal Restrictions means any restrictions on the disposal or transfer of the Options or Option Shares, as specified in these Plan Rules or in an Invitation.

Drag-Along Notice has the meaning set out at Rule 15.3.

Dragged Holder has the meaning set out at Rule 15.3.

Dragging Shareholders has the meaning set out at Rule 15.3.

Eligible Employee means an Employee selected by the Board at its absolute discretion to participate in the Plan.

Employee means:

- (a) a full time or part-time employee of any company in the Company Group;
- (b) a director who is not employed in an executive capacity by any company in the Company Group;
or
- (c) a consultant to any company in the Company Group.

Encumbrance means any security interest, mortgage, lien, charge, pledge, restriction against transfer, title retention, preferential right or trust arrangement, claim, covenant, easement or any other arrangement having the same effect and **Encumber** has the corresponding meaning.

Exercise Notice means a duly completed and executed notice of exercise of an Option by a Participant, in the form approved by the Board from time to time.

Exercise Period in relation to an Option, means the period commencing on the date on which an Option Vests and ending on the Expiration Date.

Exercise Price means the Exercise Price (if any) as specified in these Plan Rules or in an Invitation.

Exercise Restrictions means restrictions on the ability of a Participant to exercise a Vested Option, as specified in these Plan Rules or in an Invitation.

Exit Event means in respect of the Company:

- (a) the merger or consolidation of the Company into another company;
- (b) a Change of Control;
- (c) a Listing of the Company;
- (d) a Sale; or
- (e) any similar events determined by the Company at its absolute discretion.

Expiration Date means the maximum term of the Options as specified in the Invitation.

Governing Jurisdiction means the jurisdiction specified in Schedule 1.

Invitation has the meaning set out at Rule 3.

Invitation Lapse Date means the last date that the Application Form can be submitted as set out in the Invitation.

IPO means an initial public offering of Shares in the Company or a special purpose holding company formed for the purposes of an initial public offer.

IPO Entity means a member of the Company Group or a special purpose vehicle formed for the purpose of a Listing which directly or indirectly (including through one or more interposed entities) owns at least 50% per cent (based on earnings) of the business of the Company Group.

Listing means the IPO on the official list of ASX Limited ACN 008 624 691 or any other recognised stock exchange and **Listed** means the Company being and remaining admitted to the official list of the ASX.

Listing Rules means the official Listing Rules of the ASX or any other exchange on which the Company is listed as they apply to the Company from time to time.

Majority Shareholders means Shareholders holding 51% or more of the Shares on issue or where there is a shareholder agreement, the number of shareholders specified in the shareholder agreement as being 'majority shareholders'.

Option means an option to subscribe for one fully paid Award Share, such option meeting the requirements set out at Schedule 2 (Start Ups Option), and **Options** means the number of such options set out in the Invitation.

Participant means an Eligible Employee who has been issued Options under the Plan.

Plan means the plan constituted by the Plan Rules.

Plan Name means the name this Plan, as set out at Schedule 1.

Plan Rules means the rules of the Plan, including any schedules and annexures to it, set out in this document, as amended from time to time.

Right to Share means a right to be delivered one fully paid Award Share, such right to share meeting the requirements set out at Schedule 5, and **Rights to Shares** means the number of such rights to shares set out in the Invitation.

Sale means:

- (a) the sale of all or substantially all of the Business to a Third Party; or
- (b) the sale of 100% of the Shares to a Third Party.

Sale Shares has the meaning set out at Rule **Error! Reference source not found..**

Share means, where the Company is not Listed, a non-voting Class A share or, where the Company is Listed, a fully paid ordinary share in the Company and **Shares** has the corresponding meaning.

Shareholder means the holder of Shares.

Shareholders' Agreement means any agreement entered into between the Company and the Shareholders from time to time in respect of the control and management of the Company.

Subsidiary has the meaning given in the Corporations Act but so that:

- (a) an entity will also be deemed to be a subsidiary of a company if it is controlled by that company (expressions used in this paragraph have the meanings given for the purposes of Parts 2.6 and 2.7 of the Corporations Act);
- (b) a trust may be a subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (c) a corporation or trust may be a subsidiary of a trust if it would have been a subsidiary if that trust were a corporation.

Tax Act means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) or both, as the context requires.

Third Party means any person or persons other than a Shareholder.

Third Party Buyer has the meaning set out at Rule **Error! Reference source not found.**

Vest means the:

- (a) right to exercise an Option subject to Exercise Restrictions; or
- (b) right to be delivered an Award Share in respect of a Right to Share

upon meeting any Vesting Conditions and **Vested** and **Vesting** has the corresponding meaning.

Vesting Conditions means any conditions imposed on the vesting of the Award, as specified in these Plan Rules or in an Invitation, the meeting (or otherwise) of which will be notified to the Participant.

Vesting Date means the first date that the Award may Vest, as specified in the Plan Rules or in an Invitation.

Vesting Notice means a notice, in the form approved by the Board from time to time, in respect of the satisfaction or waiver of the Vesting Conditions and delivered by the Board to a Participant.

Vesting Period means the prescribed period for satisfaction of a Vesting Condition, as specified in these Plan Rules or in an Invitation.

23.2 Interpretation

In these Plan Rules, unless the context requires otherwise:

- (a) the singular includes its plural and vice versa;
- (b) words denoting any gender include all genders;
- (c) headings are for convenience only and do not affect interpretation;
- (d) a reference to:
 - (i) a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity;
 - (ii) a party in these Plan Rules or another document includes that party's successors, permitted substitutes or permitted assigns;
 - (iii) a particular time is a reference to that time in the Governing Jurisdiction;
 - (iv) any agreement (including these Plan Rules) or document is to the agreement or document as amended, supplemented, novated or replaced from time to time;
 - (v) a Rule, clause, paragraph, schedule or annexure is to a clause, paragraph, schedule or annexure in or to these Plan Rules;

- (vi) writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible or tangible form;
 - (vii) legislation (including subordinate legislation) or a provision of it is to that legislation or provision as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (viii) words such as including, or for example do not limit the meaning of the words preceding them;
 - (ix) an obligation or liability assumed by, or a right conferred on, two or more parties binds or benefits all of them jointly and each of them severally;
 - (x) nothing in these Plan Rules is to be interpreted against a party solely on the ground that the party or its advisers drafted it;
- (e) in the event of an inconsistency between these Plan Rules and an Invitation, the terms of these Plan Rules prevail over the terms of an Invitation.

23.3 Effect of Plan Rules

If any rule of the Plan Rules is invalid, unenforceable or otherwise ineffective, that invalidity, unenforceability or ineffectiveness does not affect the validity, enforceability, operation, construction or interpretation of any other rule in the Plan Rules, with the intent that the invalid, unenforceable or ineffective rule shall be read down or, if it is not capable of being read down, shall be treated for all purposes as severable from the Plan Rules.

SCHEDULE 1 – Specific Plan definitions

Item	Terms and conditions
Company	Tetsuwan Limited ACN 139 730 500
Plan Name	Atomos Employee Share and Option Plan
Objects of Plan	The object of the Plan is to assist the Company in rewarding and retaining talent, and to align performance with shareholders’ interests.
Governing Jurisdiction	The Governing Jurisdiction is the state of Victoria, Australia.

SCHEDULE 2 – Start Ups Option scheme

This Schedule sets out the conditions that Option must meet to qualify as a Start Ups Option.

In all other respects, the Plan Rules will apply.

Item	Term
General terms and conditions	The Start Ups Options scheme is a scheme to which the requirements set out in section 83A-33 (but excluding section 83A-33(1)(c) and section 83A-33(5)(a)) of the Tax Act must all apply for Options to be issued in accordance with this schedule.
Exercise Price	For each Option, the Exercise Price is equal to the market value of a Share at time of Option issue.
Exercise Restrictions	Options are subject to restrictions on exercise until such time as the Company is subject to an Exit Event.
Minimum Holding Period	In relation to each Option or Option Share, the Participant is not permitted to dispose of the interest during the Minimum Holding Period which is the period starting when the Option was issued pursuant to the Plan Rules and ending three (3) years later.
Vesting Conditions	Service based only. The Participant must be employed by a company in the Company Group over the Vesting Period and as at the Vesting Date.

SCHEDULE 3 – Template Application Form

**Atomos Employee Share and Option Plan Rules – Award
Application Form**

TO: Tetsuwan Limited (**Company**)

ATTENTION: [INSERT CONTACT NAME]

Section A: Personal details (please use block letters)

TFN:

MR/MRS/MISS/MS:

FULL ADDRESS:

.....

.....

Section B: Application

I, the individual named in Part A of this Application, apply for:

..... (insert number) Options;

..... (insert number) Rights to Shares

on the terms and conditions set out in the Invitation and the Plan Rules.

Section C: Acknowledgement

I acknowledge that:

- (a) I am bound by the Plan Rules, and the terms and conditions set out in my Invitation and the documents forming part of the Invitation.
 - (b) I have had the opportunity to obtain independent advice in relation to tax and all other matters relevant to me and have satisfied myself as to the consequences of my participation in the Plan.
 - (c) I undertake to inform the Company of any changes to my name or address for so long as I hold Awards or Award Shares.
 - (d) The board of directors of the Company may accept this application in whole or in part.
-

Section D: Consent to disclosure of personal information

By signing this Application Form, I declare all statements made by me in this form are complete and accurate and consent to the use and disclosure of my personal information for the necessary purposes related to or required by the Plan.

This consent is given to the Company and any third party plan administrator of the Plan appointed by the Company.

Section E: Irrevocable power of attorney

I grant an irrevocable power of attorney to any person nominated from time to time by the board of directors of the Company to do anything that I have the legal power to do in my name or in its name as my act as reasonably required to fulfil my obligations as a Participant in the Plan.

Signature of Eligible Employee:

Date:

SCHEDULE 4 – Template Option Issue Notice

Option Issue Notice

Tetsuwan Limited ACN 139 730 500

Registered Office [Insert address of registered office]
Incorporation [Insert place of incorporation]
Certificate No. [Insert certificate number]

No. of Options	[Insert Number]
Issue Date:	[Insert Date]
Terms:	Refer Atomos Employee Share and Option Plan Rules and Invitation dated [insert date].
Vesting Conditions:	Refer Atomos Employee Share and Option Plan Rules and Invitation dated [insert date].
Exercise Period:	Refer Atomos Employee Share and Option Plan Rules and Invitation dated [insert date].
Exercise Parcels:	Whole or part.
Exercise Price:	[Insert exercise price].
Exercise Rights:	Each Option entitles the holder to acquire one (1) Share in the capital of Tetsuwan Limited on payment of the Exercise Price.
Expiry Date:	[Insert Expiry Date].
Exercise restrictions:	Refer Atomos Employee Share and Option Plan Rules and Invitation dated [insert date].

This Issue Notice is to certify that [insert participant name] of [insert participant address] is the registered holder of [insert number] Options numbered as shown above, in Tetsuwan Limited, subject to the Constitution of Tetsuwan Limited and the Atomos Employee Share and Option Plan Rules and Invitation dated [insert date].

SIGNED for and on behalf of **TETSUWAN**)
)
LIMITED ACN 139 730 500 in)
)
accordance with section 127 of the)
Corporations Act 2001)
)
)

.....
Signature of Director
.....
Name of Director
.....
Signature of Director/Secretary
.....
Name of Director/Secretary

SCHEDULE 7 – Template Exercise Notice

**Atomos Employee Share and Option Plan Rules – Options
Exercise Notice**

TO: **Tetsuwan Limited (Company)**

ATTENTION: **[INSERT CONTACT NAME]**

Section A: Personal details (please use block letters)

TFN:

MR/MRS/MISS/MS:

FULL ADDRESS:
.....
.....

Section B: Application

I, the individual named in Part A of this Exercise Notice, hereby Exercise
(insert number) Vested Options at \$ **[INSERT EXERCISE PRICE]**.

The total payment required is \$(multiply the number of Options by
[\$[INSERT EXERCISE PRICE]).

Section C: Payment details

Tetsuwan Limited will instruct you within ten (10) business days:

- (a) that payment is required and, if so, the due date for payment and the method for making payment;
or
 - (b) if Tetsuwan Limited is to satisfy the exercised Options in cash.
-

SCHEDULE 8 – US Annexure

ATOMOS EMPLOYEE SHARE AND OPTION PLAN

US ANNEXURE

A.1 Effect; Purpose

This US Annexure shall apply to Options granted to eligible participants located in or otherwise subject to taxation in the United States of America. Except as otherwise provided in the US Annexure, a defined term shall have the meaning provided for in the Plan Rules.

The Plan Rules shall apply to awards of stock options made subject to this US Annexure except as otherwise provided for in the US Annexure or the terms of the Invitation. The US Annexure provides for additional requirements that are not intended to expand a US Participant's rights provided for under the Plan Rules, except as required by US law.

A.2 Definitions

Except as provided for in this US Annexure, the words and phrases provided here shall have the same meaning as in Section 23 of the Plan Rules (*Definitions and Interpretation*).

California Participant – any person who is a resident of the US State of California at the time of the grant;

Disability – means when a Participant is unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or which results in the Participant's eligibility for long-term disability benefits under an employer-funded long-term disability benefits plan covering employees of the Company Group;

Fair Market Value – for purposes of the Invitations under the US Annexure, fair market value is as determined under applicable Treasury Regulations under Section 409A of the US Internal Revenue Code of 1986 (as amended);

US – the United States of America;

US Annexure – this US Annexure to the Atomos Employee Share and Option Plan;

US Awards – Awards granted under the Plan to Participants who are US Participants at the time of grant or who become US Participants while the Award is outstanding; and

US Participant – any person who is subject to US federal income tax and who receives or will receive an Option under the Plan.

A.3 Administration of US Awards

The Board shall (i) administer these US Awards in accordance with this US Annexure, (ii) establish from time to time such rules and regulations as it may deem appropriate for the proper administration of these US Awards and (iii) make such determinations (including, without limitation, factual determinations), and such interpretations of, and take such steps in connection with, the Plan Rules, the US Annexure and/or the US Awards as it may deem necessary or advisable.

A.4 Amendment

The Board may amend this US Annexure from time to time. Except as specifically permitted by the Plan, or Invitation, or as required to comply with any Applicable Law, provided that no amendment

shall, without a Participant's consent, adversely affect any rights of such Participant under any Option outstanding at the time such amendment is made. Stockholder approval shall also be required for any amendment if such approval is required by the terms of any Applicable Law, including, without limitation, any stock market or securities on which the Shares are publicly traded.

A.5 Nontransferability

Except to the extent transferability of an Option is provided for in the Invitation or is approved by the Board, Options shall be nontransferable except by will or by the laws of descent and distribution and during the lifetime of the US Participant shall be exercisable by only the US Participant to whom the Option is granted. No right or interest of an US Participant in any Option shall be liable for, or subject to, any lien, obligation, or liability of such US Participant.

A.6 California Participants

1 Effect; Purpose

The purpose of this Rule A.6 of the US Annexure is to ensure that any Shares acquired by California residents under the Plan qualify for exemption from the securities registration requirements of the securities laws of the State of California in accordance with the statutory exemption for offers or sales of securities made pursuant to a compensatory benefit plan. Notwithstanding the foregoing, this Rule A.6 should be interpreted and applied in a manner consistent with other legal requirements in the relevant jurisdiction.

Notwithstanding any provision contained in the Plan and this US Annexure to the contrary, each US Award granted to a California Participant shall be granted and administered in compliance with Section 260.140.42 of the California Code of Regulations, as amended, to the extent required to comply with the requirements of Section 25102(o) of the California Corporations Code. In this regard, the following Rules A.6(1)-(6) shall apply with respect to US Awards granted to California Participants.

2 Share Limit for Awards

The total Shares in the Company that may be received by California Participants pursuant to Awards granted under the Plan, in the aggregate, is limited to [INSERT].

3 Additional Limitations on Options and Timing of Awards

Maximum Duration of Options. No Options granted to California Participants shall have a term in excess of ten (10) years, measured from the Option grant date.

Minimum Exercise Period Following Termination. Unless a California Participant's employment is terminated for cause (as determined by applicable law, the terms of the Plan or Invitation), in the event of termination of employment of such Participant, such Participant shall have the right to exercise an Option, to the extent that such Participant is entitled to exercise such Option on the date employment terminated, until the earlier of (i) at least six (6) months from the date of termination, if termination was caused by such participant's death or Disability; (ii) at least thirty (30) days from the date of termination, if termination was caused other than by such Participant's death or Disability; and (iii) the Option expiration date.

4 Shareholder Approval

If required by Applicable Law, no Award granted to a California Participant shall become exercisable, vested or realizable, as applicable to such Award, unless the Plan has been approved by the shareholders of a majority of the Company's outstanding voting securities by the later of (i) within twelve (12) months before or after the date the Plan was adopted by the Board, or (ii) prior to or within twelve (12) months of the granting of any Award to a California Participant.

5 Transferability

No grant of an Award to a California Participant may provide for the transfer of shares in the Company on a date that is later than [_____, 2028] (the end of the ten (10) year period commencing with the Plan's adoption). Notwithstanding any other provision of the Plan, an Award granted to a California Participant may not be transferable, except by will, the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701.

6 Adjustments

In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of or on the Shares without the receipt of consideration by the Company, the number of securities subject to an Award granted to a California Participant shall be proportionately adjusted; provided, however, that fractions of a share will not be issued but will either be paid in cash at the market value of such fraction of a share or will be rounded down to the nearest whole share, as determined by the Board.