

Methodology

Relative TSR Calculation

Performance measures for Long Term Incentive (LTI) grants for Key Management Personnel (KMP) include Relative Total Shareholder Return (rTSR) compared against the constituents of the ASX All Technology (XTX) index.

The approved method for calculating rTSR vesting outcomes is set out below.

The methodology described in the table below sets out the process used to calculate TechnologyOne's relative TSR percentile ranking and vesting outcomes. The calculations use data that is publicly available, and are prepared by an independent external advisor. They are based on transparent, factual data, follow a process that is robust and stands up to scrutiny, and use a source of data and method that can be consistently applied each year.

Methodology

Component	Methodology
Source	The raw data is sourced from Bloomberg.
Calculations	Calculations for relative TSR vesting outcomes are prepared by an independent external advisor. The independent advisor is authorised by the Board.
Definition of total shareholder return	$\frac{(\text{Share price at end date} - \text{share price at start date} + \text{dividends re-invested at close price on ex-dividend date})}{\text{share price at start date}}$
Test start date	1 October in the year of grant.
Share price at start date	Volume Weighted Average Price (VWAP) over the 60-trading days before the test start date.
Test end date	30 September, three years after grant.
Share price at end date	Volume Weighted Average Price (VWAP) over the 60-trading days up to, and including, the test end date.
Dividend reinvestment	Dividends throughout the performance period are re-invested into shares using the single day close price on the ex-dividend date.
Rounding	Final vesting outcome is rounded to the nearest two decimal places. If third decimal is 5 or greater, round up. If third decimal is less than 5, round down.
Comparator group	Constituents of the S&P/ASX All Technology Index (XTX) at the beginning of the performance period.

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Excluded companies	<p>If a peer is delisted due to insolvency, the TSR will be -100%. Otherwise, any peer company delisted during the performance period is excluded from the relative TSR calculations.</p> <p>Comparator companies that are suspended for 10% or more of the performance period are also excluded from the relative TSR outcomes.</p> <p>TechnologyOne is excluded from the comparator group for percentile rank calculation purposes.</p>								
Vesting scale	<table> <tr> <th>TechnologyOne TSR Relative to Comparator Group</th><th>Vesting</th></tr> <tr> <td>< 50th percentile</td><td>0%</td></tr> <tr> <td>50th percentile ≤ TNE TSR < 75th percentile</td><td>50% to 100%, straight line basis</td></tr> <tr> <td>≥75th percentile</td><td>100%</td></tr> </table>	TechnologyOne TSR Relative to Comparator Group	Vesting	< 50 th percentile	0%	50 th percentile ≤ TNE TSR < 75 th percentile	50% to 100%, straight line basis	≥75 th percentile	100%
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Percentile rank calculation	<table> <tr> <th>TNE Position</th><th>TechnologyOne Percentile Rank</th></tr> <tr> <td>Equal lowest or lowest in the peer group</td><td>0th Percentile</td></tr> <tr> <td>Equal highest or highest in the peer group</td><td>100th Percentile</td></tr> </table> <div> <div>Between the highest and lowest in the peer group</div> <div> $100 * \left(\frac{x - 1}{n - 1} + \frac{TSR - d}{u - d} * \frac{1}{n - 1} \right)$ </div> <div> <p>x = Number of peer companies with TSR less than TechnologyOne TSR n = Total number of peers (excluding TechnologyOne) TSR = TechnologyOne TSR d = Highest peer TSR that is less than TechnologyOne TSR u = The lowest peer TSR that is greater than or equal to TechnologyOne TSR</p> <p>The percentile ranking calculation is equivalent to the Microsoft Excel PERCENTRANK.INC formula (or future equivalent formula), multiplied by 100.</p> </div> </div>	TNE Position	TechnologyOne Percentile Rank	Equal lowest or lowest in the peer group	0th Percentile	Equal highest or highest in the peer group	100th Percentile		
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Equal lowest or lowest in the peer group	0th Percentile								
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Board assessment	<p>Prior to determining the final vesting outcome, the TechnologyOne Board or delegated authority will assess the formulaic outcome to ensure it is appropriate, having regard for all material circumstances at the time.</p>								