

TERMS AND CONDITIONS
FOR THE SUBSCRIPTION TO
WARRANTS
ISSUED BY

KEYWARE TECHNOLOGIES NV

10, June 2008

TERMS AND CONDITIONS OF THE WARRANTS

1. DEFINITIONS

1.1 For the purpose of these Terms, and in addition to terms defined elsewhere in these Terms, the following terms shall have the following meaning:

"Affiliate" :	with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity; "control" (and the correlative meanings such as "controlling") as used with respect to any person or entity shall have the meaning as set out in article 5 BCC;
"Warrant" :	a right to subscribe to a newly issued Share in accordance with these Terms;
"BCC" :	the Belgian Company Code (" <i>Wetboek van vennootschappen/Code des sociétés</i> ");
"Board of Directors" :	the Issuer's board of directors;
"Bonds" :	the convertible bonds to be issued by the Issuer in a private placement, simultaneously with the issuance of the Warrants;
"Business Day" :	a day on which banks in Brussels are open for business, except, for the avoidance of doubt, Saturdays;
"Clause" :	a clause of these Terms;
"Exercise" :	each exercise of all or some of the Warrants on an Exercise Date;
"Exercise Date" :	each date on which the Subscriber exercises some or all of the Warrants in accordance with clause 6.4 of these Terms;
"Exercise Deed" :	each notarial deed enacted on respectively the Exercise Date or any other later date agreed by the Parties at the request of the Board of Directors, establishing the Exercise of all or part of the Warrants, the subsequent capital increase and the issue of additional Shares;
"Exercise Notice" :	each notice, in the form attached as appendix 1 to these Terms, and duly completed and executed, by which a Subscriber gives notice to the Board of Directors, of its intention to exercise the Warrants;

“Exercise Period”:	as defined in Clause 6.2 ;
“Exercise Price”:	the subscription price per Share for the Shares that will be issued to the Subscriber upon Exercise of the Warrants, as set out in Clause 5.2;
"Extraordinary Shareholders' Meeting":	the extraordinary shareholders' meeting of the Issuer resolving on the issuance of the Warrants;
“Financial Intermediary”:	ING België, having its registered office at Marnixlaan 24, 1000 Brussels, the financial entity, appointed by the Issuer, to receive and coordinate the subscriptions to the Warrants;
“Financial Year”:	the financial year of the Issuer that runs from 1 January to 31 December of each year;
“Issue Date”:	the date on which the Issue Deed is passed;
“Issue Deed”:	the notarial deed passed at Issue Date, by which the issue of Warrants is established;
“Issuer”:	Keyware Technologies NV, a public company organised and existing under the laws of Belgium, with registered office at Ikaros Business Park, Ikaroslaan 24, 1930 Zaventem and registered with the Crossroad Bank of Enterprises under enterprise number 0458.430.512;
“Notary”:	Notary public Astrid De Wulf, holding office at 9200 Dendermonde, Sint Christinastraat 17, Belgium, or any other notary appointed by the Issuer;
“Parties”	the Issuer, on the one hand, and any Subscriber, on the other hand;
“Shares”:	any share of the Issuer;
”Subscriber”:	any party subscribing to the Warrants, as set out in these Terms, following – and as a consequence of - their subscription to the convertible bonds (the " Bonds ") to be issued by the Company at the same time as the Warrants (collectively referred to as the " Subscribers ");
”Terms”:	the present terms and conditions, pursuant to which a party may subscribe to the Warrants;
"Warrantholders' Register":	the register of warrantholders kept at the Issuer's registered office;

1.2 Plural forms shall include singular forms and vice versa.

2. SUBSCRIPTION AND ISSUE

- 2.1 Each Warrant will grant a Subscriber the right to subscribe to one newly issued Share (subject to the terms of Clause 6).
- 2.2 After the Notary has passed the Issue Deed, the Issuer shall record the issue of the Warrants to the Subscribers in the Warranholders' Register and deliver to the Subscribers a certificate confirming the registration of the Warrants in their name.

3. ALLOCATION

- 3.1 The Issuer will allocate the Warrants to each Subscriber in a ratio of 25,000 Warrants for each Bond of EUR 50,000 subscribed to by the Subscriber.
- 3.2 On the Issue Date, the Subscribers will subscribe to the Warrants. By subscribing to the Warrants, the Subscribers confirm, on Subscription Date, that they each act as principal for their own account for investment only and not with the intention of effecting any public sale or public distribution of the Warrants.

4. CONDITIONS PRECEDENT

- 4.1 The undertaking of the Subscribers to subscribe to the Warrants shall be subject to the fulfilment on or before the Issue Date of each of the following conditions:
 - (a) the Board of Directors and the auditor of the Issuer shall have submitted to the Extraordinary Shareholders' Meeting the reports provided for in articles 582, 583 and 596 of the BCC;
 - (b) the Extraordinary Shareholders' Meeting has approved the issue of the Warrants in accordance with these Terms;
 - (c) no material change in the business or in the financial position of the Issuer has occurred between 31 December 2007 and Issue Date, unless publicly disclosed by the Issuer; and
 - (d) no event shall have occurred or condition shall exist at the Issue Date which makes it unlawful (or makes it apparent that it will become unlawful) for the Issuer to perform any of its obligations under these Terms.
- 4.2 The undertaking of the Issuer to issue the Warrants shall be subject to the conditions precedent that no event shall have occurred or condition shall exist at the Issue Date which makes it unlawful (or makes it apparent that it will become unlawful) for the Subscribers to perform any of its obligations under these Terms.

5. OTHER TERMS AND CONDITIONS OF THE WARRANTS

5.1 Warrant price

The Warrants are issued to, and subscribed for by the Subscribers free of charge.

5.2 Exercise Price

The subscription price per Share upon Exercise of the Warrants shall be the lesser of (i) EUR 1.25 per share, or (ii) if, after the Issue Date, the Issuer issues additional securities that are

exchangeable, exercisable or convertible into Shares at a price less than EUR 1.25, the price at which the Shares resulting from such issue of Shares or additional securities are or will be issued it being understood that such price adjustment will not apply in the event of an issue pursuant to existing stock options or warrant plans.

5.3 Term

The Warrants will be issued for a term of four (4) years, beginning as from the Issue Date.

The Warrants that are not exercised before the end of the Exercise Period will be automatically null and void.

5.4 Form and transferability

- (a) The Warrants will be in registered form and will not be transferable, except to Affiliates of a Subscriber.
- (b) The transfer of a Warrant can only be invoked against the Issuer and third parties after it has been duly registered in the Warrantholders' Register and signed either by both the transferor and the transferee or by at least two directors of the Issuer upon notification by the transferor.

5.5 Vesting

Hundred percent (100%) of the Warrants will vest immediately upon issue of the Warrants (at the Issue Date).

6. EXERCISE OF THE WARRANTS

6.1 Exercise

- (a) At Exercise Date, Subscribers will be entitled to one Share for every Warrant being exercised.
- (b) Subscribers may require the Board of Directors of the Issuer to proceed with the Issue of Shares, resulting from the Warrant Exercise at any time during the Exercise Period, at the Exercise Price. For the avoidance of doubt, following the issuance of the Shares as a result of Exercise and the capital increase resulting therefrom, each of the Shares shall represent an equal proportion of the Issuer's share capital and shall be of equal value.
- (c) Each Exercise Notice must be for a minimum number of 50,000 Warrants.
- (d) In accordance with section 501, 2nd paragraph of the BCC (or any other provision having the same purport), if the Issuer enacts one or more capital increases by contributions in cash, a Subscriber shall be entitled to exercise its Warrants and to participate, as Shareholder of the Issuer, in the aforementioned capital increase, provided that the existing Shareholders of the Issuer also have such right.

6.2 Exercise Period

The Warrants can be exercised in accordance with Clause 6.1 by each Subscriber, in whole or in part, at any time during a period of three years as from Issue Date.

6.3 Partial Exercise

Warrants may be exercised all together or partially. A Warrant cannot be exercised for fractions of Shares.

6.4 Exercise notice

A Warrant shall be deemed to be exercised upon receipt by the Issuer of:

- (a) an Exercise Notice, in the format as attached to these Terms entitled "Exercise Notice", indicating that a number of Warrants are exercised (which number shall not be lower than 50,000). The Exercise Notice shall expressly indicate the number of Shares being subscribed;
- (b) payment of the entire amount of the Exercise Price subject to the exercise of the Warrant, by check or by wire transfer to an account of the Issuer of which the number is communicated by the Issuer;
- (c) any declaration and documents which the Issuer deems necessary or desirable in accordance with any applicable legal and regulatory provisions, and of which the Issuer has required submission.

6.5 Issue of Shares

- (a) The Company shall only be bound to issue the Shares upon the Exercise of the Warrants if the conditions set forth in Section 6.4 are met.
- (b) The Shares shall be issued as soon as reasonably possible, taking into account the required administrative formalities and after the Issuer has established that the conditions set forth in section 6.4 are met. The board of directors or one or more authorised directors or appointees shall establish the capital increase in an Exercise Deed before a notary, in accordance with section 591 of the BCC.

6.6 Listing and delivery of the Shares

- (a) The Board of Directors shall take all required steps, within a reasonable delay, in order to have the newly issued Shares admitted to trading on Euronext Brussels (or any other exchange, if the Issuer's Shares would trade on another exchange).
- (b) If the Issuer does not deliver the listed newly issued Shares to a Subscriber within fifteen (15) Business Days from receipt of the Exercise Notice, the Issuer will pay to that Subscriber liquidated damages of EUR 1,500 per Business Day as from the fifteenth Business Day after receipt of an Exercise Notice for each EUR 100,000 Warrants being exercised.

6.7 Power of attorney

Subscribers hereby appoint any two directors of the Issuer as his attorney, acting jointly, in order to represent him at Exercise, and execute all acts, sign and execute the deed and minutes, elect domicile, and in general, do all that is necessary or useful for recording the Exercise and all acts relating hereto.

This mandate is accepted expressly by the Issuer and the Issuer is obligated to exercise it. The Issuer and the Subscribers expressly agree that this proxy will not be considered invalid as a result from the suspension or of the incapability on Exercise Date of a Subscriber or any

succeeding subscribers. They declare this mandate to be expressly connected to the Warrant issue.

7. SUBSCRIBERS' RIGHTS

7.1 Warrant holder

A Subscriber has the rights granted by sections 496 through 502 of the BCC to the holders of warrants ("*warrants/droits de souscription*"), and does not have rights as shareholder of the Issuer until Exercise of the Warrants. As a holder of Warrants a Subscriber therefore has no vote at the shareholders' meeting of the Issuer, nor any claim to a share in the liquidation proceeds of the Issuer ("*liquidatiebonus/boni de liquidation*") in the event of a liquidation of the Issuer.

7.2 Anti-dilution undertaking

- (a) In accordance with the BCC, from the Issue Date until the earlier of the Exercise of all Warrants or the lapsing of all Warrants, the Issuer may not by any action reduce the advantages granted to the Warrants by their issue conditions or by law, except as explicitly provided in these issue conditions.
- (b) The Issuer expressly reserves the right to proceed with the incorporation of reserves into capital without the issuance of new securities, the issuance of shares, the issuance of dividends or other distributions (whether in cash, Shares or otherwise), which operations may or may not reduce the advantages granted to the shareholders. If the rights of the Subscribers are affected by such action or transaction, then the Subscribers shall not be entitled to an amendment of these Terms or any form of compensation.
- (c) In the event of a split or merger (reverse split) of the Issuer's Shares, the number of Shares to be granted upon Exercise will be proportionately adjusted.
- (d) In the event of a merger of the Issuer with another company, through absorption of the Issuer by that company, the Exercise Price will be proportionately adjusted in accordance with the exchange rate applied for the shares of the Issuer in the merger operation.

7.3 Rights attached to the Shares

The shares issued upon Exercise shall have the same rights as the Shares of the Issuer existing at the Exercise Date.

8. GENERAL

8.1 Expenses, brokerage fees

Each Party shall bear any and all fees or commissions of any finder or broker engaged by itself in connection with the transactions contemplated by these Terms.

8.2 Notices

- (a) Any notices or communications under these Terms or in connection herewith shall be in writing and forwarded by registered mail with return receipt to the following addresses:
 - (i) to the Issuer:

To the attention of the Board of Directors
Ikaros Business Park
Ikaroslaan 24
1930 Zaventem
Belgium

(ii) to the Subscribers:

At their address, as indicated in the Warrantholders' Register.

Such notice or communication shall be deemed to have been given three Business Days after the same is mailed, or one Business Day after the delivery against receipt.

The Parties may change their addresses by notice to the other Parties in accordance with this Clause 8.2.

In case of emergency, Parties can give notice by fax. Any notice by fax shall be followed by a hard copy with original signatures.

8.3 Confidentiality

The Issuer agrees that it will not disclose, and will not include in any public announcement, the name of a Subscriber, unless expressly agreed to by that Subscriber or unless and until such disclosure is required by law or applicable regulation, and then only to the extent of such requirement.

9. APPLICABLE LAW AND JURISDICTION

- 9.1 The Warrants shall be governed exclusively by and interpreted in accordance with the laws of Belgium.
- 9.2 The Issuer and the Subscribers will comply at all times with applicable European and Belgian laws, rules and regulation on insider trading and the prohibition of market abuse and market manipulation.
- 9.3 Any dispute arising between the Parties in connection with the present Terms shall be finally settled by the competent courts of Brussels.

APPENDIX 1
EXERCISE NOTICE

KEYWARE TECHNOLOGIES NV
(the "Company")

Limited liability company, incorporated under the laws of Belgium
Registered office: Ikaros Business Park, Ikaroslaan 24, 1930 Zaventem
Enterprise number: RPR 0458.430.512

EXERCISE FORM

FOR WARRANTS

The undersigned (name, first name),
residing at, holder of
..... warrants of the Company (the "**Warrantholder**"), issued on 18 August 2008, under the
terms and conditions set out in chapter 8 of the Information Memorandum,

hereby requests the Board of Directors of the Company to proceed with the issue of shares, resulting
from the exercise of Warrants, at the Exercise Price, as provided under Clause 5 of the
Warrant Subscription Terms. Pursuant to this Exercise, the Warrantholder will receive
shares of the Company.

In addition, I hereby

- authorise the Board of Directors to debit my securities account number in view of
the exercise
- authorise the Board of Directors, upon issuance of the new shares, to register the exercise of the
number of Warrants referred to above in the warrantholder's register of the Company

The shares should be, within 15 Business Days from receipt of this exercise form by the Company,
added to my securities account number

Done at, on

The Warrantholder