

7 September 2020

## Notice of General Meeting

**Notice is hereby given that a General Meeting of Shareholders of Integrated Payment Technologies Limited (Company) will be held virtually via a webinar conferencing facility at 11.00am (Sydney time) on Thursday 8 October 2020 (General Meeting).**

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be dispatching physical copies of the Notice of General Meeting. Instead the Notice of General Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website <https://inpaytech.com.au/asx-announcement/> or at the Company's share registry's website ([www.registrydirect.com.au/investor](http://www.registrydirect.com.au/investor)).
- A complete copy of the Meeting Materials has also been posted to the Company's ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "IP1".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the proxy voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at [www.registrydirect.com.au/investor](http://www.registrydirect.com.au/investor). If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact the Company's share registry, Registry Direct on 1300 55 66 35 (within Australia) or +61 3 9909 9909 (outside Australia), to obtain a copy.

As a result of the potential health risks and government restrictions in response to the COVID-19 pandemic, the General Meeting will be held via a webinar conferencing facility. Details of how to register to attend the General Meeting are contained in the Meeting Materials. The Company strongly recommends that shareholders lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

Yours sincerely,



Don Sharp  
Executive Chairman  
E: [Don.Sharp@inpaytech.com.au](mailto:Don.Sharp@inpaytech.com.au)  
M: 0419 632 315

**Authorised by the Board**



## NOTICE OF GENERAL MEETING

### INTEGRATED PAYMENT TECHNOLOGIES LIMITED

**ACN 611 202 414**

11:00am (Sydney time)

Thursday 8 October 2020

To be held virtually via a webinar conferencing facility

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of General Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of General Meeting.

Following recent modifications to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (No.1) 2020, no hard copy of the Notice of General Meeting and Explanatory Statement will be circulated. The Notice of General Meeting will be given to those entitled to receive it by use of one or more technologies. The Notice of General Meeting is also available on the Australian Stock Exchange Announcement platform (IP1) and on the Company's website (<https://inpaytech.com.au/asx-announcement/>).

**This Notice of General Meeting should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your professional adviser.**

**Should you wish to discuss the matters in this Notice of General Meeting, please contact the Company Secretary on (02) 8090 1130.**

## **CONTENTS**

General Information	2
Letter from the Chairman	4
Notice of General Meeting	5
Explanatory Statement	9

## **GENERAL INFORMATION**

The General Meeting of the shareholders of Integrated Payment Technologies Limited (**Company**) ACN 611 202 414 to which this Notice of General Meeting relates will be held virtually via a webinar conferencing facility at 11:00am (Sydney time) on Thursday 8 October 2020 (**General Meeting**).

The health and safety of shareholders, staff and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Company at the time of preparing the Notice of General Meeting, the Company intends to conduct a poll on the resolutions set out in the Notice of General Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice of General Meeting. To lodge your proxy, please follow the directions set out below.

Shareholders attending the General Meeting virtually will be able to ask questions and vote online during the General Meeting. To vote online, shareholders will need to have set up a registered account with the Company's share registry, Registry Direct Limited, prior to the General Meeting. Shareholders who do not have a registered account with the Company's share registry will be sent an invitation to register letter along with this Notice of General Meeting. The invitation letter will contain instructions on how to register. During the General Meeting, if you have a registered account and have any issues casting your votes online you can call the Company's share registry on 1300 55 66 35 (within Australia) or +61 3 9909 9909 (outside Australia) for assistance.

The virtual meeting can be attended using the following details:

When: Thursday 8 October 2020 at 11.00am (Sydney time)

Topic: IP1 General Meeting

Register in advance for this webinar:

[https://zoom.us/webinar/register/WN\\_M\\_l46A62QnW8XJ7KEcC\\_1A](https://zoom.us/webinar/register/WN_M_l46A62QnW8XJ7KEcC_1A)

Webinar ID: 921 6628 7191

Webinar passcode: 878965

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends that shareholders lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the General Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the General Meeting online should therefore monitor the Company's website and its ASX announcements for any updates about the General Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (ASX: IP1) and on its website at <https://inpaytech.com.au/asx-announcement/>.

## **OPPORTUNITY TO ASK QUESTIONS**

The General Meeting is an opportunity to ask questions of the board of the Company (**Board**) and management on the items of business before the General Meeting and the management of the Company.

The Company is happy to accept questions submitted prior to the meeting by email to [info@inpaytech.com.au](mailto:info@inpaytech.com.au). Where a written question is raised in respect of the resolutions to be considered at the meeting or the key management personnel of the Company, the Company will address the relevant question during the course of the meeting or by written response after the General Meeting (subject to the discretion of the Company as it will not respond to inappropriate, unreasonable and/or offensive questions).

## **YOUR VOTE IS IMPORTANT**

The business of the General Meeting affects your shareholding and your vote is important.

## **VOTING BY PROXY**

You have the right to appoint a proxy of your choice. The proxy need not be a shareholder of the Company. If you are entitled to vote two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you appoint two proxies and the appointment does not specify the proportion or number of your votes, then each proxy may exercise half of the votes.

You may make your proxy appointment on-line at [www.registrydirect.com.au/investor](http://www.registrydirect.com.au/investor). If you have any problems accessing the on-line service, please contact the Company's share registry, Registry Direct on 1300 55 66 35 (within Australia) or +61 3 9909 9909 (outside Australia).

Alternatively, you may complete and sign a proxy form and return by:

- (a) post to Registry Direct, 10 Exon Street, Brighton, Victoria 3186 Australia;
- (b) facsimile on facsimile number +61 3 9111 5652;
- (c) email to [registry@registrydirect.com.au](mailto:registry@registrydirect.com.au); or
- (d) hand or courier delivery to Registry Direct, 10 Exon Street, Brighton, Victoria 3186 Australia.

Your proxy must be received by 11:00am (Sydney time) on Tuesday 6 October 2020.

**Proxy forms and appointments received later than the above time will be invalid.**

**LETTER FROM THE CHAIRMAN**

Dear shareholder

I am pleased to invite you to the General Meeting of the Company which will be held virtually via a webinar conferencing facility on Thursday 8 October 2020, commencing at 11:00am (Sydney time).

The following pages contain details of the items of business that you have the opportunity to vote on at the General Meeting.

The Board encourages you to vote in favour of all of the resolutions.

I look forward to welcoming you at the General Meeting.

Yours sincerely,



**Donald Sharp**  
**Executive Chairman**

## **NOTICE OF GENERAL MEETING**

Notice is given that a General Meeting of shareholders of the Company will be held virtually via a webinar conferencing facility at 11:00am (Sydney time) on Thursday 8 October 2020.

The Explanatory Statement to this Notice of General Meeting provides information on matters to be considered at the General Meeting. The Explanatory Statement, General Information section and the proxy form are part of this Notice of General Meeting.

The directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered shareholders of the Company at 7pm (Sydney time) on Tuesday 6 October 2020.

## **AGENDA**

### **RESOLUTION 1 – APPROVAL FOR THE ISSUE OF ACQUISITION SHARES**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 33,000,000 acquisition shares on the terms set out in the Explanatory Statement.”

### **RESOLUTION 2 – APPROVAL FOR THE GRANT OF STAFF OPTIONS**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of 15,000,000 staff options on the terms set out in the Explanatory Statement.”

### **RESOLUTION 3 – APPROVAL FOR THE GRANT OF BROKER OPTIONS**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of 1,850,000 broker options on the terms set out in the Explanatory Statement.”

### **RESOLUTION 4 – APPROVAL FOR THE RATIFICATION OF PRIOR SHARE ISSUE UNDER PLACEMENT**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and all other purposes, approval is given for the issue of 69,489,067 fully paid ordinary shares under the Company’s placement in June 2020, as detailed in the Explanatory Statement.”

## **VOTING EXCLUSION STATEMENT**

### **RESOLUTION 1 – APPROVAL FOR THE ISSUE OF ACQUISITION SHARES**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who is expected to participate in (being Andrew Blair and Nikesh Lalchandani), or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
  - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **RESOLUTION 2 – APPROVAL FOR THE GRANT OF STAFF OPTIONS**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 2 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
  - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

As required by the Corporations Act 2001 (Cth), no member of the Company’s key management personnel or a closely related party of any such member may vote as proxy on Resolution 2 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on Resolution 2; or
- (b) the person is the chair of the meeting and votes as a proxy appointed by writing that expressly authorises the chair to exercise the proxy even though that resolution is connected with the remuneration of a member of the Company’s key management personnel.

The term “closely related party” in relation to a member of the key management personnel includes a spouse, child, dependant and certain other close family members as well as any companies controlled by the member.

### **RESOLUTION 3 – APPROVAL FOR THE GRANT OF BROKER OPTIONS**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a

result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
  - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **RESOLUTION 4 – APPROVAL FOR THE RATIFICATION OF PRIOR SHARE ISSUE UNDER PLACEMENT**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who participated in the issue or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
  - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **GENERAL INFORMATION ON PROXY VOTING**

It is the intention of the Chairman to vote eligible undirected proxies in favour of all Resolutions.

In respect of Resolution 2, the proxy form contains an express authorisation for the Chairman to exercise undirected proxies even though this resolution is connected directly or indirectly with the remuneration of a member of key management personnel.

Those shareholders appointing a proxy who do not want the Chairman to vote for them or do not want the Chairman to vote in accordance with the Chairman's intentions, have the ability to:

- (a) appoint the Chairman as proxy with a direction to cast votes contrary to the Chairman's stated voting intentions by instructing the Chairman to vote 'against' or to 'abstain' from voting on these Resolutions; or

- (b) appoint a person other than the Chairman as proxy with or without a direction to cast votes 'for', 'against' or to 'abstain' from voting on these Resolutions (as the shareholder considers appropriate).

**DATED:** 7 September 2020

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Donald Sharp', with a long horizontal flourish extending to the right.

**Donald Sharp**  
**EXECUTIVE CHAIRMAN**

## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the General Meeting to be held virtually via a webinar conferencing facility on Thursday 8 October 2020 at 11:00am (Sydney time).

The purpose of this Explanatory Statement is to provide information to assist shareholders in deciding whether or not to pass the Resolutions in this Notice of General Meeting.

### **RESOLUTION 1 – APPROVAL FOR THE ISSUE OF ACQUISITION SHARES**

#### ***Background***

The Company has entered into a deed to acquire 100% of the shares in TipsGo Pty Ltd (an open banking and marketplace platform business which owns intellectual property) (TipsGo) (Share Purchase Deed), a company with the same owner as BizIntegration Pty Ltd (BizIntegration).

Completion of the Share Purchase Deed would entitle the Company to integrate its ClickSuper and PayVu technologies with the TipsGo extensive employee and superannuation member application and API platform and enable the Company to offer an extended suite of products and services for the payroll, SME and superannuation markets.

Under the terms of the Share Purchase Deed (but conditional upon approval by the shareholders of the Company):

- (a) a payment of \$30,000 plus GST will be made upon completion of the Share Purchase Deed to BizIntegration for work undertaken in supplying, loading and testing the TipsGo platform on the Company's infrastructure;
- (b) the Company will issue the following shares upon completion of the Share Purchase Deed (Consideration Shares):
  - (i) 30,000,000 fully paid ordinary shares to the shareholder of TipsGo (Andrew Blair); and
  - (ii) 3,000,000 fully paid shares to a third party associated with TipsGo (Nikesh Lalchandani).

The Share Purchase Deed provides for the entry by the subscribers into a voluntary escrow deed for a period of 12 months in relation to the Consideration Shares.

Under the terms of the Share Purchase Deed, the director of TipsGo, who is a co inventor of the Company's payment patents, has agreed to provide up to 10 hours of consulting per month until 31 December 2021 including periodically reviewing the technical architecture of the Company and the integration of the TipsGo platform into the ClickSuper service. This consulting work will be provided at no charge until the Company achieves a positive cash flow after which the consulting work will be charged at \$2,500 plus GST per calendar month.

Under the Share Purchase Deed the existing shareholder of TipsGo provides warranties in favour of the Company in relation to TipsGo and its business.

#### ***ASX Listing Rules***

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue under this Resolution 1 does not fall within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of shareholders under ASX Listing Rule 7.1.

Resolution 1 seeks the required shareholder approval to the proposed issue under and for the purposes of ASX Listing Rule 7.1 and all other purposes.

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Consideration Shares and complete the acquisition of TipsGo under the Share Purchase Deed. In addition, these proposed share issues will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares and the completion of the acquisition of TipsGo under the Share Purchase Deed at this time.

ASX Listing Rule 7.3 requires the following information to be provided to shareholders:

- (a) the shares are proposed to be issued to the owner of TipsGo (Andrew Blair - 30,000,000 ordinary shares) and a third party associated with TipsGo (Nikesh Lalchandani - 3,000,000 ordinary shares);
- (b) the maximum number of shares covered by this Resolution 1 is 33,000,000;
- (c) the Consideration Shares will be issued no later than 3 months after the date of the General Meeting;
- (d) the consideration the Company will receive for the Consideration Shares is 100 shares in TipsGo (being 100% of the share capital of TipsGo);
- (e) a summary of the material terms of the Share Purchase Deed is set out above; and
- (f) Resolution 1 is subject to a voting exclusion statement (see the Notice of General Meeting).

### ***Recommendation***

The directors recommend that shareholders vote in favour of Resolution 1.

## **RESOLUTION 2 – APPROVAL FOR THE GRANT OF STAFF OPTIONS**

### ***Background***

The Company intends to grant 15,000,000 options (Staff Options) to three employees of the Company under the Company's Employee Share Option Plan (Plan).

The proposed terms of the Staff Options are, subject to the rules of the Plan:

- (a) each option gives the right to subscribe for or acquire one ordinary share in the Company;
- (b) nil consideration is payable for the option grant;
- (c) exercise price is 3.5 cents (\$0.035) per option;
- (d) options vest on the date 12 months from the date of grant of the options if the relevant employee remains in employment with the Company or its subsidiaries; and
- (e) exercise period ends 3 years after the date of grant of the options.

The Company's full Plan rules were disclosed to the ASX on 16 December 2016.

### ***ASX Listing Rules***

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed grant of Staff Options under this Resolution does not fall within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of shareholders under ASX Listing Rule 7.1.

Resolution 2 seeks the required shareholder approval to the proposed grant under and for the purposes of ASX Listing Rule 7.1 and all other purposes.

If Resolution 2 is passed, the Company will be able to proceed with the proposed grant of Staff Options. In addition, the proposed grant will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 2 is not passed, the Company will consider whether or not to proceed with the proposed grant of Staff Options once it has capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.3 requires the following information to be provided to shareholders:

- (a) the names of the three employees are the Company's Chief Executive Officer (Dean Martin), Chief Innovation Officer (Brad Riley) and Technical Architect (David Edwards);
- (b) the aggregate number of Staff Options covered by this Resolution 2 is 15,000,000 (being 5,000,000 for each specified employee);
- (c) a summary of the material terms of the Staff Options is set out above;
- (d) the Staff Options will be granted no later than 3 months after the date of the General Meeting;
- (e) no consideration will be payable for the grant of Staff Options so the Company does not have an intended use of funds raised. The Staff Options are proposed to be granted to key employees as an incentive to achieve internal management budgets and product deliverables. More broadly, the purpose of the grant is to enable the Company and its subsidiaries to retain skilled employees whilst also aligning the interests of employees to the interests of shareholders; and
- (f) Resolution 2 is subject to a voting exclusion statement (see the Notice of General Meeting).

### ***Recommendation***

The directors recommend that shareholders vote in favour of Resolution 2.

### **RESOLUTION 3 – APPROVAL FOR THE GRANT OF BROKER OPTIONS**

#### ***Background***

In June 2020 the Company conducted a placement, led by Sanlam Private Wealth, of 77,000,000 new ordinary shares at \$0.015 per share to eligible new institutional and sophisticated investors to raise \$1,155,000 (Placement).

The fees payable to Sanlam Private Wealth as sole lead manager of the Placement were:

- (a) a capital raising fee of 6% plus GST of the gross proceeds raised under the Placement;
- (b) corporate administration and management fee of \$5,000 plus GST; and

- (c) the grant of 1,850,000 unquoted options (conditional upon shareholder approval) to Sanlam Private Wealth or its nominee (Broker Options).

### ***ASX Listing Rules***

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed grant of Broker Options under this Resolution does not fall within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of shareholders under ASX Listing Rule 7.1.

Resolution 3 seeks the required shareholder approval to the proposed grant of Broker Options under and for the purposes of ASX Listing Rule 7.1 and all other purposes.

If Resolution 3 is passed, the Company will be able to proceed with the proposed grant of Broker Options. In addition, the proposed grant will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the proposed grant of Broker Options at this time.

ASX Listing Rule 7.3 requires the following information to be provided to shareholders:

- (a) the Broker Options are proposed to be granted to Sanlam Private Wealth or its nominee;
- (b) the number of Broker Options covered by this Resolution 3 is 1,850,000 options;
- (c) the terms and conditions of the Broker Options are set out in Annexure A of this Explanatory Statement;
- (d) the Broker Options will be granted no later than 3 months after the date of the General Meeting;
- (e) the grant price of the Broker Options is nominal (\$0.00001 per option, being \$18.50 in aggregate) so the Company does not have an intended use of funds raised. The Broker Options form part of the fees payable to Sanlam Private Wealth for its role as sole lead manager of the Placement; and
- (f) Resolution 3 is subject to a voting exclusion statement (see the Notice of General Meeting).

### ***Recommendation***

The directors recommend that shareholders vote in favour of Resolution 3.

## **RESOLUTION 4 – APPROVAL FOR THE RATIFICATION OF PRIOR SHARE ISSUE UNDER PLACEMENT**

### ***Background***

As stated above, on 22 June 2020 (Issue Date) the Company conducted a Placement of 77,000,000 ordinary shares at \$0.015 per share to eligible new institutional and sophisticated investors to raise \$1,155,000.

### ***ASX Listing Rules***

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of ordinary shares under the Placement under this Resolution 4 does not fall within any of these exceptions and as it has not yet been approved by the Company's shareholders, it effectively uses up the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Issue Date.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval to the issue of some (but not all of) the ordinary shares issued under the Placement under and for the purposes of ASX Listing Rule 7.4 and for all other purposes.

In conducting the Placement, the Company relied upon the ASX Temporary Extra Placement Capacity Class Order Waiver (Class Order Waiver) to take advantage of the 25% placement capacity.

Resolution 4 seeks shareholder approval for the issue of 69,489,067 fully paid ordinary shares under the Placement (Ratification Shares). The Company is not entitled to seek shareholder approval for the full 77,000,000 ordinary shares issued under the Placement as the temporary extra placement capacity (extra 10%) under the Class Order Waiver is not able to be ratified or replenished under ASX Listing Rule 7.4.

If Resolution 4 is passed, the issue of the Ratification Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If Resolution 4 is not passed, the issue of the Ratification Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders:

- (a) the Ratification Shares were issued to new sophisticated and professional investors. The following process was conducted in identifying investors to participate in the Placement:
  - (i) no eligible institutional/professional existing shareholders of the Company chose to participate in the Placement;
  - (ii) the lead manager for the Placement, Sanlam Private Wealth, allocated shares to its clients (being sophisticated and professional investors);
  - (iii) 10,000,000 ordinary shares were allocated at the request of the Company to a third party service provider known to the Company;
- (b) the number of Ratification Shares covered by this Resolution 4 is 69,489,067;
- (c) the Ratification Shares were issued on 22 June 2020;
- (d) the Ratification Shares were issued at \$0.015 per share;
- (e) the purpose of the Placement and use of funds raised under the Placement and the associated entitlement offer conducted by the Company in June and July 2020 are as follows:
  - (i) balance sheet repair by repaying \$750,000 of shareholder loans;

- (ii) the payment of existing creditors and redundancy payments; and
  - (iii) as working capital to assist the Company to continue to trade through COVID-19, including 'business as usual' software development, customer acquisition and business development opportunities, and other growth initiatives; and
- (f) Resolution 4 is subject to a voting exclusion statement (see the Notice of General Meeting).

***Recommendation***

The directors recommend that shareholders vote in favour of Resolution 4.

## ANNEXURE A

### TERMS AND CONDITIONS OF BROKER OPTIONS

1. Each Option entitles the Option holder to subscribe for one fully paid ordinary share in the capital of Integrated Payment Technologies Limited ACN 611 202 414 (Company) upon exercise of the Option, subject to these Terms and Conditions.
2. The deemed issue price of each Option is A\$0.00001, payable by the Option holder prior to the grant of the Option.
3. The Options are exercisable at an exercise price of 3.5 cents (A\$0.035) per Option at any time provided that:
  - (a) the Options have not lapsed pursuant to clause 5 below; and
  - (b) the Company has confirmed in writing that it is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act 2001 (Cth) (Corporations Act)) and is therefore in a position to lodge a cleansing notice in compliance with section 708A(5)(e) of the Corporations Act.
4. The Options will expire at 5 pm (Sydney time) on the date two years after the date of grant of the Options (the Expiry Date).
5. Any Option automatically lapses without any claim against the Company in any of the following events:
  - (a) upon the liquidation or winding up of the Company for any reason other than by way of a members' voluntary winding up; or
  - (b) the Option has not been exercised prior to 5pm (Sydney time) on the Expiry Date.
6. The Options are not transferable by the Option holder and will not be quoted on the ASX.
7. All shares issued pursuant to the exercise of Options will be allotted within 5 business days after the exercise of the Options and will rank pari passu in all respects with the Company's then existing ordinary fully paid shares.
8. Exercise of the Options is effected by giving notice of exercise of the Options together with the required exercise price after receiving the written confirmation in clause 3(b). If the Option holder has more than one Option, the Options may be exercised in part.
9. There are no participating rights or entitlements inherent in the Options and the Option holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising the Options.
10. In the event of a reorganisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Options or the exercise price of the Options or both will be reorganised (as appropriate) in the manner required by the ASX listing rules at the time of the reorganisation, and if the Company is not listed on the ASX at the relevant time, then the following reorganisation rules will apply:
  - (a) if there is a consolidation of capital, the number of Options will be consolidated in the same ratio as the ordinary capital and the exercise price will be amended in inverse proportion to that ratio;
  - (b) if there is a sub-division of capital, the number of Options will be sub-divided in the same ratio as the ordinary capital and the exercise price will be amended in inverse proportion to that ratio;
  - (c) if there is a return of capital, the number of Options will remain the same and the exercise price of each Option will be reduced by the same amount as the amount returned in relation to each ordinary share;

- (d) if there is a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no ordinary shares are cancelled, the number of Options and the exercise price of each Option will remain unaltered;
  - (e) if there is a pro-rata cancellation of capital, the number of Options must be reduced in the same ratio as the ordinary capital and the exercise price of each Option must be amended in inverse proportion to that ratio; and
  - (f) in any other case of reorganisation, the number of Options or the exercise price, or both, will be reorganised so that the holder of the Option will not receive a benefit that holders of ordinary shares do not receive, subject to rounding up of the number of ordinary shares to be received on exercise that is approved by shareholders when approving the reorganisation.
11. If there is a pro-rata issue (except a bonus issue) to the holders of the ordinary shares in the capital of the Company, the exercise price of each Option will be reduced according to the following formula:
- $$O' = O - \frac{E[P-(S+D)]}{N + 1}$$
- Where
- O' = the new exercise price of the Option.
  - O = the old exercise price of the Option.
  - E = the number of ordinary shares into which one Option is exercisable.
  - P = the Volume Weighted Average Market Price (as defined by the ASX listing rules) of an ordinary share in the capital of the Company over the 5 (five) trading days ending on the day before the ex-rights or ex-entitlements date.
  - S = the subscription price for an ordinary share under the pro-rata issue.
  - D = the dividend due but not yet paid on the ordinary shares (except those to be issued under the pro-rata issue).
  - N = the number of ordinary shares with rights or entitlements that must be held to receive a right to one new ordinary share.
12. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which an Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
13. If and to the extent any of the preceding terms and conditions are inconsistent with the rules or requirements of the ASX on which the Company's shares are listed, the rules of the ASX will prevail in all respects to the extent of the inconsistency.
14. Notwithstanding any other provision of these Terms and Conditions:
- (a) Options will not be granted and/or Shares will not be allotted and issued, acquired, transferred or otherwise dealt with under these Terms and Conditions if to do so would contravene the Corporations Act or any other applicable laws or regulations; and
  - (b) if and to the extent any of these Terms and Conditions is inconsistent with the Corporations Act, or any other applicable law or regulation, then the Corporations Act or the other applicable law or regulation will prevail in all respects to the extent of the inconsistency.
15. These terms and conditions are governed by the laws of New South Wales and the Option holder unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.

Investor Name(s)  
<designation>  
C/O Example Ltd  
PO BOX 0000  
MELBOURNE VIC 3000

## PROXY FORM

Please complete and return this form if you wish to appoint a Proxy and/or direct how you want your votes cast. This form must be completed and returned by 11:00 a.m. AEDT on Tuesday, 6 October 2020.

Alternatively, you can appoint a Proxy and/or direct how you want your votes cast online at [www.registrydirect.com.au/investor](http://www.registrydirect.com.au/investor).

### Step 1 - Appoint your Proxy

I/We are or represent a member/s of Integrated Payment Technologies Limited and entitled to attend and vote hereby appoint:

the Chairman  
of the Meeting  
(mark box with 'X')

OR

Write here the name of the person (or body corporate) you are appointing if this person is someone other than the Chairman of the Meeting

or failing attendance at the meeting of the person or body corporate named above, or if no person is named, the Chairman of the Meeting, to act generally at the meeting on my/our behalf and to vote in accordance with the directions on this proxy form or, if no directions have been given and to the extent permitted by law, as he or she sees fit, at the General Meeting of Integrated Payment Technologies Limited to be held at 11:00 a.m. AEDT on Thursday, 8 October 2020 and at any adjournment or postponement of the meeting.

This form authorises our proxy to vote on the lesser of

all our securities OR  \_\_\_\_\_ securities

**I/We acknowledge, if the Chairman of the Meeting is appointed as our proxy (or becomes our proxy by default), the Chairman of the Meeting intends to vote undirected proxies in the manner set out with each resolution below, even when the Chairman of the Meeting has a conflict of interest.**

### Step 2 - Direct how your votes are to be cast

#### Resolution 1

APPROVAL FOR THE ISSUE OF ACQUISITION SHARES

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR

AGAINST

ABSTAIN

PROXY'S DISCRETION

**Resolution 2**

APPROVAL FOR THE GRANT OF STAFF  
OPTIONS

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR	AGAINST	ABSTAIN	PROXY'S DISCRETION
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Note: If you appoint the Chairman of the Meeting as your proxy or he is appointed as your proxy by default, by not marking any of the "For", "Against" or "Abstain" boxes you will have expressly authorised the Chairman of the Meeting to exercise the proxy at his discretion for Resolution 2 even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.**

**Resolution 3**

APPROVAL FOR THE GRANT OF BROKER  
OPTIONS

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR	AGAINST	ABSTAIN	PROXY'S DISCRETION
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Resolution 4**

APPROVAL FOR THE RATIFICATION OF  
PRIOR SHARE ISSUE UNDER PLACEMENT

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR	AGAINST	ABSTAIN	PROXY'S DISCRETION
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Step 3 - Sign this form**

**Shareholder 1 (Individual)**

Sole Director & Sole Company Secretary

**Joint Shareholder 2 (Individual)**

Director/Company Secretary (Delete one)

**Joint Shareholder 3 (Individual)**

Director

**Date**

**Contact name**

**Mobile number**

**Email**

by providing an email, you agree to receive future communications electronically

## SIGNING INSTRUCTIONS FOR THE PROXY FORM

### Individual:

Where the holder is an individual, the securityholder must sign.

### Joint holding:

Where the holding is in more than one name, all of the securityholders should sign.

### Power of Attorney:

If you are executing the Proxy Form under a Power of Attorney and have not previously supplied a copy, please attach a certified copy of the Power of Attorney to the Proxy Form when you return it.

### Companies:

When the holder is a company, and the company has a sole director who is also the sole company secretary, the Proxy Form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise the Proxy Form must be signed by a director jointly with either another director or a company secretary. Please sign in the appropriate place to indicate the office held and delete titles as applicable.

## RETURNING THE PROXY FORM

Please note our preference is you appoint your proxy and direct how you require your vote/s be cast online. If you perform these actions online, you will not need to complete or return the Proxy Form. You can complete these actions by logging in to your account at [www.registrydirect.com.au/investor](http://www.registrydirect.com.au/investor).

You can return the Proxy Form by:

### EMAIL:



[registry@registrydirect.com.au](mailto:registry@registrydirect.com.au)

### POST:



10 Exon Street  
BRIGHTON Victoria 3186

### FAX



+61 3 9111 5652