

## FAX COVER SHEET

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TO

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COMPANY

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FAX NUMBER      61293470005

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FROM              Marque Lawyers

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DATE              2021-02-01 08:00:23 GMT

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RE                ASX - Marque Lawyers

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### COVER MESSAGE

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Please see merger agreement and form 603 Unlocked Investments



**EXECUTION VERSION**

# Merger agreement

Integrated Payment Technologies Limited  
(ACN 611 202 414)

and

Comply Path Holdings Pty Ltd  
(ACN 641 635 494)

and

Unlocked Investments Pty Ltd  
(ACN 641 201 443)

and

GJB Consulting Pty Ltd  
(ACN 121 856 675)

and

Digital Niche Investments Pty Limited  
(ACN 609 654 275)

and

Clinton Capital Partners Pty Ltd  
(ACN 600 952 841)



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Date: 17 November 2020

## Parties

<b>InPayTech</b>	Name	Integrated Payment Technologies Limited
	ACN	611 202 414
	Address	Suite 1, Level 5, 28 Margaret Street, Sydney NSW 2000
	Email	[REDACTED] [REDACTED]
	Attention	Don Sharp Paul Collins
<b>Comply Path</b>	Name	Comply Path Holdings Pty Ltd
	ACN	641 635 494
	Address	[REDACTED]
	Email	[REDACTED]
	Attention	[REDACTED]
<b>Unlocked</b>	Name	Unlocked Investments Pty Ltd ATF the Unlocked Investments Unit Trust
	ACN	641 201 443
	Address	[REDACTED]
	Email	[REDACTED]
	Attention	[REDACTED]
<b>GJB</b>	Name	GJB Consulting Pty Ltd ATF Giuseppe and Francy Brasacchio Family Trust
	ACN	121 856 675
	Address	[REDACTED] [REDACTED]
	Email	[REDACTED]
	Attention	[REDACTED]
<b>Digital Niche</b>	Name	Digital Niche Investments Pty Limited ATF Digital Niche Investment Trust
	ACN	609 654 275
	Address	[REDACTED]
	Email	[REDACTED]
	Attention	[REDACTED]
<b>Clinton Capital</b>	Name	Clinton Capital Partners Pty Ltd
	ACN	600 952 841
	Address	[REDACTED]
	Email	[REDACTED]
	Attention	[REDACTED]

(each of Unlocked, GJB, Digital Niche and Clinton Capital is a **Seller**, and together they are the **Sellers**).

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## Background

- (A) Each of the Sellers owns the Sale Shares set out against their name in Schedule 1 and the Sale Shares comprise all the issued capital in Comply Path.
- (B) Each of the Sellers agrees to sell the Sale Shares set out against their name in Schedule 1 and InPayTech agrees to buy the Sale Shares on the terms of this agreement.

## Operative provisions

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### 1. Definitions and interpretation

#### 1.1 Definitions

In this agreement the following definitions apply:

**Accounting Standards** means the accounting standards made or in force under the Corporations Act, and if any matter is not covered by those accounting standards, generally accepted Australian accounting principles.

**Accounts** mean:

- (a) in relation to the InPayTech Group, the full year audited results of the InPayTech Group for the full year ending on the Accounts Date; and
- (b) in relation to the Comply Path Group, the unaudited consolidated balance sheet, cash flow statements and income statements of the Comply Path Group as at the Accounts Date.

**Accounts Date:**

- (a) in respect of InPayTech Group Accounts means 30 June 2020; and
- (b) in respect of Comply Path Group Accounts, means 31 October 2020.

**Acquisition** means the acquisition of the Sale Shares by InPayTech through the issue of InPayTech Purchase Shares to the Sellers.

**Adviser** means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice) to InPayTech or Comply Path or any of their respective Related Bodies Corporate.

**Agreed Announcement** means the announcement in the form set out in Schedule 7.

**ASIC** means the Australian Securities & Investments Commission.

**ASIC Modifications** means a modification to or exemption (including, without limitation, any "no action" letter) required to be obtained by InPayTech from ASIC to enable it to conduct the Acquisition in compliance with the Corporations Act.

**Associate** has the meaning given in section 12 of the Corporations Act.

**ASX** means ASX Limited ABN 98 008 624 691, or the securities market it operates, as the context requires.



**ASX Confirmation** means a written confirmation from ASX that re-compliance by InPayTech of Chapters 1 and 2 of the Listing Rules under Listing Rule 11.1.3 is not required for the Acquisition.

**ASX Waivers** means any waivers, confirmations or approvals required to be obtained by InPayTech from ASX to enable InPayTech to conduct the Acquisition, in compliance with the Listing Rules.

**Business Day** means a day other than a Saturday, Sunday or public holiday on which banks are open for business generally in Sydney, Australia.

**Claim** means a claim arising from or relating to a breach of a Warranty or any other claim by a party under this agreement.

**Claims End Date** means the date that is 12 months after the Completion Date.

**Completion** means completion of the Acquisition in accordance with this agreement.

**Completion Date** means the date that is 3 Business Days after the day that each Condition has been satisfied or waived in accordance with clause 3.3.

**Comply Path Break Fee** means \$200,000.

**Comply Path Data Room** means the virtual data room established by ComplyPath for the purpose of the proposed transaction between the parties and operated by iDeals.

**Comply Path Disclosure Materials** means:

- (a) all written information and materials relating to ComplyPath made available to InPayTech during the Due Diligence Period in the Comply Path Data Room, as included on the USB delivered to InPayTech or its lawyers by or on behalf of the Sellers on or prior to execution of this agreement; and
- (b) the information disclosed to InPayTech and its Advisers by or on behalf of Comply Path contained in the Disclosure Letter.

**Comply Path Group** means Comply Path and its Subsidiaries and **Comply Path Group Member** means any one of them.

**Comply Path Information** means the information regarding ComplyPath to be provided by Comply Path to InPayTech in writing for inclusion in the Explanatory Statement referred to in clause 4.1(a)(iii) and in the Agreed Announcement.

**Comply Path Register** means the register of members of Comply Path.

**Comply Path Warranties** means the representations and warranties set out in Schedule 4, and **Comply Path Warranty** means any one of them.

**Comply Path's Board** means the board of directors of ComplyPath from time to time.

**Conditions** means the conditions set out in clause 3.2 and **Condition** means any one of them.

**Confidentiality Deed** means the confidentiality deed between InPayTech and Comply Path dated 19 September 2020.

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

**Cut Off Date** means 31 March 2020, or a later date agreed between InPayTech and Comply Path in writing.

**Defaulting Party** has the meaning given in clause 12.1(a).

**Demand** means a written notice of, or demand for, an amount payable.

**Disclosure Letter** means a letter dated on or about the date of this agreement, together with the attachments to that letter, addressed by Comply Path (on its own behalf and on behalf of each Seller) to InPayTech, disclosing facts, matters and circumstances which are, or as may be, inconsistent with the Comply Path Warranties.

**Disclosure Materials** means the Comply Path Disclosure Materials or the InPayTech Disclosure Materials as is relevant to each party.

**Due Diligence Period** means the period between the date of the Confidentiality Deed and the date of this agreement.

**Encumbrance** means any mortgage, pledge, lien or charge and any other agreement, right or interest having a similar effect.

**Existing Shareholders Deed** means the shareholders' deed dated 1 July 2020 between Comply Path and each Seller.

**Explanatory Statement** means the explanatory statement (and any supplementary statement or materials) to accompany the notice of meeting for the General Meeting, which is to contain all the information required by law, ASIC policy and the Listing Rules.

**Financial Services Laws** means

- (a) any law or regulation that covers or otherwise deals with or relates to the provision of financial products or services (whether or not such law or regulation also covers or otherwise deals with or relates to other matters), including any laws in the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth);
- (b) any subordinate or delegated legislation or statutory instrument in respect of, or issued under or in connection with, any law or regulation referred to in paragraph (a); or
- (c) any direction given by a Government Agency in relation to any law, regulation, legislation or instrument referred to in paragraph (a) or (b).

**Forward Looking-Information** has the meaning given in clause 9.4(a)(vii).

**Full Escrow Period** means the period commencing on the Completion Date and ending at the end of the day that is 24 months after the Completion Date.

**General Meeting** means the general meeting of InPayTech Shareholders to be convened by InPayTech and held on the General Meeting Date to consider the Shareholder Resolutions.

**General Meeting Date** means the date on which InPayTech holds the General Meeting, which, to the extent reasonably possible, is to be in accordance with the Timetable.

**Government Agency** means any government or any public, statutory, governmental (including a local government), semi-governmental or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute.

**GST** has the meaning given to that term in the GST Act.

**GST Act** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Half Escrow Period** means the period commencing on the Completion Date and ending at the end of the day that is 12 months after the Completion Date.

**Independent Expert** means the independent expert in respect of the Acquisition appointed by InPayTech.

**Independent Expert's Report** means the independent expert's report (and any supplementary report or materials) to be issued by the Independent Expert to accompany the notice of meeting for the General Meeting, which is to be prepared as required by ASIC policy and the Listing Rules.

**InPayTech Break Fee** means \$200,000.

**InPayTech Data Room** means the virtual data room established by InPayTech for the purpose of the proposed transaction between the parties and operated by Intralinks.

**InPayTech Director** means a director of InPayTech from time to time.

**InPayTech Disclosure Materials** means all written information and materials relating to InPayTech made available to Comply Path during the Due Diligence Period in the InPayTech Data Room, as included on the USB delivered to the Sellers or their lawyers by or on behalf of InPayTech on or prior to execution of this agreement.

**InPayTech Group** means InPayTech and its Subsidiaries and **InPayTech Group Member** means any one of them.

**InPayTech Information** means all information in the Explanatory Statement and in the Agreed Announcement but does not include the Comply Path Information.

**InPayTech Purchase Shares** means the New InPayTech Shares to be issued to the Sellers in their Respective Proportions in consideration for the transfer of the Sale Shares to InPayTech, as set out in Schedule 1.

**InPayTech Register** means the register of members of InPayTech.

**InPayTech Share** means a fully paid ordinary share in the capital of InPayTech.

**InPayTech Shareholder** means a person who is registered as a holder of InPayTech Shares.

**InPayTech's Board** means the board of directors of InPayTech from time to time.

**InPayTech's Constitution** means the constitution of InPayTech.

**InPayTech Warranties** means the representations and warranties of InPayTech set out in Schedule 3, and **InPayTech Warranty** means any one of them.

**Insolvency Event** means in relation to a person:

- (a) (*insolvency official*) the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) (*arrangements*) the entry by the person into a compromise or arrangement with its creditors generally;

- (c) (*winding up*) the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) (*suspends payments*) the person suspends or threatens to suspend payment of its debts as and when they become due;
- (e) (*ceasing business*) the person ceases or threatens to cease to carry on business;
- (f) (*insolvency*) the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) (*deregistration*) the person being deregistered as a company or otherwise dissolved;
- (h) (*deed of company arrangement*) the person executing a deed of company arrangement;
- (i) (*person as trustee or partner*) the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:
  - (i) a breach of trust or obligation as partner by the person;
  - (ii) the person acting outside the scope of its powers as trustee or partner;
  - (iii) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability; or
  - (iv) the assets of the trust or partnership being insufficient to discharge the liability; or
- (j) (*analogous events*) anything analogous to those set out in any of paragraphs (a) to (i) inclusive occurs in relation to the person under the laws of a foreign jurisdiction.

**Intellectual Property Licences** means any licences granted to an InPayTech Group Member or Comply Path Group Member (as applicable) in respect of Intellectual Property Rights.

**Intellectual Property Rights** means all present and future intellectual and industrial property rights conferred by statute, at common law or in equity and wherever existing, including:

- (a) patents, designs, copyright, rights in circuit layouts, plant breeder's rights, trade marks, know how, brand names, domain names, inventions, product names, trade secrets and any other rights subsisting in the results of intellectual effort in any field, whether or not registered or capable of registration;
- (b) any application or right to apply for registration of any of these rights;
- (c) any registration of any of those rights or any registration of any application referred to in paragraph (b); and
- (d) all renewals and extensions of these rights.

**Law** means:

- (a) principles of law or equity established by decisions of courts;

- (b) statutes, regulations or by-laws of the Commonwealth of Australia, or any State or Territory of the Commonwealth of Australia or a Government Agency; and
- (c) requirements and approvals (including conditions) of the Commonwealth of Australia, or any State or Territory of the Commonwealth of Australia or a Government Agency that have the force of law.

**Leakage** means:

- (a) any dividend or distribution of profits or assets declared, or any payments in lieu of any dividend or distribution, paid or made or any repurchase, redemption or return of share or loan capital paid or agreed to be paid, in each case by any Comply Path Group Member to, or for the direct benefit of, any Seller (or its Related Parties);
- (b) in respect of the Comply Path Group, any amount paid or payable by any Comply Path Group Member at any time in respect of its Transaction Costs to the extent that such payments result in the aggregate amount of all of its Transaction Costs paid or payable by the Comply Path Group since the Accounts Date exceeding its Target Transaction Costs;
- (c) any payments made by any Comply Path Group Member to (or assets transferred to or liabilities assumed or incurred by any Comply Path Group Member for the direct benefit of) any Seller (or its Related Parties);
- (d) the waiver by any Comply Path Group Member of any amount owed to it by any Seller (or its Related Parties);
- (e) any transfer of an asset to or assumption of a Liability by any Comply Path Group Member at an overvalue, in each case from any Seller (or its Related Parties); and/or
- (f) any agreement, arrangement or understanding to do any of the foregoing,

but does not include any Permitted Leakage Payment.

**Licensed Premises** means Part Folio Identifier 31/SP88803 being the agreed number of desks out of the 38 desks contained in the premises known as Suite 5.01, Level 5, 28 Margaret Street Sydney that is subject to a Property License.

**Liability** means liability or obligation, whether known or unknown, liquidated or unliquidated, present, contingent or prospective.

**Listing Rules** means the official Listing Rules of the ASX as amended or waived from time to time.

**Locked Box Date** means the Accounts Date as it relates to the Comply Path Group Accounts.

**Loss** means losses, liabilities, damages, costs, charges and expenses.

**Management Accounts** means the unaudited monthly management accounts of Comply Path for the period from the Accounts Date to Completion.

**Merged Group** means the combination of the InPayTech Group and the Comply Path Group, as comprised by InPayTech and its Subsidiaries following completion of the Acquisition.

**New InPayTech Shares** means 573,260,447 InPayTech Shares.

**Owned Intellectual Property Rights** means all Intellectual Property Rights used by an InPayTech Group Member or Comply Path Group Member (as applicable) in connection with the either business, but excluding the Intellectual Property Licences.

**Permitted Leakage Payment** means any payment made or agreed to be made (whether in cash or in kind in each case) by a Comply Path Group Member to the extent it:

- (a) comprises Transaction Costs, to the extent that such Transaction Costs do not exceed the Target Transaction Costs;
- (b) is included as a specific reserve, allowance, accrual or provision in the Accounts or the Management Accounts;
- (c) comprises ordinary course salary and other remuneration (including director's fees in accordance with past practice (as to quantum and timing) of the relevant party);
- (d) is expressly approved in writing by InPayTech as a "Permitted Leakage Payment".

**Prescribed Occurrence** means the occurrence of any of the following on or after the date of this agreement:

- (a) InPayTech or Comply Path (as applicable) converts all or any of its shares into a larger or smaller number of shares;
- (b) InPayTech or Comply Path (as applicable) reduces or resolves to reduce its share capital in any way;
- (c) InPayTech or Comply Path (as applicable) buys-back or resolves to buy-back its shares;
- (d) InPayTech pays any amount at any time in respect of its Transaction Costs to the extent that such payments result in the aggregate amount of all of its Transaction Costs paid or payable by InPayTech exceeding its Target Transaction Costs;
- (e) any InPayTech all Group Member or Comply Path Group Member (as applicable) issues securities, or grants a performance right or an option over its securities or to subscribe for its securities, or agrees to make such an issue or grant such a right or an option (other than in accordance with this agreement);
- (f) any InPayTech Group Member or Comply Path Group Member (as applicable) issues, or agrees to issue, convertible notes or any other security or instrument convertible into shares;
- (g) any InPayTech Group Member or Comply Path Group Member (as applicable) disposes, or agrees to dispose, of any assets, properties or businesses;
- (h) any InPayTech Group Member or Comply Path Group Member (as applicable) acquires, or agrees to acquire, any assets, properties or businesses;
- (i) any InPayTech Group Member or Comply Path Group Member (as applicable) enters into a commitment or a series of commitments for capital expenditure;
- (j) any InPayTech Group Member or Comply Path Group Member (as applicable) creates or agrees to create, any Encumbrance over the whole, or a substantial part, of its business or property;
- (k) an Insolvency Event occurs in relation to any InPayTech Group Member or Comply Path Group Member (as applicable);

- (l) InPayTech or Comply Path (as applicable) pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution;
- (m) any InPayTech Group Member or Comply Path Group Member (as applicable) makes any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any InPayTech Group Member or Comply Path Group Member (as applicable);
- (n) any InPayTech Group Member or Comply Path Group Member (as applicable) ceases, or threatens to cease to, carry on the business conducted as at the date of this agreement;
- (o) any InPayTech Group Member or Comply Path Group Member (as applicable) (other than a dormant, non-operating member) being deregistered as a company or being otherwise dissolved;
- (p) any disposal of shares or securities by InPayTech Group Member or Comply Path Group Member (as applicable) in any member of that group; or
- (q) any InPayTech Group Member or Comply Path Group Member (as applicable) authorising, committing or agreeing to take or announcing any of the actions referred to in clause 6.1(b) insofar as it applies to the InPayTech Group Member or Comply Path Group Member (as applicable) the subject of such authorisation, commitment, agreement or announcement,

provided that a Prescribed Occurrence will not include:

- (r) any matter required to be done or procured by an InPayTech Group Member or Comply Path Group Member (as applicable) pursuant to this agreement; or
- (s) any matter the undertaking of which the other party (being either InPayTech or Comply Path as applicable) has approved in writing.

**Privacy Law** means

- (a) the *Privacy Act 1988* (Cth);
- (b) any other requirement under Australian law, industry code, policy or statement relating to the handling of personal information;
- (c) any other international, federal, state and local laws, rules, regulations, directives and governmental requirements relating in any way to the privacy, data protection, confidentiality or security of personal information; and
- (d) any mandatory industry standards concerning privacy, data protection, confidentiality or security of personal information.

**Property License** means the license between Managed Accounts Holdings Limited (as licensor) and InPayTech (as licensee) dated 24 August 2016 in respect of the Licensed Premises.

**Records** means printed or any other readable form, of all files, reports, records, accounts, registers, correspondence, documents and other material relating to or used by an InPayTech Group Member or a Comply Path Group Member (as applicable) or by the business of the Comply Path Group or InPayTech Group (as applicable) on or before Completion, including:

- (a) minute books, statutory books and registers, books of account and copies of business activity statements, fringe benefit tax and payroll tax returns;
- (b) sales literature, market research reports, brochures and other promotional material (including printing blocks, negatives, soundtracks and associated materials);
- (c) lists of all clients, suppliers and customers;
- (d) financial records and accounts including ledgers, journals and books of account;
- (e) records of wages, employment benefits and other payroll and personnel information;
- (f) records of and relating to the contracts entered into by a Comply Path Group Member or an InPayTech Group Member (as applicable); and
- (g) all other data, however recorded, owned or used by a Comply Path Group Member or an InPayTech Group Member (as applicable) which relates to a Comply Path Group Member or an InPayTech Group Member (as applicable) or the business of the Comply Path Group or InPayTech Group (as applicable).

**Registry** means the share registry appointed by InPayTech from time to time.

**Regulatory Approvals** mean:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Regulatory Authority; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgement, filing, registration or notification; the expiry of that period without intervention or action.

**Regulatory Authority** means:

- (a) any governmental or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; or
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation of the listing rules of any recognised stock or securities exchange.

**Related Body Corporate** means, in relation to a person, a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted.

**Related Entity** has the meaning given to that term in section 9 of the Corporations Act.

**Related Party** has the meaning given in section 228 of the Corporations Act, other than under section 228(6) of the Corporations Act.

**Relevant Interest** has the meaning given in the Corporations Act.

**Relevant Law** means the Law and any one or more or all of the following, as the context requires:

- (a) the InPayTech Constitution;



- (b) Privacy Laws;
- (c) Financial Services Laws;
- (d) to the extent binding on any party, any regulatory guide, policy statement, class order, declaration, guidelines, policy or procedure pursuant to the provisions of which ASIC is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any Law or any conduct or proposed conduct of any person pursuant to any such Law.

**Requisite Majorities** means:

- (a) in relation to each of the Shareholder Resolutions, by more than 50% of the total number of votes cast at the General Meeting (whether in person, by proxy or representative) with no votes cast in favour of the resolution by any Seller (or their Associates) in accordance with item 7 of section 611 of the Corporations Act (for the purposes of paragraph (a) of the definition of Shareholder Resolutions, and in accordance with Listing Rule 11.1.2 (for the purposes of paragraph (b) of the definition of Shareholder Resolutions); and
- (b) in relation to any other resolution to be passed by InPayTech Shareholders, the majority required to pass such resolutions under the Corporations Act or under the Listing Rules.

**Respective Proportion** means, in respect of each Seller, the proportion that Seller's Sale Shares bear to all of the Shares, expressed as a percentage and set out in Schedule 1.

**Sale Shares** means all of the Shares.

**Securities** means shares, preference shares, warrants or options to acquire shares or rights or securities convertible, exchangeable or exercisable into, shares, preference shares, warrants or options.

**Seller Nominee Director** means an InPayTech Director nominated by the Sellers who is a representative of the Sellers.

**Seller Warranties** means the representations and warranties of each Seller set out in Schedule 5, and **Seller Warranty** means any one of them.

**Seller Warrantors** means each Seller.

**Shareholder Resolutions** means the following resolutions to be put to InPayTech Shareholders at the General Meeting in a form agreed in writing by InPayTech and Comply Path, which will not be passed unless approved by the Requisite Majorities:

- (a) A resolution to approve the issue of the New InPayTech Shares to the Sellers under Listing Rule 7.1 substantially in the form of Part A of Schedule 6;
- (b) a resolution to approve the acquisition by Unlocked Investments Pty Ltd, Digital Niche Investments Pty Limited, GJB Consulting Pty Ltd and InPayTech of a Relevant Interest in InPayTech Purchase Shares under the terms of this agreement under item 7 of section 611 of the Corporations Act substantially in the form of Part B of Schedule 6;
- (c) a resolution to approve the transaction under the terms of this agreement under Listing Rule 11.1.2 substantially in the form of Part C of Schedule 6; and

- (d) any other resolution that must be passed by InPayTech Shareholders in order to implement the transactions contemplated by this agreement.

**Share** means a fully paid ordinary share in the capital of Comply Path.

**Specific Indemnity** means the specific indemnity given under clause 8.4.

**Specific Indemnity Claim** means a claim under the Specific Indemnity.

**Specified Executive** means:

- (a) in relation to InPayTech, each of Don Sharp, Paul Collins and Dean Martin.
- (b) in relation to Comply Path, each of Trent Lund, Joe Brasacchio and Randolph Clinton.

**Stamp Duty** means any stamp, transaction or registration tax or charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount in respect of such tax or charge but excludes any GST.

**Subsidiary** has the meaning given to that term in section 46 of the Corporations Act.

**Target Transaction Costs** means:

- (a) in relation to the Comply Path Group, \$150,000; and
- (b) in relation to the InPayTech Group, \$250,000.

**Tax, Taxes or Taxation** means all forms of present and future taxes, excise, Stamp Duty or other duties, imposts, deductions, charges, withholdings, rates, levies or other governmental impositions imposed, assessed or charged by any Government Agency, together with all interest, penalties, fines, expenses and other additional statutory charges relating to any of them, imposed or withheld by a Government Agency.

**Tax Act** means the *Income Tax Assessment Act 1936 (Cth)*, the *Income Tax Assessment Act 1997 (Cth)* or the *Taxation Administration Act 1953 (Cth)* as the case may be.

**Tax Claim** means any Claim, demand, legal proceedings or cause of action in respect of Tax including any claim, demand, legal proceedings or cause of action arising from a breach of a Tax Warranty.

**Tax Law** means a law relating to Tax.

**Tax Warranty** means:

- (a) in relation to the Comply Path Warranties, warranties 8, 9 and 10 set out in Schedule 4; and
- (b) in relation to InPayTech, warranties 8, 9 and 10 set out in Schedule 3.

**Third Party** means a person other than InPayTech, Comply Path or their respective Related Bodies Corporate or Associates.

**Timetable** means the indicative timetable for the implementation of the Acquisition contemplated in this agreement as set out in Schedule 2, subject to any modifications as InPayTech and Comply Path may agree in writing.

**Transaction Costs** means any financial, accounting, tax, legal and other advisory fees and costs (including GST and disbursements) incurred (or to be incurred) in connection with the preparation for, negotiation and implementation of the Acquisition.

**Voluntary Escrow Deed** means a voluntary escrow deed between InPayTech and each Seller in a form reasonably acceptable to InPayTech that provides that:

- (a) 50% of the respective Seller's InPayTech Purchase Shares will be voluntarily escrowed for the Full Escrow Period; and
- (b) 50% of the respective Seller's InPayTech Purchase Shares will be voluntarily escrowed for the Half Escrow Period.

**Warranties** means the InPayTech Warranties, the ComplyPath Warranties and the Seller Warranties and **Warranty** means any InPayTech Warranty, ComplyPath Warranty or Seller Warranty.

## 1.2 Interpretation

In the interpretation of this agreement, the following provisions apply unless the context otherwise requires:

- (a) a reference to 'dollars' or '\$' means Australian dollars and all amounts payable under this agreement are payable in Australian dollars;
- (b) an expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency;
- (c) where a word or phrase is given a defined meaning another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;
- (d) a word which indicates the singular also indicates the plural, a word which indicates the plural also indicates the singular, and a reference to any gender also indicates any other gender;
- (e) a reference to the word 'include' or 'including' is to be interpreted without limitation;
- (f) a reference to the word 'owing' means actually or contingently owing, and 'owe' and 'owed' have an equivalent meaning;
- (g) a reference to a party, clause, part, schedule, annexure or attachment is a reference to a party, clause, part, schedule, annexure or attachment of or to this agreement;
- (h) a reference to any document or agreement is to that document or agreement as amended, novated, supplemented or replaced;
- (i) the schedules, annexures and attachments form part of this agreement;
- (j) headings are inserted for convenience only and do not affect the interpretation of this agreement; and
- (k) a reference to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision, in either case whether before, on or after the date of this agreement.

## 1.3 References to and calculations of time

In this agreement, unless the context otherwise requires:

- (a) a reference to a time of day means that time of day in the place whose laws govern the construction of this agreement;

- (b) where a period of time is specified and dates from a given day or the day of an act or event it must be calculated exclusive of that day; and
  - (c) a term of this agreement which has the effect of requiring anything to be done on or by a date which is not a Business Day must be interpreted as if it required it to be done on or by the next Business Day.
- 

## **2. Sale and purchase of the sale shares**

### **2.1 Sale and purchase**

Subject to the terms and conditions of this agreement, the Sellers must sell, and InPayTech must buy, the Sale Shares in consideration for the issue to the Sellers of the InPayTech Purchase Shares on the terms of this agreement.

### **2.2 Transfer of the Sale Shares**

Subject to the satisfaction of the Conditions, each Seller irrevocably agrees to:

- (a) transfer to InPayTech all of the Sale Shares free from Encumbrances and together with all rights attaching to them, including all accrued rights to dividends;
- (b) become a member of InPayTech and be bound by InPayTech's Constitution.

### **2.3 Issue of InPayTech Purchase Shares**

In consideration for the transfers referred to in clause 2.2, on Completion InPayTech must issue to the Sellers the InPayTech Purchase Shares.

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## **3. Conditions**

### **3.1 General condition precedent**

The respective obligations of the parties under this agreement are conditional on the independent expert's report concluding that the transaction contemplated by this agreement is fair and reasonable, or not fair but reasonable.

### **3.2 Conditions precedent**

Subject to this clause 3.2, the respective obligations of the parties under clauses 2, 4.1(a)(v) and 4.1(a)(vi) will not be binding until each of the following conditions precedent have been satisfied or waived in accordance with clause 3.3:

- (a) (*Shareholder Resolutions*) the Shareholder Resolutions being validly passed by the Requisite Majorities at the General Meeting;
- (b) (*Voluntary escrow*) Comply Path provides to InPayTech a Voluntary Escrow Deed from each Seller.

If there is any inconsistency between this clause 3 and clauses 2, 4.1(a)(v) and 4.1(a)(vi), prior to the termination of this agreement under clause 3.4, the obligations in clauses 2, 4.1(a)(v) and 4.1(a)(vi) will prevail to the extent of that inconsistency.

### **3.3 Benefit of Conditions and waiver**

The Conditions set out in clauses 3.1, and 3.2(b) are for the benefit of InPayTech. A party for whose benefit a Condition is included may waive the Condition in whole or in part at any time

by written notice to the other party. Any waiver pursuant to this clause must be in writing and will be irrevocable. The Condition set out in clause 3.2(a) has been inserted to meet legal requirements and may not be waived.

### **3.4 Effect of failure to satisfy Conditions**

If all of the Conditions are not satisfied or, to the extent they are capable of waiver, waived by the party or parties for whose benefit they are included by 5.00 pm on the Cut Off Date, any party may, at any time after 5.00 pm on the Cut Off Date, but before satisfaction of all of the Conditions, terminate this agreement by written notice to the other parties.

### **3.5 Reasonable endeavours**

Each of InPayTech and ComplyPath will use reasonable endeavours to procure that each of the Conditions are satisfied as soon as reasonably practicable after the date of this agreement and continues to be satisfied at all times until the last time they are to be satisfied (as the case may require) and must not do anything which would prevent any applicable Condition from being satisfied.

### **3.6 Notifications**

Each of InPayTech and Comply Path must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the others in writing if it becomes aware that any Condition has been satisfied, in which case that party must comply with any reasonable request for evidence of the satisfaction of that Condition made by the other parties; and
- (c) promptly notify the others in writing if it becomes aware that any Condition is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 3.5).

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## **4. Implementation of acquisition**

### **4.1 InPayTech obligations**

- (a) InPayTech must use its best endeavours to implement the Acquisition substantially in accordance with the Timetable, including taking each of the following steps:
  - (i) *(ASIC Modifications, ASX confirmation and ASX Waivers)* apply for the ASX Confirmation and any ASX Waivers and ASIC Modifications as may be necessary to enable the Acquisition to proceed;
  - (ii) *(Recommendation)* state in the Explanatory Statement and the public announcement contemplated in clause 14.3 that, subject to the Independent Expert concluding in the Independent Expert's Report that the Acquisition is fair and reasonable, or not fair but reasonable:
    - (A) InPayTech's Board unanimously recommends that the InPayTech's Shareholders approve the Shareholder Resolutions and not withdraw that recommendation or make any public statement inconsistent with that recommendation; and
    - (B) each member of InPayTech's Board intends to cause any InPayTech Shares in which they have a Relevant Interest to be voted in favour

of the Shareholder Resolutions and not withdraw that statement or make any public statement inconsistent with that statement,

unless there has been a change of recommendation permitted by clause 4.5;

- (iii) (*Notice of meeting*) before the notice of meeting for the General Meeting is sent to InPayTech Shareholders, prepare and lodge with ASIC a copy of the notice of meeting and any document relating to the Shareholder Resolutions that will accompany the notice of meeting to be sent to InPayTech Shareholders (including the Explanatory Statement and the Independent Expert's Report to be annexed to it) in accordance with ASIC Regulatory Guide 74;
- (iv) (*General Meeting*) convene and hold the General Meeting;
- (v) (*Issue of InPayTech Purchase Shares*) if the Shareholder Resolutions have been properly passed and approved by the Requisite Majorities, issue the InPayTech Purchase Shares to the Sellers in accordance with clause 2.3; and
- (vi) (*ASIC and ASX*) lodge any necessary documents or forms with ASIC or ASX to complete the Acquisition, including by:
  - (A) providing to ASX a written notice that complies with section 708A(6) of the Corporations Act immediately after the issue of InPayTech Purchase Shares; and
  - (B) lodging an Appendix 3B with ASX reflecting the issue of the InPayTech Purchase Shares.

#### **4.2 Draft notice of meeting**

- (a) InPayTech must as soon as reasonably practicable after the date of this agreement provide ComplyPath with a draft copy of the notice of meeting referred to in clause 4.1(a)(iii), the Explanatory Statement, the Independent Expert's Report and any other explanatory materials which will accompany the notice as well as a draft copy of any supplementary information referred to in clause 4.1(a)(v).
- (b) InPayTech must reasonably and in good faith consult with ComplyPath in relation to the drafts. If after a reasonable period of consultation, ComplyPath and InPayTech are unable to agree on the form or content of the Explanatory Statement:
  - (i) where the determination relates to Comply Path Information, Comply Path will make the final determination as to the form and content of the Comply Path Information; and
  - (ii) in any other case, InPayTech will make the final determination as to the form and content of the Explanatory Statement.

#### **4.3 Explanatory Statement content and responsibility statements**

The Explanatory Statement will contain a responsibility statement to the effect that:

- (a) Comply Path is responsible for the Comply Path Information contained in the Explanatory Statement, and that Comply Path and the Sellers do not assume responsibility for the accuracy or completeness of the InPayTech Information; and

- (b) InPayTech is responsible for the InPayTech Information contained in the Explanatory Statement, and that InPayTech does not assume responsibility for the accuracy or completeness of the Comply Path Information.

#### 4.4 Comply Path obligations

Comply Path must take all reasonable and necessary steps to assist InPayTech to implement the Acquisition, including taking each of the following steps:

- (a) (*Comply Path Information*) provide to InPayTech for inclusion in the Explanatory Statement such information regarding ComplyPath as InPayTech reasonably requires to prepare and issue the Explanatory Statement (including consent to the form and context in which the Comply Path Information appears in the Explanatory Statement);
- (b) (*Review of Explanatory Statement*) review the drafts of the Explanatory Statements and provide comments on those drafts in good faith; and
- (c) (*Approval of Explanatory Statement*) as soon as practicable when the final draft of the Explanatory Statement is provided by InPayTech, procure that a meeting of Comply Path's Board is convened to approve those sections of the Explanatory Statement that relate to ComplyPath as being in a form appropriate for despatch to the InPayTech Shareholders.

#### 4.5 InPayTech Board recommendation

- (a) InPayTech must use reasonable endeavours to procure that, subject to clause 4.5(b), the members of InPayTech's Board unanimously recommend that InPayTech Shareholders vote in favour of the Shareholder Resolutions subject to the Independent Expert concluding in the Independent Expert's Report that the Acquisition is fair and reasonable, or not fair but reasonable, and that the Explanatory Statement and the Agreed Announcement include a statement by InPayTech's Board to that effect.
- (b) InPayTech must use reasonable endeavours to procure that InPayTech's Board collectively, and members of InPayTech's Board individually, do not change, withdraw or modify its, his or her recommendation to vote in favour of the Shareholder Resolutions unless:
  - (i) the Independent Expert provides a report to InPayTech (including either the Independent Expert's Report or any update of, or any revision, amendment or supplement to, that report) that concludes that the Acquisition is fair and reasonable, or not fair but reasonable; or
  - (ii) InPayTech's Board has determined, after receiving written legal advice from its external legal advisers, that InPayTech's Board, by virtue of the directors' duties of the members of InPayTech's Board, is required to change, withdraw or modify its recommendation.

For the purposes of this clause, customary qualifications and explanations contained in the Explanatory Statement and the Agreed Announcement in relation to a recommendation to vote in favour of the Shareholder Resolutions to the effect that the recommendation is made and subject to the Independent Expert concluding in the Independent Expert's Report and continuing to conclude that the Acquisition is fair and reasonable, or not fair but reasonable, will not be regarded as a failure to make, or a change, withdrawal or modification of, a recommendation in favour of the Shareholder Resolutions.

## 5. Completion

### 5.1 Date and place for Completion

Subject to satisfaction (or waiver) of the Conditions, Completion must take place on the Completion Date.

### 5.2 Acquisition completion

(a) On Completion, Comply Path will:

- (i) cancel the existing share certificates in respect of each Seller's Sale Shares;
- (ii) cause the Comply Path Register to be updated to reflect the Acquisition and issue a share certificate for all of the Sale Shares to InPayTech;
- (iii) deliver to InPayTech:
  - (A) the statutory books, registers and minute books of Comply Path (including its certificate of incorporation and any certificates of registration on change of name), which will be satisfied by making them available to InPayTech at Comply Path's registered office;
  - (B) duly executed transfers in favour of InPayTech of the Sale Shares and the share certificates for the Sale Shares;
  - (C) written resignation of Joe Brasacchio as director of each Comply Path Group Member, acknowledging that he has no claim for fees, entitlements, salary or compensation for loss of office or otherwise against a Comply Path Group Member;
  - (D) deliver executed consents to act as officers of each Comply Path Group Member by the incoming Seller Nominee Directors;
  - (E) a certified copy of a resolution of directors of Comply Path resolving to:
    - (1) cause the Comply Path Register to be updated to reflect the Acquisition and issue a share certificate for all of the Sale Shares to InPayTech;
    - (2) cancel the existing share certificates in respect of each Seller's Sale Shares; and
    - (3) subject to them consenting to act, the persons nominated by InPayTech be appointed as the director(s) and secretary of Comply Path; and
- (iv) provide such notices and documentation to any relevant regulatory authorities as may be required by law.

(b) On Completion, InPayTech will:

- (i) instruct the Registry to issue a holding statement to each Seller for the number of InPayTech Purchase Shares held by them;
- (ii) instruct the Registry to update the InPayTech Register accordingly;



- (iii) provide such notices and documentation to any relevant regulatory authorities as may be required by law; and
- (iv) deliver executed consents to act as officers of each Comply Path Group Member by the incoming director(s) and incoming secretary.

### **5.3 Undertaking regarding Acquisition**

For the purpose of giving effect to the Acquisition in accordance with the terms of this agreement, each Seller will promptly do all things reasonably required of him, her or it by Comply Path's Board or InPayTech's Board.

### **5.4 Interdependence**

The obligations of the parties at Completion are interdependent. All actions at Completion will be deemed to take place simultaneously and no delivery or payment will be deemed to have been made until all deliveries and payments have been made.

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## **6. Conduct of business before the completion date**

### **6.1 Carrying on business before the Completion Date**

- (a) From the date of this agreement up to and including the Completion Date, InPayTech and Comply Path must each conduct its business in the ordinary and usual course of business and:
  - (i) operate its businesses consistent with past practice, in substantially the same manner as previously conducted;
  - (ii) use reasonable endeavours to preserve its relationships with customers, suppliers, landlords, licensors, licensees, fund managers, funds and others having material business dealings with them, and to retain the services of all key employees;
  - (iii) use reasonable endeavours to ensure that all assets are maintained in the normal course of business consistent with past practice;
  - (iv) use reasonable endeavours to comply in all material respects with all material contracts to which a member of the InPayTech Group or Comply Path Group (as applicable) is a party;
  - (v) in accordance with all applicable laws, authorisations and licenses; and
  - (vi) not take or fail to take any action that constitutes a Prescribed Occurrence or that could reasonably be expected to result in a Prescribed Occurrence.
- (b) Without limiting clause 6.1(a) but subject to clause 6.1(c), InPayTech and Comply Path must not, from the date of this agreement up to and including the Completion Date, do any of the following (or agree or offer to do any of the following):
  - (i) incur any additional financial indebtedness or guarantee or indemnify the obligations of any person, other than in the usual and ordinary course of business and consistent with past practice;
  - (ii) declare or pay a dividend (other than a dividend that has been declared as at the date of this agreement);

- (iii) (except as required by law or as provided in an existing contract in place as at the date of this agreement) make any material change to the terms of employment of (including increasing the remuneration or compensation of), or grant or pay any bonus, retention, severance or termination payment to, any director, executive or fund manager of a InPayTech Group Member or Comply Path Group Member (as applicable);
- (iv) (except as pursuant to contractual arrangements in effect on the date of this agreement) enter into any enterprise bargaining agreement or similar collective employment agreement;
- (v) in respect of any single transaction or series of related or similar transactions, acquire or dispose of any interest in a business, real property, entity or undertaking;
- (vi) incur or enter into any commitment or commitments involving capital expenditure whether in one transaction or a series of related transactions;
- (vii) enter into, vary or terminate any contract (including a management agreement or outsourcing agreement), joint venture, partnership or commitment (or any series of related contracts, joint ventures, partnerships or commitments);
- (viii) enter into any new financing arrangement, agreement or otherwise provide financial accommodation other than with a InPayTech Group Member or Comply Path Group Member (irrespective of what form that accommodation takes), or amend the terms of any existing financing arrangement, agreement or instrument;
- (ix) enter into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments, except foreign currency hedges or interest rate hedges (including basis swaps on interest rates, such that the net period for the floating interest on the swaps is the same period as the net floating interest period on the relevant loan) made in the ordinary course of business consistent with past practice and in accordance with existing policy as at the date of this agreement;
- (x) give or agree to give any financial benefit to one of its Related Parties;
- (xi) pay any fee to any adviser where such fee is contingent on the implementation of the transactions contemplated under this agreement (other than as disclosed in writing to the other party before the date of this agreement);
- (xii) issue, or agree to issue, or grant an option to subscribe for, debentures (as defined in section 9 of the Corporations Act) other than under an existing financing arrangement which has been disclosed in writing to the other party before the date of this agreement;
- (xiii) alter in any material respect any accounting policy of any InPayTech Group Member or Comply Path Group Member other than any change required by the Accounting Standards; or
- (xiv) amend in a material respect or terminate any existing management agreement, shareholders' agreement, joint venture agreement or other

similar investor agreements or arrangements, or enter into any management agreement, shareholders agreement, joint venture agreement or other similar investor agreement or arrangement.

- (c) The obligations of InPayTech and ComplyPath (as applicable) under clauses 6.1(a) and 6.1(b) do not apply in respect of any matter:
  - (i) undertaken by an InPayTech Group Member in conducting its businesses in the usual and ordinary course and consistent with past practice;
  - (ii) undertaken by a Comply Path Group Member in conducting its businesses in the usual and ordinary course and consistent with past practice;
  - (iii) required to be done or procured by a party pursuant to, or which is otherwise contemplated by, this agreement; or
  - (iv) the undertaking of which the other party has approved in writing (which approval must not be unreasonably withheld or delayed).

## **6.2 Access to information**

Prior to the Completion Date:

- (a) each of InPayTech and Comply Path must keep the other party reasonably informed of all material developments relating to the InPayTech Group and Comply Path Group (as applicable) and provide to the other party monthly management, financial and operational reports provided to its board; and
- (b) each of InPayTech and Comply Path must share such information as is reasonably required to implement the transactions contemplated under this agreement.

## **6.3 Consent to transfer**

- (a) Comply Path hereby waives its buy-back right under clause 9.2 of the Existing Shareholders Deed, and any other pre-emptive right in relation to the Sale Shares existing under the Existing Shareholders Deed or otherwise.
- (b) Each of the Sellers hereby, and for valuable consideration:
  - (i) consents to the transfer of the Sale Shares under clause 8.1(b) of the Existing Shareholders Deed;
  - (ii) waives all pre-emptive rights in relation to the Sale Shares that may exist under the Existing Shareholders Deed or otherwise; and
  - (iii) agrees that the Existing Shareholders Deed will terminate immediately upon Completion.

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## **7. Leakage**

### **7.1 Leakage covenants**

Each Seller severally but not jointly represents and warrants to InPayTech that no Leakage in favour of that Seller has occurred since the Locked Box Date to the date of this agreement and undertakes to ensure until Completion that no Leakage occurs in favour of that Seller.

## **7.2 Leakage indemnity**

- (a) In the event of any breach of clause 7.1 by a Seller, that Seller shall indemnify InPayTech in respect of, and shall be severally liable to pay to InPayTech (or such member of the InPayTech Group as InPayTech directs) on demand an aggregate amount in cash equal to the amount of, any Leakage in favour of that Seller.
- (b) All sums payable by a Seller pursuant to this clause 7 shall be paid free and clear of all deductions or withholdings (including Tax) unless the deduction or withholding is required by law, in which event or in the event that the other party or any member of the Comply Path Group shall incur any liability for Tax chargeable or assessable in respect of any payment pursuant to this clause, the relevant Seller shall at the same time pay such additional amounts, as relevant, as shall be required to ensure that the net amount received and retained by the InPayTech Group (after Tax) will equal the full amount which would have been received and retained by it had no such deduction or withholding been made and/or no such liability to Tax been incurred.

## **7.3 Notice**

Each Seller undertakes to notify InPayTech in writing as soon as reasonably practicable after becoming aware of any receipt of the benefit of Leakage by that Seller.

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## **8. Representations and warranties**

### **8.1 InPayTech Warranties**

InPayTech represents and warrants to each Seller that each of the InPayTech Warranties is true and correct as at the date of this agreement and at the Completion Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

### **8.2 Seller Warranties**

Each Seller Warrantor severally represents and warrants to InPayTech, in respect of itself and the Sale Shares held by it only, that each of the Seller Warranties is true and correct as at the date of this agreement and at the Completion Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

### **8.3 Comply Path Warranties**

Each Seller Warrantor severally represents and warrants, in their Respective Proportions, to InPayTech that each of the Comply Path Warranties is true and correct as at the date of this agreement and at the Completion Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).

### **8.4 Information Indemnity**

Each Seller severally, in their Respective Proportions, indemnifies InPayTech in relation to any claim arising from or in connection with reliance on the Comply Path Information which is false or misleading or omits material particulars.

### **8.5 Notifications**

InPayTech will promptly advise the Seller Warrantors and Comply Path and each Seller Warrantor will promptly advise InPayTech in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties or the Specific Indemnities given by it under this clause 8.

## 8.6 Survival of representations

Each representation and warranty in clause 8.1, 8.2, 8.3 and 8.4:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this agreement.

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## 9. Qualifications and limitations on claims

### 9.1 Disclosure

- (a) Each of InPayTech and each Seller Warrantor acknowledges and agrees that each other party has disclosed or is deemed to have disclosed against the Warranties, and each of InPayTech and each Seller Warrantor is aware of and will be treated as having actual knowledge of, all facts, matters and circumstances that:
  - (i) are provided for or described in this agreement;
  - (ii) are fairly disclosed in the information contained in the Disclosure Materials;
  - (iii) as at the Business Day immediately prior to the date of this agreement, are or would be disclosed by a search of any public register in Australia capable of being searched, including the Personal Property Securities Register, the public register of ASIC, IP Australia;
  - (iv) would have been disclosed by a search of the public registers maintained by the High Court, the Federal Court and the Supreme Courts in each State and Territory of Australia and Land and Property Information, New South Wales on 31 October 2020; or
  - (v) are within the actual knowledge of a Specified Executive as at the date of this agreement.
- (b) The Warranties are given subject to the disclosures or deemed disclosures described in clause 9.1(a). Each of InPayTech and each Seller Warrantor will have no liability under the Warranties to the extent that disclosure is made or is deemed to have been made against the Warranties under this clause 9.1.
- (c) A party must not make a Claim and a party will not be in breach of a Warranty, if the facts, matters or circumstances giving rise to such Claim are disclosed or are deemed to have been disclosed under clause 9.1(a).
- (d) Subject to the Warranties, each party acknowledges and agrees that no other party:
  - (i) accepts any duty of care in relation to each other party in respect of any disclosure or the provision of any information; nor
  - (ii) to the maximum extent permitted by law, is liable to another party other than under this agreement if, for whatever reason, any disclosure or information is or becomes inaccurate, incomplete or misleading in any way.

## 9.2 Fair disclosure

For the purposes of the Warranties, a matter is "fairly disclosed" if the matter is disclosed in sufficient detail so as to enable a reasonable purchaser of the Sale Shares, or a reasonable subscriber for the InPayTech Purchase Shares (as the case may be), experienced in transactions of the nature of the Acquisition and familiar with the operation of businesses similar to the business carried on by the InPayTech Group or the ComplyPath Group (as applicable), to fairly assess or identify the nature, import and significance of the matter.

## 9.3 Awareness

Where a Warranty is given 'to the best of a party's knowledge', or 'so far as the party is aware', or with a similar qualification as to the party's awareness or knowledge, the party's awareness is limited to those facts, matters or circumstances of which a Specified Executive is actually aware as at the date of this agreement or would be aware of the fact, matter or circumstance if that Specified Executive had made reasonable enquiries of the persons and records likely to be relevant to the accuracy of the Warranty having regard to the Specified Executive's position and circumstances.

## 9.4 Acknowledgements

- (a) For the purpose of and in relation to or in connection with clause 9.9, each party acknowledges to each other party that:
  - (i) at no time has any Seller Warrantor, InPayTech Group Member or Comply Path Group Member (as the case may be) or any person on any of their behalf, made or given and no Seller Warrantor, InPayTech Group Member or Comply Path Group Member (as the case may be) has relied on, any representation, warranty, promise or undertaking in respect of the future financial performance or prospects of InPayTech (in the case of InPayTech Group Members) or ComplyPath (in the case of Comply Path Group Members or the Seller Warrantors), except those expressly set out in this agreement (including in the Warranties) and in any event, without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, the only rights or remedies in relation to any representation, warranty, assurance, covenant, undertaking or commitment given or action taken in connection with this agreement are those pursuant to this agreement and no party has any other right or remedy (whether by way of a claim for contribution or otherwise) in tort (including negligence) or for misrepresentation (whether negligent or otherwise, and whether made prior to, or in, this agreement);
  - (ii) they have not relied on anything other than the warranties given and the statements made in this agreement (including the Warranties) in agreeing to undertake the Acquisition and, in particular, no representations, warranties, promises, undertakings, statements or conduct have:
    - (A) induced or influenced InPayTech, Comply Path or a Seller Warrantor to enter into, or agree to any terms or conditions of, this agreement;
    - (B) been relied on in any way as being accurate by a InPayTech Group Member, a Comply Path Group Member or a Seller Warrantor;
    - (C) been warranted to a InPayTech Group Member, a Comply Path Group Member or a Seller Warrantor as being true; or
    - (D) been taken into account by a InPayTech Group Member, a Comply Path Group Member or a Seller Warrantor as being important to its

decision to enter into, or agree to any or all of the terms of, this agreement,

except those expressly set out in this agreement (including in the Warranties);

- (iii) they have entered into this agreement after satisfactory inspection and investigation of the affairs of InPayTech or Comply Path (as the case may be), including (in the case of InPayTech and Comply Path) a review of the Disclosure Materials;
  - (iv) they have made, and they rely upon, their own searches, investigations, enquiries and evaluations in respect of the InPayTech or Comply Path (as the case may be) and the business of the InPayTech Group or Comply Path Group (as the case may be) and (in the case of InPayTech and Comply Path) their own evaluation of the Disclosure Materials;
  - (v) they have had the benefit of independent legal, tax and accounting advice relating to the proposed Acquisition and the terms of this agreement;
  - (vi) no InPayTech Group Member, Comply Path Group Member nor any Seller Warrantor, the Sellers' Representative or any Adviser are under any obligation to provide any other party or its representatives or advisers with any information on the future financial performance or prospects of InPayTech or Comply Path (as the case may be) (other than as provided for in this agreement, including clause 6.2);
  - (vii) no InPayTech Group Member, Comply Path Group Member nor any Seller Warrantor has made any warranty (including in the Warranties) as to the accuracy of any forecast, model, budget, estimate, projection, business plan, statement of opinion or statement of intention in respect of future matters (**Forward-looking Information**) provided to the other parties or their representatives or advisers, whether being as to the accuracy of, or the reasonableness of any assumptions underlying, such Forward-looking Information;
  - (viii) they are not entering into this agreement in reliance on, and they may not rely on:
    - (A) any Forward-looking Information; or
    - (B) any warranty, representation or other statement made or purporting to be made by or on behalf of any of the parties, other than as expressly set out in this agreement (including the Warranties); and
  - (ix) no InPayTech Group Member, Comply Path Group Member nor any Seller Warrantor, the Sellers' Representative or any Adviser is liable under any Claim arising out of or relating to any Forward-looking Information.
- (b) The acknowledgments in clause 9.4 are not intended and must not be construed as qualifying the subject matter of the Warranties.
- (c) Each party acknowledges that each other party has agreed to give effect to the Acquisition and enter into this agreement relying on the representations in clause 9.4 and would not be prepared to give effect to the Acquisition on any other basis.

## 9.5 Minimum thresholds

- (a) A party is not liable for any Claim, excluding a Specific Indemnity Claim, unless:
  - (i) the Loss that party would be entitled to recover in relation to any individual Claim is greater than \$50,000; and
  - (ii) without limiting clause 9.5(a)(i), the Loss that party would be entitled to recover in relation to all Claims is greater than \$200,000,in which case liable party will be liable for the full amount of such Claim.
- (b) For the purposes of clause 9.5:
  - (i) Claims arising out of the same or similar facts, matters and circumstances will be treated as one Claim where the Claims are of the same or similar nature; and
  - (ii) breaches of the same Warranty will not be treated as one Claim where the breaches arise out of separate facts, matters, events or circumstances.

## 9.6 Maximum thresholds

- (a) The liability of:
  - (i) InPayTech in respect of all Claims, cannot exceed the aggregate value of the InPayTech Purchase Shares calculated at the closing price of InPayTech Shares on the trading day before the date of this agreement; and
  - (ii) each Seller Warrantor in respect of all Claims, excluding a Specific Indemnity Claim, cannot exceed the value of that Seller Warrantor's InPayTech Purchase Shares calculated at the closing price of InPayTech Shares on the trading day before the date of this agreement.
- (b) Notwithstanding any other provision in this agreement:
  - (i) each Seller Warrantor gives the Seller Warranties only in respect of itself and the Sale Shares owned by it and not in respect of any other Seller Warrantor or the Sale Shares owned by any other Seller Warrantor; and
  - (ii) no Seller Warrantor is liable for any Claim arising out of, or in connection with, a Seller Warranty given by another Seller Warrantor not being true or correct.

## 9.7 Time limits

- (a) Neither Comply Path nor any Seller Warrantor is liable under a Claim in respect of a breach of this agreement by Comply Path or a Seller Warrantor except a Specific Indemnity Claim, unless InPayTech:
  - (i) notifies Comply Path or the Seller Warrantor (as the case may be) of the:
    - (A) Tax Claim within 6 years of the Completion Date; or
    - (B) for all other Claims before the Claims End Date; and
  - (ii) within 6 months of the date InPayTech is required to notify Comply Path or the Seller Warrantor (as the case may be) under clause 9.7(a)(i):



- (A) the relevant Claim has been agreed, compromised or settled; or
  - (B) InPayTech has properly issued and validly served legal proceedings against Comply Path or the Seller Warrantor (as the case may be) in respect of the relevant Claim.
- (b) InPayTech is not liable under a Claim in respect of a breach of this agreement by InPayTech unless a Seller Warrantor:
  - (i) notifies InPayTech of the:
    - (A) Tax Claim within 6 years of the Completion Date; or
    - (B) for all other Claims before the Claims End Date; and
  - (ii) within 6 months of the date the Seller Warrantor is required to notify InPayTech under clause 9.7(b)(i):
    - (A) the relevant Claim has been agreed, compromised or settled; or
    - (B) the Seller Warrantor has properly issued and validly served legal proceedings against InPayTech in respect of the relevant Claim.

## 9.8 Exclusions

- (a) Each party acknowledges and agrees that:
  - (i) subject to any law to the contrary and except as expressly provided in this agreement, all terms, conditions, statements, representations and warranties (except the Warranties) whether express, implied, written, oral, collateral, statutory or otherwise, are excluded, and, to the maximum extent permitted by law, each Seller disclaims all liability in relation to them; and
  - (ii) to the maximum extent permitted by law but subject to clause 9.12, each party agrees not to make and waives any right it may have to make any Claim against any other party under any provision of the Corporations Act (including section 1041H of the Corporations Act), the Competition and Consumer Act 2010 (Cth) (including sections 18, 20, 21, 22 and 29 of Schedule 2 (Australian Consumer Law) of that Act), the Australian Securities and Investments Commission Act 2001 (Cth) or any similar provisions in the legislation of any State or Territory or the Commonwealth of Australia or in any other applicable law.
- (b) To the maximum extent permitted by law but subject to clause 9.12, each of the parties undertake to each other party and to any person who was at the date of this agreement a Specified Executive that neither it nor any of its Related Bodies Corporate will at any time make any Claim against any Specified Executive, including in respect of any breach of Warranty or any Claim under a Specific Indemnity.
- (c) For the avoidance of doubt, nothing in this clause 9.8 in any way, or to any extent, limits or derogates from, or constitutes a waiver of, the rights of any InPayTech Group Member against any Specified Executive in respect of matters unrelated to this agreement or the Acquisition (including such Specified Executive's office, employment or engagement with any Comply Path Member).

## 9.9 General limitations

A party is not liable under a Claim for any Loss or amount described below to the extent that that Loss or amount:

- (a) (*provisions in Accounts*) has been included as (or otherwise taken account of or reflected in) a provision, allowance, reserve or accrual in the Accounts;
- (b) (*pre Completion actions*) arises from an act or omission by or on behalf of a party before Completion that was done or made:
  - (i) with the written consent of the other parties; or
  - (ii) at the written direction or instruction of the other parties;
- (c) (*post Completion conduct*) arises from, or is increased as a result of, anything done or not done after Completion by or on behalf of a party other than:
  - (i) to satisfy an obligation of another party under this agreement; or
  - (ii) to satisfy an obligation under any legislation, regulations or judicial or governmental requirement in force as at Completion;
- (d) (*breach of law or contract*) could only have been avoided by a party breaching its obligations at law or under this agreement;
- (e) (*change of law or interpretation*) arises from:
  - (i) the enactment or amendment of any legislation or regulations;
  - (ii) a change in the judicial or administrative interpretation of the law; or
  - (iii) a change in the practice or policy of any Regulatory Authority,
 after the date of this agreement, including legislation, regulations, amendments, interpretation, practice or policy that has a retrospective effect;
- (f) (*consequential loss*) is punitive damages (whether direct or indirect), special, loss or damage, indirect loss or damage or consequential loss or damage including loss of profits;
- (g) (*change in accounting policy*) would not have arisen but for a change after Completion in any accounting policy or practice of a InPayTech Group Member or a Comply Path Group Member (as the case may be) that applied before Completion, except as required to comply with a change in the law or the Accounting Standards after Completion;
- (h) (*mitigation*) arises from, or to the extent it is increased as a result of, a failure by a party or any of its Related Entities to take reasonable steps to mitigate that Loss;
- (i) (*remediable loss*) is remediable, provided it is remedied to the satisfaction of the other parties, acting reasonably, within 10 Business Days after the contravening party receives written notice of the Claim in accordance with clause 10; or
- (j) (*changes in Tax*): arises from, or is increased as a result of, a change (including a retrospective change) in the rate of Tax or the method of calculating the rate of Tax after Completion, except where such change has been announced prior to Completion.

### 9.10 Sole remedy

- (a) It is the intention of the parties that each party's sole remedies in connection with the Acquisition will be as set out in this agreement.
- (b) No party has any liability to another party under a Claim unless the Claim may be made under the terms of this agreement or arises out of a statutory right or other claim that cannot be excluded by contract.

### 9.11 Independent limitations

Each qualification and limitation in this clause 9 is to be construed independently of the others and is not limited by any other qualification or limitation.

### 9.12 Fraud

- (a) Subject to clauses 9.12(b) and 9.12(c), nothing in this agreement shall have the effect of limiting or restricting the ability of the a party to bring a Claim against another party (**Fraudulent Party**) to the extent such Claim arises as a result of, or relates to, fraud, wilful misconduct, wilful concealment or dishonesty by that Fraudulent Party or any of its current or former directors or officers (such Claim being a **Fraud Claim**). For the avoidance of doubt, none of the limitations or qualifications in this clause 9 or elsewhere in this agreement apply to any Fraud Claim.
- (b) For the purposes of any Fraud Claim the Fraud Claim must be on a several (and not joint or joint and several) basis.
- (c) No Fraud Claim may be made against any person other than the relevant Fraudulent Party who has engaged in the conduct that is the subject of the Fraud Claim.

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## 10. Procedures for claims

### 10.1 Claims

A party must notify the other parties:

- (a) as soon as reasonably practicable after it decides to make a Claim against another party where that Claim, either alone or together with other Claims, will exceed the applicable thresholds set out in clause 9.5; or
- (b) as soon as reasonably practicable if the party becomes aware of any events, matters or circumstances which, whether alone or with any other Claim or circumstances or with the passing of time, are reasonably likely to give rise to a Claim.

### 10.2 Notice of Claims

- (a) The party must include in any notice given under clause 10.1 (or at such later date if it becomes available):
  - (i) all relevant details (including the estimated amount) then known to the party of the Claim including the events, matters or circumstances giving rise to the Claim; and
  - (ii) a copy or extract of any part of a Demand identifying the liability or amount, or other evidence of the amount, relating to the Claim, any additional information in respect of the Claim as it becomes available and if available or relevant, the applicable part of any material issued by a Regulatory Authority

specifying the basis, or evidence of the basis, for the Demand relating to the Claim.

- (b) The recipient of a notice given under clause 10.1 must be provided with a copy of the documents referred to in clause 10.2(a)(ii) as soon as practicable by the party who has given the notice. The party who has given the notice must continue to keep the recipient of the notice informed of all developments in relation to a Claim notified under clause 10.1 or clause 10.1(b).

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## **11. Profile of the Merged Group**

### **11.1 Board composition of the Merged Group**

- (a) The Board of the Merged Group will, immediately following Completion, comprise: 2 directors nominated by the Sellers;
- (b) Don Sharp; and
- (c) Paul Collins.

InPayTech will take all reasonable actions in their respective control to procure that, other than the directors referred to in clauses 11.1(b) and 11.1(c), each other director of InPayTech will retire from InPayTech's Board with effect immediately following Completion.

### **11.2 Chief Technology Officer**

The Chief Technology Officer of the Merged Group will be the current chief executive officer and founder of Comply Path, Joe Brasacchio.

### **11.3 Director nominee right for Sellers**

- (a) The parties agree that, subject to clause 13.1(d) of InPayTech's Constitution, during the Full Escrow Period, the Sellers may nominate 2 Seller Nominee Directors to be directors of InPayTech.
- (b) If during the Full Escrow Period a Seller Nominee Director leaves the InPayTech board whether by reason of resignation or removal by InPayTech Shareholders, InPayTech will take all reasonable actions, subject to obtaining the necessary consent to act and respective resignation (if applicable), to appoint, a replacement Seller Nominee Director.

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## **12. Termination**

### **12.1 Termination**

Without limiting any other provision of this agreement, this agreement may be terminated at any time before Completion by notice in writing to the other parties:

- (a) by either InPayTech or ComplyPath if ComplyPath or a Seller, in the case of InPayTech, or InPayTech, in the case of Comply Path, are in breach of any of their obligations (**Defaulting Party**) under this agreement (including a Warranty) such as to deprive the other party of a substantial part of the benefit to which it is entitled under this agreement and the Defaulting Party has failed to remedy that breach within 10 Business Days of receipt by it of a notice in writing from the terminating party setting out details of the relevant circumstance and requesting the Defaulting Party to remedy the breach;

- (b) by Comply Path if any member of InPayTech's Board withdraws their recommendation that the InPayTech Shareholders approve the Shareholder Resolutions pursuant to clause 4.1(a)(ii);
- (c) by Comply Path if the Shareholder Resolutions are not validly passed by the Requisite Majorities at the General Meeting;
- (d) by Comply Path if any member of InPayTech's Board withdraws or makes any public statement inconsistent with his or her statement that he or she intends to cause any InPayTech Shares in which they have a Relevant Interest to be voted in favour of the Shareholder Resolutions pursuant to clause 4.1(a)(ii);
- (e) or in accordance with clause 3.4.

## **12.2 Effect of termination**

In the event of termination of this agreement under this clause 12, then:

- (a) each party is released from its obligations to further perform its obligations under this agreement, except those expressed to survive termination;
- (b) each party retains its rights it has against the other in respect of any breach of this agreement occurring before termination; and
- (c) this agreement will become void and have no effect, except that the provisions of clauses 8.6, 12, 14 and 15 survive termination.

## **12.3 No other right to terminate or rescind**

No party may terminate or rescind this agreement except as permitted under clause 12.1.

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## **13. Break Fee**

### **13.1 Background**

This clause has been agreed in circumstances where:

- (a) InPayTech and Comply Path believe that the Acquisition will provide significant benefits to InPayTech and Comply Path, and their respective shareholders, and InPayTech and Comply Path acknowledge that, if they enter into this document and the Acquisition is subsequently not completed, the parties will incur significant costs, including those set out in clause 13.6;
- (b) InPayTech and Comply Path have agreed that provision be made for the payments outlined in clauses 13.2 and 13.3, without which the parties would not have entered into this document;
- (c) InPayTech's Board (in respect of the InPayTech Break Fee) and Comply Path's Board (in respect of the ComplyPath Break Fee) each believe that it is appropriate for InPayTech (in respect of the InPayTech Break Fee) and ComplyPath (in respect of the ComplyPath Break Fee) to agree to the payments referred to in clauses 13.2 and 13.3 in order to secure the other party's participation in the Acquisition; and
- (d) the parties have received legal advice on this document and the operation of this clause.

### 13.2 Payment of InPayTech Break Fee

InPayTech agrees to pay the InPayTech Break Fee to Comply Path if the Acquisition does not complete because:

- (a) **(change of recommendation)** any member of InPayTech's Board fails to recommend that the InPayTech Shareholders approve the Shareholder Resolutions pursuant to clause 4.1(a)(ii) or withdraws their recommendation, adversely changes or qualifies their recommendation or makes the type of public statement referred to in clause 12.1(d), unless:
  - (i) the Independent Expert provides a report to InPayTech (including either the Independent Expert's Report or any update of, or any revision, amendment or supplement to, that report) that concludes that the Acquisition is not fair and reasonable, nor is it reasonable but not fair; or
  - (ii) InPayTech's Board has determined, after receiving written legal advice from its external legal advisers, that InPayTech's Board, by virtue of the directors' duties of the members of InPayTech's Board, is required to change, withdraw or modify its recommendation; or
- (b) **(Comply Path termination)** Comply Path validly terminates this document in accordance with clause 12.1(a), 12.1(b), or 12.1(d), where the relevant breach or occurrence of the relevant event permitting Comply Path to terminate this agreement was not caused by actions or events outside of InPayTech's control.

### 13.3 Payment of Comply Path Break Fee

Comply Path agrees to pay the Comply Path Break Fee to InPayTech if the Acquisition does not complete because InPayTech validly terminates this document in accordance with clause 12.1(a), where the relevant breach or occurrence of the relevant event permitting InPayTech to terminate this agreement was not caused by actions or events outside of Comply Path or a Seller's control.

### 13.4 No amount payable if Acquisition completes

Notwithstanding the occurrence of any event in clause 13.2 or clause 13.3, if the Acquisition completes:

- (a) no amount is payable by InPayTech under clause 13.2, and if any amount has already been paid under clause 13.2 it must be refunded by Comply Path; and
- (b) no amount is payable by Comply Path under clause 13.3, and if any amount has already been paid under clause 14.3 it must be refunded by InPayTech.

### 13.5 Timing of payment

- (a) A demand by Comply Path for payment of the InPayTech Break Fee or by InPayTech for payment of the Comply Path Break Fee under clauses 13.2 or 13.3 must:
  - (i) be in writing;
  - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (iii) state the circumstances which give rise to the demand; and
  - (iv) nominate an account into which the other party is to pay the InPayTech Break Fee or the Comply Path Break Fee (as applicable).

- (b) InPayTech must pay the InPayTech Break Fee to ComplyPath under clause 14.2 within 5 Business Days of receipt by InPayTech of a valid demand for payment from Comply Path under clause 13.5(a).
- (c) Comply Path must pay the Comply Path Break Fee to InPayTech Break under clause 14.3 within 5 Business Days of receipt by Comply Path of a valid demand for payment from InPayTech under clause 13.5(a).

### **13.6 Nature of payment**

The InPayTech Break Fee has been calculated to reimburse ComplyPath, and the Comply Path Break Fee has been calculated to reimburse InPayTech, for costs including the following:

- (a) advisory costs;
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses;
- (d) the distraction of management from conducting business as usual caused by pursuing the Acquisition; and
- (e) reasonable opportunity costs incurred in pursuing the Acquisition or in not pursuing alternative acquisitions or strategic initiatives.

Comply Path and InPayTech agree that the costs incurred are of a nature that they cannot be accurately quantified and that a genuine pre-estimate of the costs would equal or exceed the amount payable under clause 13.2 or 13.3.

### **13.7 Compliance with law**

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under clause 13.2 or clause 13.3 or any part of it:
  - (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of InPayTech's Board (in respect of the InPayTech Break Fee) or Comply Path's Board (in respect of the Comply Path Break Fee);
  - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
  - (iii) was, or is, or would be, unlawful for any other reason,
 then, to that extent (and only to that extent) ComplyPath or InPayTech (as applicable) will not be obliged to comply with that provision of clause 13.2 or clause 13.3.
- (b) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 13.7.

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## **14. Confidentiality and public announcements**

### **14.1 Confidentiality**

- (a) Each of Comply Path and InPayTech acknowledge and agree that they continue to be bound by the Confidentiality Deed after the date of this agreement.

- (b) Each Seller acknowledges and agrees that all information and material disclosed or provided or obtained by it is strictly confidential and may not be disclosed to any third party unless such disclosure is required by law.

#### **14.2 Public announcement on execution**

InPayTech will issue a public announcement of the proposed Acquisition in writing in the form of the Agreed Announcement immediately after the execution of this agreement.

#### **14.3 Further public announcements**

Subject to clause 14.4, any further public announcements by Comply Path or InPayTech in relation to, or in connection with, the proposed Acquisition or any other transaction the subject of this agreement may only be made in a form approved by both Comply Path and InPayTech in writing (acting reasonably) subject to where a party is required by law to make any announcement or to make any disclosure in relation to, or in connection with a transaction the subject of this agreement.

#### **14.4 Required announcement**

Where a party is required by law or any other financial market regulation to make any announcement or to make any disclosure in connection with a transaction the subject of this agreement, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party before making the relevant disclosure and must give the other party as much notice as reasonably practicable.

#### **14.5 Statements on termination**

The parties must use all reasonable endeavours to issue agreed statements in respect of any termination of this agreement and to that end clauses 14.3 and 14.4 apply to any of these statements or disclosures.

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### **15. Goods and services tax**

#### **15.1 Interpretation**

For the purposes of this clause 15:

- (a) unless otherwise stated, words or expressions that are not otherwise defined in this agreement have the same meaning as in the GST Act; and
- (b) if a supply is treated as a periodic or progressive supply under the GST Act, each periodic or progressive component of the supply will be treated as if it is a separate supply.

#### **15.2 Consideration excludes GST**

Unless otherwise stated, all consideration to be paid or provided under this agreement is exclusive of GST.

#### **15.3 Payment of GST**

If GST applies to a supply made under this agreement, for consideration that is not stated to include GST, the recipient must pay to the supplier an additional amount equal to the GST payable on the supply (**GST Amount**). The GST Amount is payable at the same time that the first part of the consideration for the supply is to be provided.



#### **15.4 Tax invoices and adjustment notes**

Notwithstanding any other provision, the recipient need not pay the GST Amount until it has received from the supplier a tax invoice or adjustment note (as the case may be).

#### **15.5 Adjustment events**

If an adjustment event arises in respect of a supply to which clause 15.3 applies, the GST Amount must be adjusted to reflect the adjustment event and a payment must be made by the supplier to the recipient, or by the recipient to the supplier, as the case may be.

#### **15.6 Reimbursement**

If a party is entitled to be reimbursed for a cost or expense under this agreement the amount to be reimbursed must be reduced to the extent that the party (or the representative member for a GST group of which that party is a member) is entitled to an input tax credit for the cost or expense.

#### **15.7 GST excluded from calculations**

Subject to an express provision in this agreement to the contrary, any payment, or amount required to be made under this agreement which is calculated by reference to sales, revenue, income or other amounts received or receivable from a third party (**Revenue**) will be calculated by reference to that Revenue exclusive of GST.

#### **15.8 Survival on termination**

This clause 15 will not merge on Completion and will survive the termination of this agreement by any party.

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### **16. Notices**

Any communication under or in connection with this agreement:

- (a) must be sent to the address for service of the addressee specified in the Details section of this agreement;
- (b) must be signed by the party making the communication or by a person duly authorised by that party;
- (c) must be delivered or posted by prepaid post to the address or sent by email to the email address of the addressee, in accordance with the Details section of this agreement; and
- (d) will be deemed to be received by the addressee:
  - (i) in the case of prepaid post, on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
  - (ii) in the case of delivery by hand, on delivery at the address of the addressee as provided in the Details section of this agreement, unless that delivery is not made on a Business Day, or
  - (iii) after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and

- (iv) in the case of email, immediately after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.
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## **17. Miscellaneous**

### **17.1 Approvals and consents**

Unless this agreement expressly provides otherwise, a party may give or withhold an approval or consent in that party's absolute discretion and subject to any conditions determined by the party. A party is not obliged to give its reasons for giving or withholding a consent or approval or for giving a consent or approval subject to conditions. Where this agreement refers to a matter being to the 'satisfaction' of a party, this means to the satisfaction of that party in its absolute discretion.

### **17.2 Assignment**

A party must not assign, novate or transfer any of its rights or obligations under this agreement or attempt to do so without the prior written consent of each other party.

### **17.3 Costs**

Except as otherwise set out in this agreement, each party must pay its own costs and expenses in relation to preparing, negotiating, executing and completing this agreement and any document related to this agreement.

### **17.4 Duty**

InPayTech must pay all duty payable in connection with this agreement and any document, agreement or transaction contemplated by or incidental to this agreement. If a party other than InPayTech pays any duty on or relating to this agreement or any document, agreement or transaction contemplated by or incidental to this agreement, InPayTech must pay that amount to the other party on demand.

### **17.5 No merger**

The rights and obligations of the parties will not merge on completion of any transaction under this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

### **17.6 Entire agreement**

This agreement contains everything the parties have agreed on in relation to the subject matter with which it deals. No party can rely on an earlier written document or anything said or done by or on behalf of another party before this agreement was executed.

### **17.7 Execution of separate documents**

This agreement is properly executed if each party executes either this document or an identical document. In the latter case, this agreement takes effect when the separately executed documents are exchanged between the parties.

### **17.8 Exercise of rights**

A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or of any other right, power or remedy.

and failure by a party to exercise, or delay by a party in exercising, a right, power or remedy does not prevent its exercise. Except where expressly stated to the contrary in this agreement, the rights of a party under this agreement are cumulative and are in addition to any other rights available to that party whether those rights are provided for under this agreement or by law.

#### **17.9 Further acts**

Each party must at its own expense promptly execute all documents and do or use reasonable endeavours to cause a third party to do all things that another party from time to time may reasonably request in order to give effect to, perfect or complete this agreement and all transactions incidental to it.

#### **17.10 Governing law and jurisdiction**

This agreement is governed by the law of New South Wales, Australia. The parties submit to the non-exclusive jurisdiction of its courts and courts of appeal from them. The parties will not object to the exercise of jurisdiction by those courts on any basis.

#### **17.11 No adverse construction**

No term or condition of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision.

#### **17.12 Severability**

Each provision of this agreement is individually severable. If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this agreement in the relevant jurisdiction, but the rest of this agreement will not be affected. The legality, validity and enforceability of the provision in any other jurisdiction will not be affected.

#### **17.13 Variation**

No variation of this agreement will be of any force or effect unless it is in writing and signed by each party to this agreement.

#### **17.14 Waiver**

A waiver of any right, power or remedy under this agreement must be in writing signed by the party granting it. A waiver only affects the particular obligation or breach for which it is given. It is not an implied waiver of any other obligation or breach or an implied waiver of that obligation or breach on any other occasion. The fact that a party fails to do, or delays in doing, something the party is entitled to do under this agreement does not amount to a waiver.

**Schedule 1 – Sellers**

<b>Seller</b>	<b>Sale Shares</b>	<b>InPayTech Purchase Shares</b>	<b>Respective Proportion</b>
Unlocked	25,000	161,229,501	28.125%
GJB	40,000	257,967,201	45.000%
Digital Niche	15,000	96,737,700	16.875%
Clinton Capital	8,889	57,326,045	10.000%

**Schedule 2 – Indicative Timetable**

Event	Date
Commencement of mutual due diligence	21 September 2020
Completion of mutual due diligence	2 October 2020
Finalisation of MIA	17 November 2020
Submit s 611, item 7 notice of meeting to ASIC for approval	24 November 2020
Submit agreed form notice of meeting to ASX for approval	9 December 2020
General Meeting Date	21 January 2021
Indicative Completion Date	28 January 2021

## Schedule 3 – InPayTech Warranties

InPayTech represents and warrants that:

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### 1. General Warranties

- (a) Each InPayTech Group Member is a validly existing corporation registered under the laws of its place of incorporation.
- (b) The execution and delivery of this agreement by it has been properly authorised by all necessary corporate action and it has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement.
- (c) This agreement constitutes legal, valid and binding obligations on it and the execution of this agreement of itself does not result in a breach of or default under any agreement, deed or any writ, order or injunction, rule or regulation to which it or any of its Subsidiaries is a party or to which they are bound, where such breach or default would have a material adverse effect on the InPayTech Group.
- (d) Other than expressly contemplated in this agreement, as far as it is aware, no Regulatory Approvals are required to be obtained by it in order for it to implement the transactions contemplated under this agreement.
- (e) It is not in breach of its continuous disclosure obligations under the Corporations Act or the Listing Rules and, as at the date of this agreement, it is not relying on the exception to Listing Rule 3.1 in Listing Rule 3.1A to withhold any information from ASX (other than the fact of its discussions with the Sellers in relation to the transactions contemplated in this agreement).
- (f) As at the date of this agreement:
  - (i) there are 573,260,447 InPayTech Shares on issue and those InPayTech Shares have been validly issued and are fully paid up;
  - (ii) other than under this agreement, no person has any option or other right of any nature to require the issue of any shares or other securities in any member of the InPayTech Group (or may, by virtue of an option vesting or otherwise, ever have that right) and no member of the InPayTech Group has made any offer that may result in any person having such a right;
  - (iii) all of the shares in the Subsidiaries of InPayTech are legally and beneficially owned by InPayTech and those shares have been validly issued and are fully paid up; and
  - (iv) there is no Encumbrance, option, right of pre-emption, right of first or last refusal or other third party right over any of the shares in the Subsidiaries of InPayTech.
- (g) As at the time the Explanatory Statement or supplementary disclosure is dispatched to InPayTech Shareholders, the information contained in the Explanatory Statement or supplementary disclosure (other than the Comply Path Information and the Independent Expert's Report) will:
  - (i) be prepared in good faith;
  - (ii) be true and correct in all material respects;

- (iii) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and regulatory guidance issued by ASIC;
- (iv) as far as it is aware, not contain any statement which is misleading or deceptive in any material respect (whether by omission or otherwise).
- (h) As far as it is aware, the InPayTech Group holds, and complies with the material terms and conditions of, all material licences and material authorisations required to conduct its business in the manner it is conducted as at the date of this agreement.
- (i) It is not aware of any facts, matters or circumstances that would render a Seller Warranty or a Comply Path Warranty untrue or incorrect.

## 2. New InPayTech Shares

The New InPayTech Shares to be issued in accordance with this agreement will be duly authorised and validly issued, fully paid and free of all security interests and third party rights and will rank equally with all other InPayTech Shares then on issue.

## 3. InPayTech Group Warranties

- (a) Each InPayTech Group Member has full corporate power to own its properties, assets and business and to carry on its business as now conducted.
- (b) Each InPayTech Group Member has good and marketable title to all of the assets included in the Accounts for each InPayTech Group Member material to the conduct of its business as at the date of this agreement.
- (c) Except for its subsidiaries, InPayTech does not hold or beneficially own shares or other Securities in the capital of any another corporation.
- (d) Other than in the ordinary course of its business, no InPayTech Group Member has agreed to buy any Securities in another corporation.
- (e) No InPayTech Group Member is, and has not agreed to become, a member of any partnership, unincorporated association, joint venture or consortium.
- (f) No meeting has been convened, resolution proposed in writing, petition presented or order made for the winding up of a InPayTech Group Member and no receiver, receiver and manager, provisional liquidator, liquidator, administrator or other officer of the court has been appointed or threatened in writing to be appointed in relation to a InPayTech Group Member or any part of a InPayTech Group Member's undertaking or assets.
- (g) No notice under sections 601AA or 601AB of the Corporations Act has been received by any InPayTech Group Member.
- (h) Each InPayTech Group Member is able to pay its debts as and when they fall due and is not an insolvent under administration or insolvent (each as defined in the Corporations Act).
- (i) No InPayTech Group Member is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand.
- (j) No InPayTech Group Member is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act.

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#### **4. Information**

As far as InPayTech is aware, the InPayTech Disclosure Material is true and correct in all material respects and is not misleading or deceptive in any material respect (whether by omission or otherwise).

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#### **5. Financial statements**

- (a) The Accounts were prepared:
    - (i) in accordance with the Accounting Standards, the requirements of the Corporations Act and all other applicable Law; and
    - (ii) on a basis consistent with the financial statements of each InPayTech Group Member for the financial year preceding the financial year ended on the Accounts Date.
  - (b) All financial arrangements of or relating to each InPayTech Group Member and the business of the InPayTech Group are fully and accurately reflected in the Accounts.
  - (c) The Accounts are not affected by any undisclosed unusual, abnormal, extraordinary, exceptional or non-recurring items.
  - (d) The Accounts:
    - (i) have been prepared with due care and attention; and
    - (ii) disclose all revenue and operating expenses of the InPayTech Group for the period for which they were prepared, and accurately disclose the financial position of the InPayTech Group for the purpose for which the Accounts were prepared.
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#### **6. No changes since Accounts Date**

As far as InPayTech is aware, since the Accounts Date:

- (a) there has been no material adverse change in the assets, liabilities, turnover, earnings, financial condition, trading position or affairs of the InPayTech Group;
- (b) the InPayTech Group has carried on its business in all material respects in the ordinary course, in a manner comparable to that in which it was conducted for the 12 month period before the date of this agreement and with all reasonable care and in accordance with normal and prudent practice (having regard to the nature of its business and past practice and so as to comply with all applicable laws);
- (c) no InPayTech Group Member has entered into any material contracts or arrangements, or terminated or altered any term of any material contracts or arrangements, other than in the ordinary course of its business or in accordance with this agreement;
- (d) no InPayTech Group Member has incurred or undertaken any material liabilities or obligations (actual or contingent), including Taxation, except in the ordinary course of its business;



- (e) other than as provided for in this agreement, no InPayTech Group Member has acquired or disposed of or dealt with any assets nor has it entered into any agreement or option to acquire or dispose of any assets other than in the ordinary course of its business for full market value;
  - (f) other than in the ordinary course of business, no InPayTech Group Member has paid or agreed to pay any retiring allowance, superannuation or benefit to any of its officers or employees except where the law requires it;
  - (g) other than the new employees employed in the ordinary course of business and as otherwise fairly disclosed, no InPayTech Group Member has entered into or altered any contract of service with any officers, employees, contractors or agents, or increased or agreed to increase the rate of remuneration or compensation payable to any of its officers, employees, contractors or agents, except in the ordinary course of its business;
  - (h) no InPayTech Group Member has implemented any new accounting or valuation method for its business, assets, property or rights;
  - (i) other than as fairly disclosed, no loans have been made by InPayTech Group to its employees and no advances or loan money has been accepted from any of its employees; and
  - (j) no debt shown in the Accounts has been released or settled for an amount less than that reflected for that debt in the Accounts.
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## **7. Liabilities and commitments**

- (a) As far as InPayTech is aware, every material contract, instrument or other commitment to which a InPayTech Group Member is a party and which is material to the InPayTech Group's business as at the date of this agreement is valid and binding according to its terms and no party to the contract, instrument or commitment is in material default under its terms.
  - (b) No InPayTech Group Member is party to any material agreement or arrangement under the terms of which any other party, by reason of the issue of InPayTech Purchase Shares or in the change in the management or control of the InPayTech Group, becomes entitled to:
    - (i) terminate the agreement or arrangement earlier than would otherwise be the case if the change did not occur; or
    - (ii) require the adoption of terms less favourable to a InPayTech Group Member than those subsisting in the absence of the change.
  - (c) The issue of InPayTech Purchase Shares in accordance with this agreement does not and will not constitute a material breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which a InPayTech Group Member is or may become bound.
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## **8. Taxation**

In this provision, except where the context otherwise requires, a reference to InPayTech includes each InPayTech Group Member.

- (a) As far as InPayTech is aware, all Tax and other revenue returns and business activity statements (**Returns**) lodged by InPayTech:
  - (i) have been lodged by the due date for filing those Returns; and
  - (ii) have been made taking reasonable care, with full and true disclosure and otherwise in accordance with the relevant Tax Law.
- (b) No claim has ever been made with respect to any InPayTech Group Member in a jurisdiction where such a company does not file Returns that such company is or may be subject to Tax by that jurisdiction, and InPayTech is not aware of any basis for any such claim to be made.
- (c) As far as InPayTech is aware, all assessments, whether original or amended, made by a Government Agency in respect of InPayTech and all Returns of InPayTech accurately reflect any Liability for Tax of InPayTech for the period to which the assessment or Return relates.
- (d) All notices and elections required to be given or made by InPayTech have been given or made by InPayTech and support the position taken in the Returns.
- (e) InPayTech has maintained proper and adequate records to enable it to comply in all material respects with its obligations under any Tax Law and all such records are held by InPayTech at Completion.
- (f) As far as InPayTech is aware it has paid all Taxes which it is liable to pay prior to Completion and InPayTech has not waived any statute of limitation in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.
- (g) As far as each InPayTech is aware, the Accounts fully provide for all Taxes which InPayTech is or may become liable to pay for the period up to and including the Accounts Date.
- (h) InPayTech is not the subject of any audit or review by a Government Agency of any of its Returns and as far as it is aware there are no outstanding disputes, questions or demands as between InPayTech and any Government Agency relating to a Tax matter and it is not aware of:
  - (i) any pending or threatened audit or review relating to InPayTech; or
  - (ii) any reason why any Returns or assessments related to Tax payable by InPayTech in respect of any period before Completion would be disputed or examined or any benefit relating to Tax would be denied or limited.
- (i) InPayTech has not applied for or received any advance opinion or private binding ruling issued to it by any Government Agency and has taken "reasonable care" and adopted "reasonably arguable positions" (within the meaning of those terms in the Tax Act) in relation to its liability to pay Tax imposed under the Tax Act, has taken reasonable care in relation to its liability to pay Tax imposed under any other Tax Law, and in all cases has made full and true disclosure in relation to its liability to pay Tax.
- (j) As far as InPayTech is aware all amounts of Tax required by Law to be deducted by InPayTech from the salary or wages of employees, directors and other service providers have been deducted and remitted to the relevant Government Agency within the time allowed by the relevant Tax Law.

- (k) As far as InPayTech is aware any amount (including withholding tax) that is required to be withheld from any payment made by InPayTech has been duly withheld and remitted to the relevant Government Agency and InPayTech has not been a party to a scheme to avoid withholding tax.
- (l) InPayTech is and will at Completion be an Australian resident (as defined in the Tax Act).
- (m) InPayTech and any Australian resident subsidiary does not have and has never had a permanent establishment or other taxable presence in any jurisdiction outside Australia.
- (n) As far as InPayTech is aware there are no provisions in any sale or other agreement which limit the right of InPayTech to recover any Tax pursuant to a warranty or indemnity given by a third party as a result of a change of control of InPayTech.
- (o) There is no difference between the amounts incurred for acquisition, improvements and incidental costs of acquisition of assets by InPayTech and their cost base for Tax purposes.
- (p) The costs bases of the assets of InPayTech have not been reduced from the amounts of money actually incurred for acquisition, improvements and incidental costs of acquisition on account of:
  - (i) any transfers of assets;
  - (ii) any transfers of losses;
  - (iii) any forgiveness of debt; or
  - (iv) any transactions which shift value.
- (q) InPayTech has not participated in schemes or transactions or made any payments to which Part IVA, section 82KK or section 82KL of the Tax Act applies or might apply.
- (r) InPayTech has not participated in:
  - (i) any dividend stripping or dividend or capital streaming or franking credit trading schemes (or schemes of substantially the same effect) within the meaning of the Tax Act or which are subject to the operation of sections 45 to 45D, former sections 46B, and 160AQCBA and section 177E or 177EA of the Tax Act; or
  - (ii) any scheme or arrangement within the meaning of Division 204 of Part 3 6 of the Tax Act to exploit the benchmark franking percentage of another entity, stream franked distributions or tax exempt bonus shares or stream distributions to shareholders or former shareholders of InPayTech that derive greater benefit from franking credits than other shareholders or former shareholders of InPayTech, and nor will the sale itself, or in conjunction with other events before Completion, constitute such a scheme.
- (s) No dividend has been paid by InPayTech:
  - (i) in respect of which the franking amount has exceeded the benchmark franking percentage or the maximum franking credit within the meaning of Part 3 6 of the Tax Act; or

- (ii) in respect of which an application has been made to the Commissioner of Taxation for permission to depart from the benchmark franking percentage within the meaning of Part 3.6 of the Tax Act.
- (t) InPayTech has provided distribution statements within the meaning of section 202-80 of the Tax Act to its shareholders in respect of all dividends paid by InPayTech before Completion.
- (u) InPayTech does not hold any assets to which Subdivision 104 J of the Tax Act may apply.
- (v) Nothing has occurred to cause a disallowance of carried forward income or capital losses of InPayTech (other than the transfer of shares as contemplated by this agreement).
- (w) InPayTech has not been required to reduce losses or the tax attributes of assets (for capital allowances purposes or capital gains tax purposes) as contemplated by Division 245 of Schedule 2C of the Tax Act.
- (x) InPayTech Group Members have not entered in to, or are not parties to any Tax Sharing Agreement or Tax Funding Agreement
- (y) Subject to the relevant InPayTech Group Entity satisfying the conditions in Subdivision 165-C of the Tax Act, a bad debt deduction will be available in respect of the write off of any trade debts shown in the last Accounts which have not previously been written off.
- (z) InPayTech has not entered into any arrangement that will give rise to any adjustment to its taxable income as a result of the operation of the provisions in Division 13 of Part III of the Tax Act or results in it obtaining a "transfer pricing benefit" as that term is defined in Division 815 of the Tax Act
- (aa) InPayTech is not and will not become liable to pay, reimburse or indemnify any person in respect of any Tax relating to an act or omission occurring before Completion or because of the failure of that other person to discharge a Tax liability.
- (bb) InPayTech has not issued or created any:
  - (i) non-share equity interest (as defined in section 995-1 of the Tax Act); or
  - (ii) non-equity share (as defined in section 6(1) of the Tax Act).
- (cc) InPayTech has not:
  - (i) made any interposed entity election pursuant to section 272-85 of Schedule 2F to the Tax Act;
  - (ii) made any other election for Tax purposes which may affect the tax treatment of any dividends paid to its shareholders after Completion; or
  - (iii) as far as InPayTech is aware, entered into any transaction that attracts the operation of sections 45B, 45C, 108 or 109 or Division 7A of the Tax Act.
- (dd) The share capital account of InPayTech is not 'tainted' within the meaning of Division 197 of the Tax Act, and InPayTech has not taken and will not take any action that will cause its share capital account to become a 'tainted' share capital account prior to Completion.

- (ee) InPayTech will not have a franking account deficit immediately after Completion and no act or omission of InPayTech at or before Completion would cause it to be liable for franking deficit tax, if the income year for InPayTech ended immediately after Completion.
- (ff) As far InPayTech is aware it has not entered into any arrangement or transaction which is or may be subject to adjustment under Division 13 or Division 815 of the Tax Act or any double taxation agreement between Australia and another country.
- (gg) As far InPayTech is aware, it does not own or hold any asset for which a rollover or other Tax relief has been obtained and which may give rise to a Tax Claim as a result of Completion or which may operate to restrict the cost base of assets in the hands of InPayTech.
- (hh) InPayTech has always had a public officer appointed in accordance with the requirements of the Tax Acts.
- (ii) InPayTech has disclosed to Comply Path all communications by Government Agencies to each InPayTech Group Member (including rulings and communications by way of agreement) prior to the date of this agreement which will, or may affect the calculation of InPayTech's liability to Tax.
- (jj) InPayTech has fully complied with, and will full comply with until Completion, the terms of all communications by Government Agencies to each InPayTech Group Member (including rulings, and communications by way of agreement) prior to the date of this agreement, which will or may affect the calculation of InPayTech's liability to Tax.
- (kk) InPayTech has not carried on any business which is not an eligible investment business for the purposes of the Tax Law.

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## 9. GST

- (a) In this provision, except where the context otherwise requires, a reference to InPayTech includes each InPayTech Group Member.
- (b) In this warranty:
  - (i) expressions which are not defined, but which have a defined meaning in GST Law, have the same meaning as in the GST Law; and
  - (ii) GST Law has the meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.
- (c) InPayTech is registered for GST and has an Australian Business Number (**ABN**).
- (d) The computerised accounting and invoicing systems of InPayTech have GST functionality. For the purposes of this warranty, a system has GST functionality if it:
  - (i) can generate tax invoices and adjustment notes;
  - (ii) provides for GST in respect of supplies or inputs to be recorded as balance sheet items; and
  - (iii) can produce such financial information as may be required to complete a GST return, business activity statement or both.

- (e) As far as InPayTech is aware, InPayTech is the representative member of a GST group that includes its Australian Subsidiaries.
- (f) As far as InPayTech is aware no other InPayTech Group Member is or has ever been:
  - (i) a member of any GST group, GST joint venture or partnership; or
  - (ii) liable to pay GST in respect of supplies made by any other entity.
- (g) As far as InPayTech is aware, InPayTech has not participated in any schemes or transactions or made any payments to which Division 165 of the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* applies or might apply.
- (h) As far as InPayTech is aware, InPayTech:
  - (i) has complied in all material respects with its obligations under the GST Act;
  - (ii) has lodged all Business Activity Statements (**BAS**) by the due date for filing;
  - (iii) has prepared each BAS with reasonable care and with making full and true disclosure and warrants that each BAS does not contain any statement that is false or misleading, whether by omission or otherwise;
  - (iv) has paid all amounts it has been required to pay in connection with each BAS by the due date;
  - (v) is not a party to any document, instrument, contract, agreement, deed or transaction in respect of which it is or will become liable to pay GST in circumstances where it has no express entitlement to increase the consideration payable under the document, instrument, contract, agreement, deed or transaction or otherwise seek reimbursement so that it retains the amount it would have retained but for the imposition of GST; and
  - (vi) does not have any amended assessments to which an extended or refreshed period of review could apply under section 155-70 of the Taxation Administration Act 1953 in respect of GST.

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## 10. Stamp Duty

- (a) In this provision, except where the context otherwise requires, a reference to InPayTech includes each InPayTech Group Member.
- (b) As far as InPayTech is aware, all Stamp Duty arising under a Tax Law in relation to any transaction or document to which a InPayTech is or has been a party or by which a InPayTech derives, or has or will derive, a benefit has been paid or will be paid before Completion in accordance with the relevant Tax Law (irrespective of whether a InPayTech or a Third Party is liable for that Stamp Duty).
- (c) As far as InPayTech is aware, no InPayTech has not been a party to a transaction or document with a Related Body Corporate (or an entity that was a Related Body Corporate at the time) in the 6 years preceding Completion that would have been liable to Stamp Duty under a Tax Law but for relief granted in writing by a Government Agency.

- (d) InPayTech does not hold (or will not hold) land interests at Completion (whether held directly or indirectly) that will cause InPayTech to be a landholder or land rich entity (however described) under a Tax Law relating to Stamp Duty.
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## 11. Insurance

- (a) Each contract under which a InPayTech Group Member is an insured party including in respect of workers' compensation insurance investment management insurance and professional indemnity insurance (**Insurance Contract**) is in force and as far as InPayTech is aware there is no fact or circumstance known to the InPayTech Group that would, or would be reasonably likely to, on or after Completion:
    - (i) lead to the Insurance Contract being terminated or ceasing to have effect; or
    - (ii) permit the relevant insurer to refuse or reduce a claim, increase the premium or alter any provision under the Insurance Contract.
  - (b) As far as InPayTech is aware, under the Insurance Contracts:
    - (i) all of the property and assets of InPayTech Group of an insurable nature are insured in amounts representing their full replacement or reinstatement value against fire and other risks normally insured against for similar businesses in similar industries; and
    - (ii) InPayTech Group is adequately insured for such amounts as would be maintained in accordance with prudent business practice in respect of all risks, including in relation to damage to property, personal injury, public liability, product liability, investment management, professional indemnity, workers' compensation and business interruption.
  - (c) There are no outstanding claims or insurance premiums payable under the Insurance Contracts.
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## 12. Contracts and commercial matters

All contracts, arrangements and understandings binding on InPayTech Group Member are at arm's length and are capable of complete performance by it.

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## 13. Compliance with Relevant Laws

- (a) As far as InPayTech is aware, each InPayTech Group Member has complied in all material respects with all laws including all Relevant Laws applicable to the conduct of the business of the InPayTech Group, and the use of each leased premises and the other assets of InPayTech Group or in any other manner, including all:
  - (i) laws of all jurisdictions in which a InPayTech Group Member operates, solicits investors, trades securities, derivatives or other financial products;
  - (ii) employment and industrial relations Laws and agreements;
  - (iii) occupational health and safety Laws; and
  - (iv) and no material contravention or allegation of any material contravention of any laws including any Relevant Laws is known to InPayTech.

- (b) As far as InPayTech is aware:
- (i) there is no fact or matter that might prejudice the continuance or renewal, or result in the revocation or variation in any material respect, of any statutory permit or licence material to the conduct of the InPayTech Group's business as at the date of this agreement; and
  - (ii) no InPayTech Group Member is being investigated for any material breach or any alleged material breach of any Relevant Law.
- (c) No InPayTech Group Member has received any written notice that any statutory permit or licence material to the conduct of the InPayTech Group's business as at the date of this agreement will be revoked, suspended, modified or will not be renewed.
- (d) As far as each InPayTech Group Member is aware, each InPayTech Group Member has complied in all material respects with all conditions under all licences, consents, certifications and authorisations, material to the carrying on of the business of the InPayTech Group as at the date of this agreement.
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#### **14. Litigation**

- (a) Other than as fairly disclosed and as far as InPayTech is aware, no InPayTech Group Member has nor any person for whose acts or defaults a InPayTech Group Member may be vicariously liable is involved in, or threatened in writing with, any Claim in any court, tribunal or otherwise and there are no facts or circumstances likely to give rise to any such Claim.
- (b) As far as InPayTech is aware there are no unsatisfied Claims against a InPayTech Group Member.
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#### **15. Employees, officers and sub-contractors**

- (a) As far as InPayTech is aware, there are no unusually onerous conditions in respect of the employment of any employee or the engagement of any sub-contractor by a InPayTech Group Member.
- (b) As far as InPayTech is aware, each InPayTech Group Member has complied in all material respects with all contractual, statutory, legal and fiscal obligations of and in relation to its employment of its employees, including all withholding obligations, all codes of practice, collective agreements and awards.
- (c) No InPayTech Group Member operates any profit share or employee incentive plans or schemes for its employees or officers.
- (d) No money other than in respect of remuneration or benefits of employment is payable to any director or employee of InPayTech Group and no InPayTech Group Member is under any present, future or contingent liability to pay compensation for loss of office or employment to any ex-officer or ex-employee.
- (e) All persons employed or engaged in the business of the InPayTech Group prior to Completion have been properly classified by InPayTech Group as employees or independent contractors and the recognition of employee entitlements in the Accounts is materially accurate.
- (f) No Claim has been made, nor has the InPayTech Group received notice of any potential Claim, by or on behalf of any past or present employee against a InPayTech



Group Member within the 6 months preceding this document. As far as InPayTech is aware, there are no circumstances which are likely to give rise to a Claim against a InPayTech Group Member by any employee.

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## 16. Superannuation

As at Completion, each InPayTech Group Member has satisfied all employer superannuation obligations in respect of any person for which it is required to make superannuation contributions pursuant to any relevant legislation, contract, award or other industrial instrument requiring the payment of superannuation contributions.

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## 17. Computer systems, software and IT

- (a) The information technology and telecommunications systems, computers and computer systems, hardware and software owned or used by InPayTech Group Members in the conduct of InPayTech Group's business as at the date of this agreement (**Systems**) comprise all the information technology and telecommunication systems, computers and computer systems, hardware and software material to the conduct of InPayTech Group's business as conducted as of the date of this agreement
  - (b) All the Systems owned or used by InPayTech Group:
    - (i) are in full operating order and are fulfilling the purposes for which they were acquired or established in an efficient manner without material downtime or errors;
    - (ii) have adequate capacity for InPayTech Group's present needs; and
    - (iii) have adequate security, back-ups, hardware and software support and maintenance and trained personnel to ensure, so far as is reasonable, that breaches of security, errors and breakdowns are kept to a minimum and that no material disruption will be caused to the business of InPayTech Group or any material part of it if there is a breach of security, error or breakdown.
  - (c) All software used by InPayTech Group is owned or validly licensed by, or under the control of, it.
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## 18. Intellectual Property

- (a) An InPayTech Group Member is the sole legal and beneficial owner of the Owned Intellectual Property Rights free from Encumbrances. An InPayTech Group Member owns or is validly licensed to use the Intellectual Property Rights the subject of the Intellectual Property Licences.
- (b) No InPayTech Group Member has dealt with or granted to any person any rights in respect of the Owned Intellectual Property Rights by way of licence or in any other way.
- (c) As far as it is aware, the conduct of the business by each InPayTech Group Member does not breach or infringe any Intellectual Property Rights of any person. No InPayTech Group Member has received any claim, proceeding, opposition, cancellation action or complaint alleging infringement or misappropriation by it of the Intellectual Property Rights of any person.

- (d) So far as each InPayTech Group Member is aware, no person has infringed or is infringing any of the Owned Intellectual Property Rights.
  - (e) No person other than an InPayTech Group Member has any right to or in any of the Owned Intellectual Property Rights, or any right which would otherwise restrict the disclosure or use by an InPayTech Group Member of any of the Owned Intellectual Property Rights or the Intellectual Property Licences.
  - (f) The Owned Intellectual Property Rights and the Intellectual Property Rights the subject of the Intellectual Property Licences comprise all of the Intellectual Property Rights necessary for the operation and conduct of the InPayTech Group business as at the date of this agreement.
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## 19. Cybersecurity and privacy

- (a) The InPayTech Group takes appropriate steps to mitigate material cyber risks associated with the InPayTech Group business.
- (b) The InPayTech Group has in the 2 year period before the date of this agreement undertaken testing (including penetration testing) of all material Systems, for weaknesses, security vulnerabilities and unauthorised accesses.
- (c) The InPayTech Group has established and operates industry standard policies, procedures and processes covering the InPayTech Group's ability to prepare for, respond to and recover from cyber-attacks or cyber-incidents affecting the InPayTech Group business.
- (d) InPayTech are not aware of any cyber-attacks, cyber-incidents or data breaches which in the last 5 years have compromised Systems in any material way, or resulted in material information held by the InPayTech Group being accessed or accessible by unauthorised persons.
- (e) The InPayTech Group has and implements processes for ensuring regular system maintenance, including reasonably timely installation of software patches that address security vulnerabilities.
- (f) The InPayTech Group is in compliance, and has been in compliance, with all applicable Privacy Laws.
- (g) No InPayTech Group Member:
  - (i) has received any written complaint from any individual;
  - (ii) has been subject to any investigation, fine or penalty imposed by any Governmental Agency,regarding the InPayTech Group's personal information handling practices in the last 3 years.
- (h) As far as the InPayTech is aware, there have been no data breaches or security incident involving any personal information that would be notifiable to any Governmental Agency or an affected individual under applicable Privacy Law.
- (i) The InPayTech Group holds all consents necessary to allow it to collect, hold, use and disclose any personal information which it collects, holds, uses or discloses in the course of conducting the InPayTech Group business.

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## 20. Records

- (a) The Records of the InPayTech Group Members:
  - (i) are in the possession or under the control of the InPayTech Group Members;
  - (ii) have been properly maintained in accordance with all applicable material Laws in Australia;
  - (iii) as far as each InPayTech Group Member is aware, do not contain any material inaccuracies; and
  - (iv) include all material information required or under, or to comply in all material respects with, or to support any filing made or required to be made under any applicable Law in Australia.
- (b) No InPayTech Group Member has received notice of any application or intended application for the rectification of its register of members or any other register that it is required by Law to maintain.

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## 21. Licensed Premises

- (a) The Leased Premises are the only properties owned, leased, used or occupied by the InPayTech Group.
- (b) No InPayTech Group Member has entered into any agreement, option or right of pre-emption to acquire any land.
- (c) In respect of each Licensed Premises:
  - (i) the Property License is a legal, valid and binding obligation of the parties thereto and is enforceable in accordance with its terms against the counterparties thereto;
  - (ii) the applicable InPayTech Group Member has fully complied with all material obligations under the Property License (including all obligations to pay rent, rates and other amounts) and all other covenants affecting the property the subject of the Licensed Premises;
  - (iii) the applicable InPayTech Group Member has not granted any sub-lease, licence or exclusive possession or shared right of occupancy or use of any part of the Licensed Premises;
  - (iv) no InPayTech Group Member is aware of any material breach or material default under any material term of the Property License;
  - (v) the applicable InPayTech Group Member has not received any notice of termination, rescission, avoidance or repudiation of the Property License and, to the best of the each InPayTech Group Member's knowledge, no event has occurred which may be grounds for termination, rescission, avoidance or repudiation of the Property License; and
  - (vi) there are no current disputes in connection with or arising out of the Property License and, to the best of each InPayTech Group Member's knowledge, no such disputes are pending or threatened.

## Schedule 4 – Comply Path Warranties

Comply Path and each Seller Warrantor represents and warrants that:

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### 1. General Warranties

- (a) Each Comply Path Group Member is a validly existing corporation registered under the laws of its place of incorporation.
- (b) The execution and delivery of this agreement by Comply Path has been properly authorised by all necessary corporate action and Comply Path has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement.
- (c) This agreement constitutes legal, valid and binding obligations on Comply Path and the execution of this agreement of itself does not result in a breach of or default under any agreement, deed or any writ, order or injunction, rule or regulation to which it or any of its Subsidiaries is a party or to which they are bound, where such breach or default would have a material adverse effect on the Comply Path Group.
- (d) Other than expressly contemplated in this agreement, as far as it is aware, no Regulatory Approvals are required to be obtained by Comply Path in order for it to implement the transactions contemplated under this agreement.
- (e) The Comply Path Information provided to InPayTech in accordance with clause 4.3.1 for inclusion in the Explanatory Statement and supplementary disclosure (which, for the avoidance of doubt, does not include any information contained in the Independent Expert's Report) and for inclusion in the Agreed Announcement will:
  - (i) be prepared and provided in good faith;
  - (ii) be true and correct in all material respects;
  - (iii) be provided on the understanding that InPayTech will rely on that information for the purposes of preparing the Explanatory Statement or the Agreed Announcement (as the case may be); and
  - (iv) as far as it is aware, in the form and context in which that information appears in the Explanatory Statement (and any supplementary disclosure) or the Agreed Announcement (as the case may be), not be misleading or deceptive in any material respect (whether by omission or otherwise).
- (f) Comply Path will, as a continuing obligation, provide to InPayTech all such further or new information which may arise before the General Meeting Date which is necessary to ensure that the Comply Path Information, in the form and context in which that information appears in the Explanatory Statement and any supplementary disclosure (which, for the avoidance of doubt, does not include any information contained in the Independent Expert's Report), is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (g) As far as it is aware, the Comply Path Group holds, and complies with the material terms and conditions of, all material licences and material authorisations required to conduct its business in the manner it is conducted as at the date of this agreement.

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## 2. Comply Path Group

- (a) Each Comply Path Group Member has full corporate power to own its properties, assets and business and to carry on its business as now conducted.
- (b) Each Comply Path Group Member has good and marketable title to all of the assets included in the Accounts for each Comply Path Group Member material to the conduct of its business as at the date of this agreement.
- (c) Except for its subsidiaries, Comply Path does not hold or beneficially own shares or other Securities in the capital of any another corporation.
- (d) Other than in the ordinary course of its business, no Comply Path Group Member has agreed to buy any Securities in another corporation.
- (e) No Comply Path Group Member is, and has not agreed to become, a member of any partnership, unincorporated association, joint venture or consortium.
- (f) No meeting has been convened, resolution proposed in writing, petition presented or order made for the winding up of a Comply Path Group Member and no receiver, receiver and manager, provisional liquidator, liquidator, administrator or other officer of the court has been appointed or threatened in writing to be appointed in relation to a Comply Path Group Member or any part of a Comply Path Group Member's undertaking or assets.
- (g) No notice under sections 601AA or 601AB of the Corporations Act has been received by any Comply Path Group Member.
- (h) Each Comply Path Group Member is able to pay its debts as and when they fall due and is not an insolvent under administration or insolvent (each as defined in the Corporations Act).
- (i) No Comply Path Group Member is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand.
- (j) No Comply Path Group Member is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act.

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## 3. Share capital of Comply Path

- (a) The Sale Shares:
  - (i) comprise all of the share capital of Comply Path;
  - (ii) are held and beneficially owned and are paid as set out in Schedule 1; and
  - (iii) were all properly issued.
- (b) There is no restriction on the sale or transfer of the Sale Shares to InPayTech (whether contained in the constitution of Comply Path or otherwise) except for the consent of the directors of Comply Path to the registration of the transfers of the Sale Shares.
- (c) There are no Securities convertible into shares of a Comply Path Group Member.

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#### **4. Information**

As far as each Seller Warrantor is aware, the Disclosure Material is true and correct in all material respects and is not misleading or deceptive in any material respect (whether by omission or otherwise).

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#### **5. Financial statements**

- (a) The Accounts were prepared:
    - (i) in accordance with the Accounting Standards, the requirements of the Corporations Act and all other applicable Law; and
    - (ii) on a basis consistent with the financial statements of each Comply Path Group Member for the financial year preceding the financial year ended on the Accounts Date.
  - (b) All financial arrangements of or relating to each Comply Path Group Member and the business of the Comply Path Group are fully and accurately reflected in the Accounts.
  - (c) The Accounts are not affected by any undisclosed unusual, abnormal, extraordinary, exceptional or non-recurring items.
  - (d) The Accounts and Management Accounts:
    - (i) have been prepared with due care and attention; and
    - (ii) disclose all revenue and operating expenses of the Comply Path Group for the period for which they were prepared, and accurately disclose the financial position of the Comply Path Group for the purpose for which the Management Accounts were prepared.
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#### **6. No changes since Accounts Date**

As far as each Seller Warrantor is aware, since the Accounts Date:

- (a) there has been no material adverse change in the assets, liabilities, turnover, earnings, financial condition, trading position or affairs of the Comply Path Group;
- (b) the Comply Path Group has carried on its business in all material respects in the ordinary course, in a manner comparable to that in which it was conducted for the 12 month period before the date of this agreement and with all reasonable care and in accordance with normal and prudent practice (having regard to the nature of its business and past practice and so as to comply with all applicable laws);
- (c) no Comply Path Group Member has entered into any material contracts or arrangements, or terminated or altered any term of any material contracts or arrangements, other than in the ordinary course of its business or in accordance with this agreement;
- (d) no Comply Path Group Member has incurred or undertaken any material liabilities or obligations (actual or contingent), including Taxation, except in the ordinary course of its business;

- (e) other than as provided for in this agreement, no Comply Path Group Member has acquired or disposed of or dealt with any assets nor has it entered into any agreement or option to acquire or dispose of any assets other than in the ordinary course of its business for full market value;
  - (f) other than in the ordinary course of business, no Comply Path Group Member has paid or agreed to pay any retiring allowance, superannuation or benefit to any of its officers or employees except where the law requires it;
  - (g) other than the new employees employed in the ordinary course of business and as otherwise fairly disclosed, no Comply Path Group Member has entered into or altered any contract of service with any officers, employees, contractors or agents, or increased or agreed to increase the rate of remuneration or compensation payable to any of its officers, employees, contractors or agents, except in the ordinary course of its business;
  - (h) no Comply Path Group Member has implemented any new accounting or valuation method for its business, assets, property or rights;
  - (i) other than as fairly disclosed, no loans have been made by Comply Path Group to its employees and no advances or loan money has been accepted from any of its employees; and
  - (j) no debt shown in the Accounts has been released or settled for an amount less than that reflected for that debt in the Accounts.
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## 7. Liabilities and commitments

- (a) As far as each Seller Warrantor is aware, every material contract, instrument or other commitment to which a Comply Path Group Member is a party and which is material to the Comply Path Group's business as at the date of this agreement is valid and binding according to its terms and no party to the contract, instrument or commitment is in material default under its terms.
  - (b) No Comply Path Group Member is party to any material agreement or arrangement under the terms of which any other party, by reason of any change in the beneficial ownership of the Sale Shares or in the management or control of Comply Path Group, becomes entitled to:
    - (i) terminate the agreement or arrangement earlier than would otherwise be the case if the change did not occur; or
    - (ii) require the adoption of terms less favourable to a Comply Path Group Member than those subsisting in the absence of the change.
  - (c) The transfer of the Sale Shares in accordance with this agreement does not and will not constitute a material breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which a Comply Path Group Member is or may become bound.
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## 8. Taxation

In this provision, except where the context otherwise requires, a reference to Comply Path includes each Comply Path Group Member.

- (a) As far as each Seller Warrantor is aware, all Tax and other revenue returns and business activity statements (**Returns**) lodged by ComplyPath:
  - (i) have been lodged by the due date for filing those Returns; and
  - (ii) have been made taking reasonable care, with full and true disclosure and otherwise in accordance with the relevant Tax Law.
- (b) No claim has ever been made with respect to any ComplyPath Group Member in a jurisdiction where such a company does not file Returns that such company is or may be subject to Tax by that jurisdiction, and the Seller Warrantors are not aware of any basis for any such claim to be made.
- (c) As far as each Seller Warrantor is aware, all assessments, whether marginal or amended, made by a Government Agency in respect of ComplyPath and all Returns of ComplyPath accurately reflect any Liability for Tax of ComplyPath for the period to which the assessment or Return relates.
- (d) All notices and elections required to be given or made by Comply Path have been given or made by ComplyPath and support the position taken in the Returns.
- (e) Comply Path has maintained proper and adequate records to enable it to comply in all material respects with its obligations under any Tax Law and all such records are held by Comply Path at Completion.
- (f) As far as each Seller Warrantor is aware Comply Path has paid all Taxes which Comply Path is liable to pay prior to Completion and Comply Path has not waived any statute of limitation in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.
- (g) As far as each Seller Warrantor is aware, the Accounts fully provide for all Taxes which Comply Path is or may become liable to pay for the period up to and including the Accounts Date.
- (h) Comply Path is not the subject of any audit or review by a Government Agency of any of its Returns and as far as the Seller Warrantor is aware there are no outstanding disputes, questions or demands as between Comply Path and any Government Agency relating to a Tax matter and the Seller Warrantor is not aware of:
  - (i) any pending or threatened audit or review relating to Comply Path; or
  - (ii) any reason why any Returns or assessments related to Tax payable by Comply Path in respect of any period before Completion would be disputed or examined or any benefit relating to Tax would be denied or limited.
- (i) Comply Path has not applied for or received any advance opinion or private binding ruling issued to it by any Government Agency and has taken "reasonable care" and adopted "reasonably arguable positions" (within the meaning of those terms in the Tax Act) in relation to its liability to pay Tax imposed under the Tax Act, has taken reasonable care in relation to its liability to pay Tax imposed under any other Tax Law, and in all cases has made full and true disclosure in relation to its liability to pay Tax.
- (j) As far as each Seller Warrantor is aware all amounts of Tax required by Law to be deducted by Comply Path from the salary or wages of employees, directors and other service providers have been deducted and remitted to the relevant Government Agency within the time allowed by the relevant Tax Law.



- (k) As far as each Seller Warrantor is aware any amount (including withholding tax) that is required to be withheld from any payment made by Comply Path has been duly withheld and remitted to the relevant Government Agency and Comply Path has not been a party to a scheme to avoid withholding tax.
- (l) Each Seller is and will at Completion be an Australian resident (as defined in the Tax Act).
- (m) Comply Path and any Australian resident subsidiary does not have and has never had a permanent establishment or other taxable presence in any jurisdiction outside Australia.
- (n) As far as each Seller Warrantor is aware there are no provisions in any sale or other agreement which limit the right of Comply Path to recover any Tax pursuant to a warranty or indemnity given by a third party as a result of a change of control of Comply Path.
- (o) There is no difference between the amounts incurred for acquisition, improvements and incidental costs of acquisition of assets by Comply Path and their cost base for Tax purposes.
- (p) The costs bases of the assets of Comply Path have not been reduced from the amounts of money actually incurred for acquisition, improvements and incidental costs of acquisition on account of:
  - (i) any transfers of assets;
  - (ii) any transfers of losses;
  - (iii) any forgiveness of debt; or
  - (iv) any transactions which shift value.
- (q) Comply Path has not participated in schemes or transactions or made any payments to which Part IVA, section 82KK or section 82KL of the Tax Act applies or might apply.
- (r) Comply Path has not participated in:
  - (i) any dividend stripping or dividend or capital streaming or franking credit trading schemes (or schemes of substantially the same effect) within the meaning of the Tax Act or which are subject to the operation of sections 45 to 45D, former sections 46B, and 160AQCBA and section 177E or 177EA of the Tax Act; or
  - (ii) any scheme or arrangement within the meaning of Division 204 of Part 3 6 of the Tax Act to exploit the benchmark franking percentage of another entity, stream franked distributions or tax exempt bonus shares or stream distributions to shareholders or former shareholders of Comply Path that derive greater benefit from franking credits than other shareholders or former shareholders of Comply Path, and nor will the sale itself, or in conjunction with other events before Completion, constitute such a scheme.
- (s) No dividend has been paid by Comply Path:
  - (i) in respect of which the franking amount has exceeded the benchmark franking percentage or the maximum franking credit within the meaning of Part 3 6 of the Tax Act; or

- (ii) in respect of which an application has been made to the Commissioner of Taxation for permission to depart from the benchmark franking percentage within the meaning of Part 3.6 of the Tax Act.
- (t) Comply Path has provided distribution statements within the meaning of section 202-80 of the Tax Act to its shareholders in respect of any dividends paid by Comply Path before Completion.
- (u) Comply Path does not hold any assets to which Subdivision 104 J of the Tax Act may apply.
- (v) Nothing has occurred to cause a disallowance of carried forward income or capital losses of Comply Path (other than the transfer of shares as contemplated by this agreement).
- (w) Comply Path has not been required to reduce losses or the tax attributes of assets (for capital allowances purposes or capital gains tax purposes) as contemplated by Division 245 of Schedule 2C of the Tax Act.
- (x) Comply Path Group Members have not entered in to, or are not parties to any Tax Sharing Agreement or Tax Funding Agreement.
- (y) Subject to the relevant Comply Path Group Entity satisfying the conditions in Subdivision 165-C of the Tax Act, a bad debt deduction will be available in respect of the write off of any trade debts shown in the last Accounts which have not previously been written off.
- (z) Comply Path has not entered into any arrangement that will give rise to any adjustment to its taxable income as a result of the operation of the provisions in Division 13 of Part III of the Tax Act or results in it obtaining a "transfer pricing benefit" as that term is defined in Division 815 of the Tax Act
- (aa) Comply Path is not and will not become liable to pay, reimburse or indemnify any person in respect of any Tax relating to an act or omission occurring before Completion or because of the failure of that other person to discharge a Tax liability.
- (bb) Comply Path has not issued or created any:
  - (i) non-share equity interest (as defined in section 995-1 of the Tax Act); or
  - (ii) non-equity share (as defined in section 6(1) of the Tax Act).
- (cc) Comply Path has not:
  - (i) made any interposed entity election pursuant to section 272-85 of Schedule 2F to the Tax Act;
  - (ii) made any other election for Tax purposes which may affect the tax treatment of any dividends paid to its shareholders after Completion; or
  - (iii) as far as the Seller Warrantor is aware, entered into any transaction that attracts the operation of sections 45B, 45C, 108 or 109 or Division 7A of the Tax Act.
- (dd) The share capital account of Comply Path is not 'tainted' within the meaning of Division 197 of the Tax Act, and Comply Path has not taken and will not take any action that will cause its share capital account to become a 'tainted' share capital account prior to Completion.

- (ee) Comply Path will not have a franking account deficit immediately after Completion and no act or omission of Comply Path at or before Completion would cause it to be liable for franking deficit tax, if the income year for Comply Path ended immediately after Completion.
- (ff) As far as each Seller Warrantor is aware Comply Path has not entered into any arrangement or transaction which is or may be subject to adjustment under Division 13 or Division 815 of the Tax Act or any double taxation agreement between Australia and another country.
- (gg) As far as each Seller Warrantor is aware, Comply Path does not own or hold any asset for which a rollover or other Tax relief has been obtained and which may give rise to a Tax Claim as a result of Completion or which may operate to restrict the cost base of assets in the hands of Comply Path.
- (hh) Comply Path has always had a public officer appointed in accordance with the requirements of the Tax Acts.
- (ii) Comply Path has disclosed to InPayTech all communications that a Comply Path Group Member has received from Government Agencies to each Comply Path Group Member (including rulings and communications by way of agreement) prior to the date of this agreement which will, or may affect the calculation of Comply Path's liability to Tax.
- (jj) Comply Path has fully complied with, and will full comply with until Completion, the terms of all communications received by a Comply Path Group Member from Government Agencies to each Comply Path Group Member (including rulings, and communications by way of agreement) prior to the date of this agreement, which will or may affect the calculation of Comply Path's liability to Tax.

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## 9. GST

- (a) In this provision, except where the context otherwise requires, a reference to Comply Path includes each Comply Path Group Member.
- (b) In this warranty:
  - (i) expressions which are not defined, but which have a defined meaning in GST Law, have the same meaning as in the GST Law; and
  - (ii) GST Law has the meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.
- (c) Comply Path is registered for GST and has an Australian Business Number (**ABN**).
- (d) The computerised accounting and invoicing systems of ComplyPath have GST functionality. For the purposes of this warranty, a system has GST functionality if it:
  - (i) can generate tax invoices and adjustment notes;
  - (ii) provides for GST in respect of supplies or inputs to be recorded as balance sheet items; and
  - (iii) can produce such financial information as may be required to complete a GST return, business activity statement or both.

- (e) As far as each Seller Warrantor is aware, no Comply Path Group Member is or has ever been:
    - (i) a member of any GST group, GST joint venture or partnership; or
    - (ii) liable to pay GST in respect of supplies made by any other entity.
  - (f) As far as each Seller Warrantor is aware, Comply Path has not participated in any schemes or transactions or made any payments to which Division 165 of the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* applies or might apply.
  - (g) As far as each Seller Warrantor is aware, Comply Path:
    - (i) has complied in all material respects with its obligations under the GST Act;
    - (ii) has lodged all Business Activity Statements (**BAS**) by the due date for filing;
    - (iii) has prepared each BAS with reasonable care and with making full and true disclosure and warrants that each BAS does not contain any statement that is false or misleading, whether by omission or otherwise;
    - (iv) has paid all amounts it has been required to pay in connection with each BAS by the due date;
    - (v) is not a party to any document, instrument, contract, agreement, deed or transaction in respect of which it is or will become liable to pay GST in circumstances where it has no express entitlement to increase the consideration payable under the document, instrument, contract, agreement, deed or transaction or otherwise seek reimbursement so that it retains the amount it would have retained but for the imposition of GST; and
    - (vi) does not have any amended assessments to which an extended or refreshed period of review could apply under section 155-70 of the Taxation Administration Act 1953 in respect of GST.
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## 10. Stamp Duty

- (a) In this provision, except where the context otherwise requires, a reference to Comply Path includes each Comply Path Group Member.
- (b) As far as each Seller Warrantor is aware, all Stamp Duty arising under a Tax Law in relation to any transaction or document to which a Comply Path is or has been a party or by which a Comply Path derives, or has or will derive, a benefit has been paid or will be paid before Completion in accordance with the relevant Tax Law (irrespective of whether Comply Path or a Third Party is liable for that Stamp Duty).
- (c) As far as each Seller Warrantor is aware, Comply Path has not been a party to a transaction or document with a Related Body Corporate (or an entity that was a Related Body Corporate at the time) in the 6 years preceding Completion that would have been liable to Stamp Duty under a Tax Law but for relief granted in writing by a Government Agency.
- (d) Comply Path does not hold (or will not hold) land interests at Completion (whether held directly or indirectly) that will cause Comply Path to be a landholder or land rich entity (however described) under a Tax Law relating to Stamp Duty.

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## 11. Insurance

- (a) Each contract under which a ComplyPath Group Member is an insured party including in respect of workers' compensation insurance and professional indemnity insurance (**Insurance Contract**) is in force and as far as each Seller Warrantor is aware there is no fact or circumstance known to the Comply Path Group or the Seller Warrantors that would, or would be reasonably likely to, on or after Completion:
  - (i) lead to the Insurance Contract being terminated or ceasing to have effect; or
  - (ii) permit the relevant insurer to refuse or reduce a claim, increase the premium or alter any provision under the Insurance Contract.
- (b) As far as each Seller Warrantor is aware, under the Insurance Contracts:
  - (i) all of the property and assets of ComplyPath Group of an insurable nature are insured in amounts representing their full replacement or reinstatement value against fire and other risks normally insured against for similar businesses in similar industries; and
  - (ii) Comply Path Group is adequately insured for such amounts as would be maintained in accordance with prudent business practice in respect of all risks, including in relation to damage to property, personal injury, public liability, product liability, professional indemnity, workers' compensation and business interruption.
- (c) There are no outstanding claims or insurance premiums payable under the Insurance Contracts.

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## 12. Contracts and commercial matters

All contracts, arrangements and understandings binding on a Comply Path Group Member are at arm's length and are capable of complete performance by it.

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## 13. Compliance with Relevant Laws

- (a) As far as each Seller Warrantor and each Comply Path Group Member is aware, each Comply Path Group Member has complied in all material respects with all laws including all Relevant Laws applicable to the conduct of the business of the Comply Path Group and the other assets of ComplyPath Group or in any other manner, including all:
  - (i) laws of all jurisdictions in which a ComplyPath Group Member operates, solicits investors, trades securities, derivatives or other financial products;
  - (ii) employment and industrial relations Laws and agreements;
  - (iii) occupational health and safety Laws; and
  - (iv) and no material contravention or allegation of any material contravention of any laws including any Relevant Laws is known to the Seller Warrantors.
- (b) As far as each Seller Warrantor and each Comply Path Group Member is aware:

- (i) there is no fact or matter that might prejudice the continuance or renewal, or result in the revocation or variation in any material respect, of any statutory permit or licence material to the conduct of the Comply Path Group's business as at the date of this agreement; and
    - (ii) no Comply Path Group Member is being investigated for any material breach or any alleged material breach of any Relevant Law.
  - (c) No Comply Path Group Member has received any written notice that any statutory permit or licence material to the conduct of the Comply Path Group's business as at the date of this agreement will be revoked, suspended, modified or will not be renewed.
  - (d) As far as each Seller Warrantor and each Comply Path Group Member is aware, each Comply Path Group Member has complied in all material respects with all conditions under all licences, consents, certifications and authorisations, material to the carrying on of the business of the Comply Path Group as at the date of this agreement.
- 

#### **14. Litigation**

- (a) Other than as fairly disclosed and as far as each Seller Warrantor is aware, no Comply Path Group Member has nor any person for whose acts or defaults a Comply Path Group Member may be vicariously liable is involved in, or threatened in writing with, any Claim in any court, tribunal or otherwise and there are no facts or circumstances likely to give rise to any such Claim.
  - (b) As far as each Seller Warrantor is aware there are no unsatisfied Claims against a Comply Path Group Member.
- 

#### **15. Employees, officers and sub-contractors**

- (a) There are no unusually onerous conditions in respect of the employment of any employee or the engagement of any sub-contractor by a Comply Path Group Member.
- (b) Each Comply Path Group Member has complied in all material respects with all contractual, statutory, legal and fiscal obligations of and in relation to its employment of its employees, including all withholding obligations, all codes of practice, collective agreements and awards.
- (c) No Comply Path Group Member operates any profit share or employee incentive plans or schemes for its employees or officers.
- (d) No money other than in respect of remuneration or benefits of employment is payable to any director or employee of Comply Path Group and no Comply Path Group Member is under any present, future or contingent liability to pay compensation for loss of office or employment to any ex-officer or ex-employee.
- (e) All persons employed or engaged in the business of the Comply Path Group prior to Completion have been properly classified by Comply Path Group as employees or independent contractors and the recognition of employee entitlements in the Accounts and Management Accounts materially accurate.
- (f) No Claim has been made, nor has the Comply Path Group received notice of any potential Claim, by or on behalf of any past or present employee against a Comply

Path Group Member within the 6 months preceding this document. To the best of the knowledge of each Seller, there are no circumstances which are likely to give rise to a Claim against a Comply Path Group Member by any employee.

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## 16. Superannuation

As at Completion, each ComplyPath Group Member has satisfied all employer superannuation obligations in respect of any person for which it is required to make superannuation contributions pursuant to any relevant legislation, contract, award or other industrial instrument requiring the payment of superannuation contributions.

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## 17. Computer systems, software and IT

- (a) The information technology and telecommunications systems, computers and computer systems, hardware and software owned or used by Comply Path Group Members in the conduct of Comply Path Group's business as at the date of this agreement (**Systems**) comprise all the information technology and telecommunication systems, computer and computer systems, hardware and software material to the conduct of Comply Path Group's business as conducted as of the date of this agreement.
  - (b) All the Systems owned or used by Comply Path Group:
    - (i) are in full operating order and are fulfilling the purposes for which they were acquired or established in an efficient manner without material downtime or errors;
    - (ii) have adequate capacity for Comply Path Group's present needs; and
    - (iii) have adequate security, back-ups, hardware and software support and maintenance and trained personnel to ensure, so far as is reasonable, that breaches of security, errors and breakdowns are kept to a minimum and that no material disruption will be caused to the business of Comply Path Group or any material part of it if there is a breach of security, error or breakdown.
  - (c) All software used by Comply Path Group is owned or validly licensed by, or under the control, it.
- 

## 18. Intellectual Property

- (a) A Comply Path Group Member is the sole legal and beneficial owner of the Owned Intellectual Property Rights free from Encumbrances. A Comply Path Group Member owns or is validly licensed to use the Intellectual Property Rights the subject of the Intellectual Property Licences.
- (b) No Comply Path Group Member has dealt with or granted to any person any rights in respect of the Owned Intellectual Property Rights by way of licence or in any other way.
- (c) As far as each Seller Warrantor and each Comply Path Group Member is aware, the conduct of the business by each Comply Path Group Member does not breach or infringe any Intellectual Property Rights of any person. No Comply Path Group Member has received any claim, proceeding, opposition, cancellation action or complaint alleging infringement or misappropriation by it of the Intellectual Property Rights of any person.

- (d) As far as Seller Warrantor and each Comply Path Group Member is aware, no person has infringed or is infringing any of the Owned Intellectual Property Rights.
  - (e) No person other than a Comply Path Group Member has any right to or in any of the Owned Intellectual Property Rights, or any right which would otherwise restrict the disclosure or use by a Comply Path Group Member of any of the Owned Intellectual Property Rights or the Intellectual Property Licences.
  - (f) The Owned Intellectual Property Rights and the Intellectual Property Rights the subject of the Intellectual Property Licences comprise all of the Intellectual Property Rights necessary for the operation and conduct of the Comply Path Group business as at the date of this agreement.
- 

## 19. Records

- (a) The Records of the Comply Path Group Members:
    - (i) are in the possession or under the control of the Comply Path Group Members;
    - (ii) have been properly maintained in accordance with all applicable material Laws in Australia;
    - (iii) as far as each Comply Path Group Member is aware, do not contain any material inaccuracies; and
    - (iv) include all material information required or under, or to comply in all material respects with, or to support any filing made or required to be made under any applicable Law in Australia.
  - (b) No Comply Path Group Member has received notice of any application or intended application for the rectification of its register of members or any other register that it is required by Law to maintain.
- 

## 20. Leased Premises

- (a) No Comply Path Group Member has entered into any agreement, option or right of pre-emption to acquire, lease, use or occupy any property or land.
- 

## 21. Cybersecurity and privacy

- (a) The Comply Path Group takes appropriate steps to mitigate material cyber risks associated with the Comply Path Group business.
- (b) The Comply Path Group and the business that it acquired in July 2020 (**the Comply Path Group Business**) has in the 2 year period before the date of this agreement undertaken testing (including penetration testing) of all material Systems, for weaknesses, security vulnerabilities and unauthorised accesses.
- (c) The Comply Path Group has established and operates industry standard policies, procedures and processes covering the Comply Path Group's ability to prepare for, respond to and recover from cyber-attacks or cyber-incidents affecting the Comply Path Group Business.



- (d) Comply Path is not aware of any cyber-attacks, cyber-incidents or data breaches which in the last 5 years have compromised Systems in any material way, or resulted in material information held by the ComplyPath Group being accessed or accessible by unauthorised persons.
- (e) The Comply Path Group has and implements processes for ensuring regular system maintenance, including reasonably timely installation of software patches that address security vulnerabilities.
- (f) The Comply Path Group is in compliance, and the Comply Path Group Business has been in compliance, with all applicable Privacy Laws.
- (g) The Comply Path Group Business has not:
  - (i) received any written complaint from any individual;
  - (ii) been subject to any investigation, fine or penalty imposed by any Governmental Agency,regarding the Comply Path Group Business's personal information handling practices in the last 3 years.
- (h) As far as the Comply Path is aware, there have been no data breaches or security incident involving any personal information that would be notifiable to any Governmental Agency or an affected individual under applicable Privacy Law.
- (i) The Comply Path Group holds all consents necessary to allow it to collect, hold, use and disclose any personal information which it collects, holds, uses or discloses in the course of conducting the Comply Path Group business.

## Schedule 5 – Seller Warranties

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### 1. The Sellers' authority to sell

Each Seller severally but not jointly represents and warrants that:

- (a) The obligations of the Seller in connection with the Acquisition have been duly authorised, if applicable.
  - (b) The documents to be entered into by the Seller have been duly executed by the Seller and are enforceable against the Seller in accordance with their respective terms.
  - (c) Neither the execution and delivery of documents to be entered into in connection with the Acquisition, nor the performance of the Seller's obligations under those documents, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or government agency.
  - (d) It has all right, title and interest in and to the Sale Shares set out opposite its name in Schedule 1, free and clear of Encumbrances.
  - (e) It is not subscribing for or receiving the InPayTech Purchase Shares under a disclosure document for the purposes of Chapter 6D of the Corporations Act and that a disclosure document will not be lodged with ASIC.
  - (f) It is either:
    - (i) a professional investor for the purposes of section 708(11) of the Corporations Act; or
    - (ii) a sophisticated investor for the purposes of section 708(8) of the Corporations Act.
- 

### 2. Trustee Sellers

Each Seller that enters into this agreement as trustee of a trust, warrants in its own capacity and as trustee of the trust that:

- (a) in respect of the trust:
  - (i) the trust is duly constituted and has not terminated, nor has the date or any event occurred for the vesting of the trust fund of the trust;
  - (ii) no action has been taken or is proposed to be taken to terminate or dissolve the trust;
  - (iii) there is no material fact or circumstance relating to the assets, matters or affairs of the trust that might, if disclosed, be expected to affect the decision of InPayTech to enter into this agreement;
  - (iv) the date for the vesting of that trust has not occurred and the whole of the funds constituting the trust fund of that trust has not been vested in a manner that puts them beyond the recourse of that party under its right of indemnity; and
- (b) in respect of the trustee:

- (i) it has full legal capacity, valid power and authority under the terms of the trust and, in the case of a corporation, under its constitution or memorandum of association (if applicable) to:
  - (A) own the trust fund of that trust and carry on the business of that trust as it is now being conducted; and
  - (B) enter into and execute this agreement and to carry out the transactions contemplated by this agreement as trustee of the trust;
- (ii) it has in full force and effect the authorisations necessary for it to enter into this agreement and perform its obligations under it and allow them to be enforced (including under the trust deed and its constitution (if any));
- (iii) it enters into this agreement and the transactions contemplated by this agreement for the proper administration of the trust and for the benefit of all the beneficiaries of the trust;
- (iv) it is the sole trustee of the trust, it has not given any notice of resignation and no action has been taken or is now proposed to be taken to remove it as trustee of the trust;
- (v) it has a right, including after any set off, to be fully indemnified out of assets of the trust in respect of obligations incurred by it under this agreement and the property of the trust is sufficient to satisfy that right of indemnity;
- (vi) it has not done anything which effects or facilitates the variation of the terms of the trust or the resettlement of the trust funds or property;
- (vii) it is not in breach of any of its obligations as trustee of the trust, whether under the trust deed or otherwise; and
- (viii) it is not in default under the terms of the trust.

## Schedule 6 – Shareholder Resolutions

### Part A

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

*“That, subject to the passing of all other Required Resolutions, to the extent required for the purposes of Listing Rule 7.1 and for all other purposes, the Company is authorised to issue 573,260,447 Shares in the Company to the Sellers on the terms and conditions and in the manner set out in the Explanatory Notes.”*

### Part B

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

*“That, subject to the passing of all other Required Resolutions, for the purposes of item 7 of section 611 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 573,260,447 Shares in the Company to the Relevant Sellers and to enter into voluntary escrow deeds in respect of 573,260,447 Shares in the Company, as a result of which:*

- a) Unlocked Investments Pty Ltd (or its nominees), and Digital Niche Investments Pty Limited (or its nominees), and their Associates;*
- b) GJB Consulting Pty Ltd (or its nominees) and its Associates; and*
- c) the Company and its Associates,*  
*will each acquire a Relevant Interest in the Shares of the Company, on the terms and conditions and in the manner set out in the Explanatory Notes.”*

### Part C

To consider and, if thought fit, pass the resolution as an **ordinary resolution** of the Company:

*“That, subject to the passing of all other Required Resolutions, for the purposes of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the scale of its activities resulting from the completion of the Proposed Transaction, as described in the Explanatory Notes”.*

## **Schedule 7 – Agreed Announcement**



## Integrated Payment Technologies Ltd to Merge with ComplyPath Holdings Pty Ltd

**Sydney, Tuesday 17 November 2020**

Integrated Payment Technologies Ltd (ASX:IP1) is pleased to announce it has entered into a Merger Agreement (**Merger Agreement**) with the shareholders of Comply Path Holdings Pty Ltd (**Comply Path**) whereby IP1 will acquire 100% of the issued capital of Comply Path (**Merged Group**) (the **Transaction**). The Transaction is to be undertaken as a 100% Scrip for Scrip offer.

The Transaction is subject to shareholder approval, which will be sought at the IP1 Annual General Meeting on 21<sup>st</sup> January 2021. Should IP1 shareholders vote in favour of the transaction, then on settlement of the Transaction the Comply Path shareholders will own 50% of the shares on issue of IP1. Based on the share price of IP1 today, this notionally values Comply Path at approximately A\$19.5 million.

**The Transaction is unanimously recommended by the Board of IP1.**

### About Comply Path

Comply Path's mission is to help businesses unlock value through compliance. Its Bond platform was established as a regtech venture in PwC Australia to improve the connectedness of the employee to member ecosystem. As of July 2020, it became a stand alone business 'Comply Path', but with all the rich compliance capability of Australia's largest professional services firm.

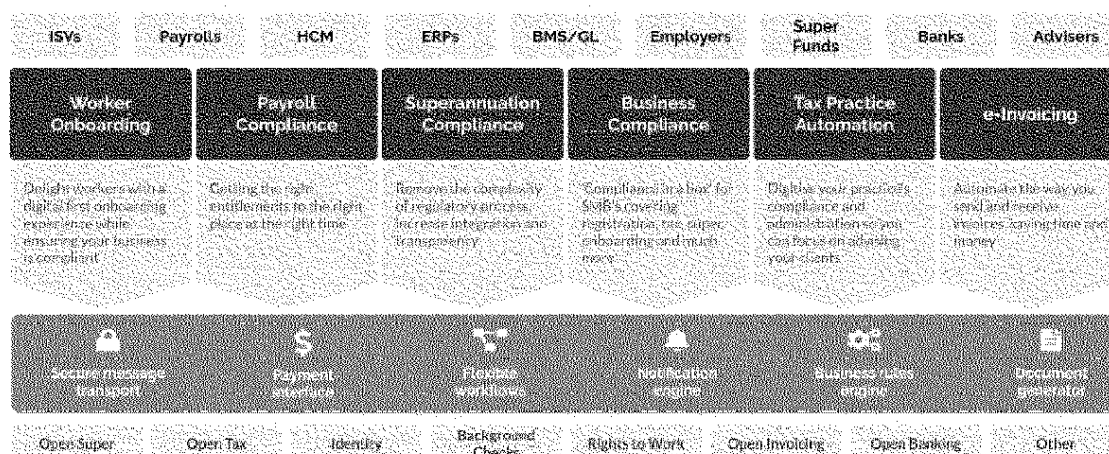
For over 7 years, Bond has been responsible for the secure interaction of tax and super data for over 15% of Australia's working population.

Bond also powers an award winning superannuation digital platform that has processed over \$10B in contributions payments and millions of

Integrated Payment Technologies Limited ACN 611 202 414  
Suite 1, Level 5, 28 Margaret Street, Sydney, NSW, 2000  
[inpaytech.com.au](http://inpaytech.com.au)

Single Touch Payroll transactions. It powers digital platforms for a major government super fund, a major profit-for-member super fund and a major retail super fund helping their clients comply at a lower cost whilst enabling them to explore new value for their members.

The Comply Path Bond platform solutions can be summarised as follows:



Comply Path was a proposed collaboration partner for IP1's ClickVu platform. However, as the collaboration discussion progressed, the commonality of culture, capability and industry vision led to discussing a merger of the companies in order to scale IP1's operations and to progress IP1's ClickVu solution at a more integrated and rapid pace.

### Synergies in merging the activities of IP1 and Comply Path

- IP1 will immediately diversify and increase its revenues as Comply Path generated circa \$1.5m pa in licensing and consulting revenues over each of the last 2 years.
- IP1 proposes to transition its ClickSuper service to utilise Comply Path's Bond platform which will also allow the group to further rationalise its IT costs.
- IP1 aims to integrate its patented payment technology with the Comply Path Bond platform to form a best of breed messaging and payment platform.

- The merger brings the operating model of ClickSuper, which includes holding and maintaining an ASFL and a SaaS client support services, to Comply Path which will allow IP1 to sell Comply Path's Bond platform as a SaaS model rather than its current licensing and consulting model.
- IP1 will acquire the IP rights to Comply Path's employee and super fund member onboarding functionality which will greatly enhance the ClickSuper proposition and allow IP1 to enter the KYE ('Know Your Employee') market, which is a key driver to ClickVu acceptance.
- IP1 will acquire the IP rights to Comply Path's Employer and Business compliance functionality which will allow IP1 to offer deeper services with ClickSuper's existing channel partners expanding Single Touch Payroll reporting and Employee entitlements to other business compliance processing.
- IP1 will also acquire the rights to Comply Path's e-Invoicing functionality of Bond Access Point (AP) and Service Metadata Provider (SMP) solutions which enables businesses or government agencies to start sending and receiving e-invoices using PEPPOL, the international standard recently adopted by Australia as the nation's e-invoicing standard. This should greatly enhance and potentially reposition IP1's PayVu product.

## Transaction details

The Transaction will be implemented via the Merger Agreement as a 100% Scrip for Scrip offer.

As part of the Transaction, 573,260,447 IP1 shares will be issued to the existing shareholders of Comply Path (being Unlocked Investments Pty Ltd, GJB Consulting Pty Ltd, Digital Niche Investments Pty Limited and Clinton Capital Partners Pty Ltd) subject to IP1 shareholder approval.

The conditions precedent to the Transaction are set out below:

- the required resolutions being validly passed by IP1 shareholders;  
and



- the Comply Path shareholders entering into voluntary escrow deeds whereby 50% of the IP1 shares received by them under the Transaction will be escrowed for a period of 12 months and the remaining 50% of the IP1 shares received by them will be escrowed for 24 months from issue.

No funds will be raised from the issue of IP1 shares under the Transaction.

### On Completion of the Transaction:

Following completion of the Transaction:

- Comply Path will be a wholly owned subsidiary of IP1;
- Comply Path shareholders will own 50% of the Merged Group and IP1 shareholders will own the remaining 50%;
- The effect of the issue of the shares (beneficially owned) under the transaction will be as follows:

Shareholder Name	Existing Structure		Post Transaction Structure	
	No. of Shares	% Held	No. of Shares	% Held
Trent Lund and related entities	-	0.0%	257,967,201	22.5%
Joe Brasacchio and related entities	-	0.0%	257,967,201	22.5%
Colin Scully and related entities	112,661,526	19.7%	112,661,526	9.8%
Donald Sharp and related entities	68,858,177	12.0%	68,858,177	6.0%
Clinton Capital Partners Pty Ltd and related entities	-	0.0%	57,326,045	5.0%
Paul Collins and related entities	42,083,374	7.3%	42,083,374	3.7%
Andrew Blair and related entities	30,000,000	5.2%	30,000,000	2.6%
Others	319,657,370	55.8%	319,657,370	27.9%
Total	573,260,447	100.0%	1,146,520,894	100.0%

- key management personnel will comprise existing management and staff from both IP1 and Comply Path, in particular Comply Path's current CEO, Joe Brasacchio, will become the CTO of the Merged Group; and
- IP1 and Comply Path will agree the strategic priorities and business plan of the Merged Group, including but not limited to:
  - development and growth of the Merged Group's existing products;
  - potential rebranding of the Merged Group;
  - strategic direction of the Merged Group's business; and
  - making the existing share scheme of IP1 available to Comply Path's personnel.

### **Merged Group Governance**

After completion of the Transaction, it is proposed that the Board of the Merged Group will be composed of:

- Don Sharp - Executive Chair;
- Paul Collins - Non Executive Director;
- Trent Lund - Non Executive Director; and
- Randolph Clinton - Non Executive Director,

with an intention to appoint an independent non executive chair within 6 months of the Transaction's shareholder approval.

### **Shareholder approval under ASX Listing Rule 11.1.2**

IP1 is required to seek the approval of shareholders under ASX Listing Rule 11.1.2 for a significant change in the scale of its activities as a result of the Transaction and therefore the Transaction may not proceed if approval is not obtained.

ASX has indicated to IP1 that it does not require IP1 to re-comply with Chapters 1 and 2 of the ASX Listing Rules in order to complete the Transaction under Listing Rule 11.1.3.

### **Propose Transaction timeframe and next steps**

To implement the Transaction IP1 will prepare a notice of meeting seeking shareholder approval for the Transaction. The proposed timing of dispatch of the notice of meeting to shareholders and other next steps are set out below:

Tuesday, 24 November 2020	Submit notice of meeting to ASIC for approval
Wednesday, 9 December 2020	Submit notice of meeting to ASX for approval
Tuesday, 22 December 2020	Dispatch of IP1 notice of meeting
Thursday, 21 January 2021	IP1 AGM where shareholders will vote on the Transaction
Thursday, 28 January 2021	Completion and allotment of IP1 shares issued under the Transaction

The above table is an indication only and is subject to change. IP1 is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1 and the Board of IP1 will continue to provide shareholders with updates regarding the Transaction in accordance with the ASX Listing Rules.

Authorised by:  
Don Sharp  
Executive Chairman  
E: Don.Sharp@inpaytech.com.au  
M: 0419 632 315

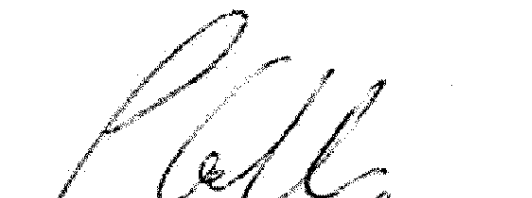
This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of IP1 to be materially different from those expressed or implied in this release including, amongst others, the merger transaction not proceeding as planned, changes in general economic and business conditions, regulatory environment, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, IP1 assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, IP1 and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release. This release should be read in conjunction with the IP1's ASX announcements and releases.

**Integrated Payment Technologies Limited** )  
**ACN 611 202 414** pursuant to Section 127 )  
of the *Corporations Act 2001* (Cth): )

  
\_\_\_\_\_  
Signature of Director

**DON SHARP**

\_\_\_\_\_  
Name of Director (print)

  
\_\_\_\_\_  
Signature of Director/Secretary

**PAUL COLLINS**

\_\_\_\_\_  
Name of Director/Secretary (print)

Executed by )  
**Comply Path Holdings Pty Ltd ACN 641** )  
**635 494** )  
pursuant to Section 127 of the )  
*Corporations Act 2001* (Cth): )

\_\_\_\_\_  
Signature of Director

**GIUSEPPE BRASACCHIO**

\_\_\_\_\_  
Name of Director (print)

\_\_\_\_\_  
Signature of Director/Secretary

**TRENT LUND**

\_\_\_\_\_  
Name of Director/Secretary (print)

Executed by  
**Unlocked Investments Pty Ltd ATF the**  
**Unlocked Investments Unit Trust**  
pursuant to Section 127 of  
the *Corporations Act 2001* (Cth):

\_\_\_\_\_  
Signature of Sole Director / Sole Secretary

**TRENT LUND**

\_\_\_\_\_  
Name of Sole Director / Sole Secretary (print)

DocuSign Envelope ID: 639DBC5C-B596-4A09-9FC6-6C86C5EDED9

**Executed as an agreement**

Executed by  
**Integrated Payment Technologies Limited** )  
**ACN 611 202 414** pursuant to Section 127 )  
of the *Corporations Act 2001* (Cth): )

\_\_\_\_\_  
Signature of Director**DON SHARP**\_\_\_\_\_  
Name of Director (print)\_\_\_\_\_  
Signature of Director/Secretary**PAUL COLLINS**\_\_\_\_\_  
Name of Director/Secretary (print)

Executed by  
**Comply Path Holdings Pty Ltd ACN 641** )  
**635 494** )  
pursuant to Section 127 of the )  
*Corporations Act 2001* (Cth): )

DocuSigned by:

A handwritten signature in black ink, appearing to read 'Giuseppe Brasacchio', enclosed in a rounded rectangular box.

\_\_\_\_\_  
Signature of Director**GIUSEPPE BRASACCHIO**\_\_\_\_\_  
Name of Director (print)

DocuSigned by:

A handwritten signature in black ink, appearing to read 'Trent Lund', enclosed in a rounded rectangular box.

\_\_\_\_\_  
393ABA88E5F5415\_\_\_\_\_  
Signature of Director/Secretary**TRENT LUND**\_\_\_\_\_  
Name of Director/Secretary (print)

Executed by  
**Unlocked Investments Pty Ltd ATF the**  
**Unlocked Investments Unit Trust**  
pursuant to Section 127 of  
the *Corporations Act 2001* (Cth):

DocuSigned by:

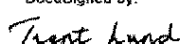
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383ABA88E5F5415\_\_\_\_\_  
Signature of Sole Director / Sole Secretary**TRENT LUND**\_\_\_\_\_  
Name of Sole Director / Sole Secretary (print)

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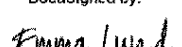


Executed by  
**Digital Niche Investments Pty Limited ATF  
Digital Niche Investment Trust**  
pursuant to Section 127 of  
the *Corporations Act 2001* (Cth):

DocuSigned by:  
  
393AB088E5E5415  
Signature of Director

**TRENT LUND**


Name of Director (print)

DocuSigned by:  
  
81AA7E9EC9C0484  
Signature of Director/Secretary


**EMMA LUND**

Name of Director/Secretary (print)

Executed by  
**Giuseppe Brasacchio** on behalf of **GJB  
Consulting Pty Ltd ATF Giuseppe and  
Francy Brasacchio Family Trust** as sole  
director:

DocuSigned by:  
  
7A7CA02E923343A  
Signature of **Giuseppe Brasacchio**

Executed by  
**Randolf Clinton** on behalf of **Clinton Capital  
Partners Pty Ltd** as sole director:

DocuSigned by:  
  
940EF0F35F8C413  
Signature of **Randolf Clinton**

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**To CompanyName/Scheme **INTEGRATED PAYMENT TECHNOLOGIES LIMITED**ACN/ARSN **ACN 611 202 414****1. Details of substantial holder (1)**Name **UNLOCKED INVESTMENTS PTY LTD**ACN/ARSN (if applicable) **ACN 641 201 443**The holder became a substantial holder on **28 January 2021****2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
ORDINARY SHARES	606,260,447	606,260,447	52.88%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
UNLOCKED INVESTMENTS PTY LTD AND DIGITAL NICHE INVESTMENTS PTY LIMITED	Unlocked Investments Pty Ltd ( <b>Unlocked</b> ) and Digital Niche Investments Pty Limited ( <b>Digital Niche</b> ) are Associated Entities (as defined in Section 9 of the <i>Corporations Act 2001</i> (Cth) ( <b>Act</b> )) and together, Unlocked and Digital Niche have a voting power in Integrated Payment Technologies Limited above 20% and thus are deemed to have the same relevant interest as Integrated Payment Technologies pursuant to Section 608(3)(a) of the Act (excluding shares directly held by Unlocked and Digital Niche as noted below, and which are subject to escrow).  Details of Integrated Payment Technologies Limited's relevant interest is set out in the Form 604 lodged by it on or around the same date of this Form 603.	348,293,246 ordinary shares
UNLOCKED INVESTMENTS PTY LTD	Direct holding	161,229,501 ordinary shares
DIGITAL NICHE INVESTMENTS PTY LIMITED	Direct holding	96,737,700 ordinary shares

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
UNLOCKED INVESTMENTS PTY LTD	UNLOCKED INVESTMENTS PTY LTD	UNLOCKED INVESTMENTS PTY LTD	161,229,501 ordinary shares
DIGITAL NICHE INVESTMENTS PTY LIMITED	DIGITAL NICHE INVESTMENTS PTY LIMITED	DIGITAL NICHE INVESTMENTS PTY LIMITED	96,737,700 ordinary shares
INTEGRATED PAYMENT	Various (see Annexure B of Form 604 lodged by Integrated Payment		348,293,246 ordinary



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TECHNOLOGIESLIMITED	Technologies Limited on or around the date of this Form 603 but excluding GJB Consulting Pty Ltd as it is noted above)	shares
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**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration(9)		Class and number of securities
		Cash	Non-Cash	
UNLOCKED INVESTMENTS PTY LTD	28/01/2021	Per the merger agreement dated 17 November 2020 between Integrated Payment Technologies Limited, Unlocked Investments Pty Ltd and others.		161,229,501 ordinary shares
DIGITAL NICHE INVESTMENTS PTY LIMITED	28/01/2021	Per the merger agreement dated 17 November 2020 between Integrated Payment Technologies Limited, Digital Niche Investments Pty Ltd and others.		96,737,700 ordinary shares

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
DIGITAL NICHE INVESTMENTS PTY LTD ACN 609 654 275	Digital Niche Investments Pty Limited is an associate of Unlocked Investments Pty Ltd by virtue of section 12 of the Corporations Act as the entities are related bodies controlled by the same shareholder.

**7. Addresses**

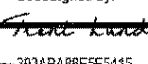
The addresses of persons named in this form are as follows:

Name	Address
UNLOCKED INVESTMENTS PTY LTD AND DIGITAL NICHE INVESTMENTS PTY LIMITED	87 Awaba Street, Mosman NSW 2088
INTEGRATED PAYMENT TECHNOLOGIES LIMITED	Suite 1, Level 5, 28 Margaret Street, Sydney NSW 2000

**Signature**print name **TRENT LUND**capacity **DIRECTOR**

sign here

DocuSigned by:



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date **28 /01 /2021****DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

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See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.