



**NOVATTI GROUP LIMITED  
ACN 606 556 183**

**NOTICE OF GENERAL MEETING  
EXPLANATORY STATEMENT  
AND PROXY FORM**

**Date:** 20 August 2021

**Time:** 10.00am (AEST)

**Location:** Virtual meeting via a web-based meeting portal

**This Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their independent professional advisers prior to voting.**

**SEE OVERLEAF FOR IMPORTANT INFORMATION  
REGARDING MEETING ATTENDANCE AND VOTING**

**This meeting will be held as a virtual meeting.  
Given the uncertainty surrounding COVID-19, this may change at short notice and, accordingly,  
Shareholders are strongly encouraged to vote via proxy prior to the Meeting  
or appoint the Chair as their proxy.**

## **IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING**

The Company will hold the Meeting as a virtual meeting via a web-based meeting portal arranged for the Meeting.

The Company considers that the health, safety and welfare of the Company's staff, its Shareholders and other stakeholders is of paramount importance given the dynamic nature of the COVID-19 pandemic and the ability of both the Federal and State Governments to impose restrictions on both travel and gatherings at short notice.

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either at the Meeting by poll during the Meeting electronically or prior to the Meeting by appointing a proxy. Further details of the voting methods open to Shareholders are set out in detail below.

### **Shareholders are strongly encouraged to either vote prior to the Meeting or to appoint the Chair as their proxy.**

The Board will continue to monitor the Covid-19 situation closely and details of any alternative arrangements for the Meeting will be issued to Shareholders electronically by no later than 14 days prior to the date of the Meeting or at shorter notice, depending on the circumstances.

The Company is aware that, at present, there are significant delays in the Australian postal system due to COVID-19, which may adversely affect both the receipt and return of voting forms by Shareholders. In accordance with ASIC's no action position as outlined in 21-061MR, the Company will not be dispatching physical copies of the Notice of General Meeting and Explanatory Statement. Instead, these documents will be emailed to all Shareholders who have provided an email address to the Company's share registrar and are otherwise available on the ASX company announcements platform at [www.asx.com.au](http://www.asx.com.au) under the ASX code of "NOV".

Shareholders who wish to attend the Meeting virtually must first register their attendance with the Company by no later than 10.00am (AEST) on 19 August 2021, the day prior to the day of the Meeting, by email to the Company Secretary at [ian.hobson@novatti.com](mailto:ian.hobson@novatti.com), including the Shareholder's name, address and HIN or SRN. The Company will then email the Shareholder the details to participate in the virtual Meeting via Zoom (a web-based meeting portal).

Shareholders are encouraged to submit any questions that they may wish to put to the Company during the Meeting in writing by email to the Company Secretary at [ian.hobson@novatti.com](mailto:ian.hobson@novatti.com), by no later than 10.00am (AEST) on 19 August 2021, the day prior to the Meeting. Shareholders will also be able to ask questions during the Meeting using the web-based meeting portal, and Shareholders will be required to give their names when asking a question.

### **Enquiries**

Shareholders are requested to contact the Company Secretary on +61 8 9388 8290 if they have any queries in respect of the matters set out in this Notice of General Meeting or the Explanatory Statement.

## **Voting Eligibility**

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEST) on 18 August 2021.

## **Voting by poll**

All votes taken at the Meeting will be conducted by way of a poll.

Shareholders who wish to vote by poll during the Meeting must first notify the Company of their intention by emailing the Company Secretary at [ian.hobson@novatti.com](mailto:ian.hobson@novatti.com), by no later than 10.00am (AEST) on 19 August 2021, the day prior to the Meeting. Shareholders will be able to submit their email poll votes immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the Company Secretary sufficient time to count such poll votes submitted by email.

## **Voting by proxy**

Shareholders should note that:

1. a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
2. a proxy need not be a member of the Company; and
3. a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, the proxy form (and any power of attorney under which it is signed) must be completed and returned by the time and in accordance with the instructions set out in the proxy form. Any proxy form received after that time will not be valid for the scheduled Meeting.

Subject to any voting restrictions set out in a voting exclusion statement in respect of the Resolutions, the Chair will vote undirected proxies on, and in favour of, each Resolution.

## **Corporate representatives**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

For representatives attending the Meeting, the representative must, prior to the Meeting, provide evidence of his or her appointment, to the Company Secretary by email at [ian.hobson@novatti.com](mailto:ian.hobson@novatti.com) by no later than 10.00am (AEST) on 19 August 2021, the day prior to the Meeting, noting the authority under which the appointment is signed, unless it has previously been given to the Company. Representatives who wish to vote by poll during the Meeting must first notify the company secretary in accordance with the instructions set out above under 'voting by poll'.

**NOVATTI GROUP LIMITED**  
**ACN 606 556 183**

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of the shareholders of Novatti Group Limited ACN 606 556 183 will be held at 10.00am (AEST) on 20 August 2021 as a virtual meeting via web-based portal accessible in accordance with the instructions set out in this booklet.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1.

**AGENDA**

**1. Resolution 1 – Ratification of prior issue of shares – May 2021 placement made under LR 7.1**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue under Listing Rule 7.1 by the Company of 6,833,713 fully paid ordinary shares to the parties and on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Shares in the issue or an associate of such a person. However, this does not apply to a vote cast in favour of the Resolution by:

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

## 2. Resolution 2 – Ratification of prior issue of shares – July 2021 placement (Part Tranche 1) made under LR 7.1

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue under Listing Rule 7.1 by the Company of 27,454,568 fully paid ordinary shares to the parties and on the terms and conditions set out in the Explanatory Statement.”*

### Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Shares in the issue or an associate of such a person. However, this does not apply to a vote cast in favour of the Resolution by:

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

## 3. Resolution 3 – Ratification of prior issue of shares – July 2021 placement (Part Tranche 1) made under LR 7.1A

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue under Listing Rule 7.1 by the Company of 23,665,904 fully paid ordinary shares to the parties and on the terms and conditions set out in the Explanatory Statement.”*

### Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Shares in the issue or an associate of such a person. However, this does not apply to a vote cast in favour of the Resolution by:

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

#### 4. Resolution 4 – Approval for issue of shares – July 2021 placement (Tranche 2)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to allot and issue up to 21,606,801 fully paid ordinary shares to professional and sophisticated investors on the terms and conditions set out in the Explanatory Statement."*

##### Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person expected to participate in the issue or any of their associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of the Resolution by:

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

#### 5. Resolution 5 – Adoption of 2021 Novatti Employee Incentive Plan

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.2 (exception 13) and for all other purposes, Shareholders approve the adoption of the 2021 Novatti Employee Incentive Plan, on the terms and conditions set out in the Explanatory Statement."*

##### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by a person who is eligible to participate in the employee incentive scheme or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member. However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

Dated 19 July 2021

**BY ORDER OF THE BOARD**

A handwritten signature in blue ink, appearing to read "Ian Hobson". The signature is written in a cursive style with a large initial "I".

**Ian Hobson**  
Company Secretary

## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the general meeting of the Company to be held as a virtual meeting via web-based portal accessible in accordance with the instructions set out in this booklet at 10.00am (AEST) on 20 August 2021.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

A Proxy Form is located at the end of the Explanatory Statement.

### **1. Resolution 1 – Ratification of prior issue of shares – May 2021 placement made under LR 7.1**

#### **1.1 Background**

On 3 May 2021, the Company announced to ASX that it had entered into an agreement with sophisticated and professional investors to raise \$3,000,000 by the issue of 6,833,713 Shares (**May Placement**).

The agreement coincided with the establishment of a strategic partnership with BC Investment Group Holdings Limited (**BC Invest**) enabling Novatti to launch and operate its new banking business, once regulatory approval is obtained, with additional funding of \$15 million committed for investment directly into Novatti's dedicated banking subsidiary, Novatti B Holding Company Pty Ltd.

BC Invest operates in seven countries, including Australia, the United Kingdom, Singapore, and China and is a majority-owned subsidiary of Far East Consortium International Limited (**FEC**), a HKD\$6.5b plus conglomerate listed on the Hong Kong stock exchange. The investors comprised a consortium of BC Invest, FEC and senior management of those companies.

The Shares under the Placement were issued to those parties (none of whom are related parties of the Company) on 13 May 2021 within the Company's existing 15% share issue capacity pursuant to Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares under Listing Rule 7.1.

Resolution 1 is an ordinary resolution. A voting exclusion statement is included in the Notice.

#### **1.2 Listing Rules 7.1 and 7.4**

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% share issue capacity**). Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1.

Without Shareholder approval pursuant to Listing Rule 7.4, the issue will be counted towards the Company's 15% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.



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

Accordingly, Resolution 1 seeks shareholder approval under and for the purposes of Listing Rule 7.4, allowing the Company to refresh part of its 15% share issue capacity.

If Resolution 1 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If Resolution 1 is not passed, the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

### 1.3 Specific Information Required by Listing Rule 7.5

In accordance with the requirements of Listing Rule 7.5 the following information is provided:

- (1) The placees were sophisticated and professional investors, including BC Investment Group Holdings Limited, Far East Consortium International Limited and individuals in senior management roles within those companies.
- (2) 6,833,713 Shares were issued, being fully paid ordinary shares.
- (3) The Shares were issued on 13 May 2021.
- (4) The Shares were issued at \$0.439 per Share.
- (5) The Shares rank equally with all other Shares on issue in the Company.
- (6) The purpose of the issue was to raise funds to accelerate Novatti's current growth strategy, including increasing business development resources and securing new strategic, and general working capital.

## 2. Resolution 2 – Ratification of prior issue of shares – July 2021 placement (part Tranche 1) made under LR 7.1

### 2.1 Background

On 2 July 2021, the Company announced to ASX that it had accepted unconditional commitments from sophisticated and professional investors to raise \$40,000,000 by the issue of 72,727,273 Shares in two tranches (**July Placement**), together with a proposed share purchase plan to raise a further \$5,000,000.

The first tranche of Shares under the July Placement (**Tranche 1**), comprising 51,120,472 Shares were issued on 9 July 2021, with 27,454,568 Shares issued within the Company's existing 15% share issue capacity pursuant to Listing Rule 7.1 (see Section 2.2) and 23,665,904 Shares issued within the Company's existing 10% placement capacity pursuant to Listing Rule 7.1A. The second tranche of Shares under the July Placement (**Tranche 2**), comprises 21,606,801 Shares and the issue is subject to Shareholder approval under Listing Rule 7.1.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the first part of the Tranche 1 Shares under Listing Rule 7.1. Resolution 3 seeks ratification for the issue of the balance of the Tranche 1 Shares under Listing Rule 7.1A. Resolution 4 seeks approval for the issue of the Tranche 2 Shares under Listing Rule 7.1.

Resolution 2 is an ordinary resolution. A voting exclusion statement is included in the Notice.

### 2.2 Listing Rules 7.1 and 7.4

Information about Listing Rules 7.1 and 7.4 is set out in Section 1.2.

Without Shareholder approval pursuant to Listing Rule 7.4, the issue will be counted towards the Company's 15% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining

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

Accordingly, Resolution 2 seeks shareholder approval under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 15% share issue capacity.

If Resolution 2 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If Resolution 2 is not passed, the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

### **2.3 Specific Information Required by Listing Rule 7.5**

In accordance with the requirements of Listing Rule 7.5 the following information is provided:

- (1) The placees were sophisticated and professional investors, including clients of the lead manager for the July Placement, Petra Capital, and existing shareholders of the Company.
- (2) 27,454,568 Shares were issued, being fully paid ordinary Shares.
- (3) The Shares were issued on 9 July 2021.
- (4) The Shares were issued at \$0.55 per Share.
- (5) The Shares rank equally with all other Shares on issue in the Company.
- (6) The purpose of the issue was to fund the acquisition of the Company's strategic stake in Reckon Limited (as also announced to ASX on 2 July 2021), growth of the Novatti business into existing and new markets, further strategic acquisition opportunities, licensing for the Company's banking subsidiary and general working capital.

## **3. Resolution 3 – Ratification of prior issue of shares – July 2021 placement (part Tranche 1) made under LR 7.1A**

### **3.1 Background**

Details of the July Placement are set out in Section 2.1.

The Shares under the Tranche 1 Placement were issued on 9 July 2021, with 23,665,904 Shares issued within the Company's existing 10% share issue capacity pursuant to Listing Rule 7.1A (see Section 3.2) and the balance of the Shares issued within the Company's existing 15% placement capacity pursuant to Listing Rule 7.1. The issue price of \$0.55 met the requirements of Listing Rule 7.1A.3, being greater than 75% of the 15-day VWAP.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares under Listing Rule 7.1A.

Resolution 3 is an ordinary resolution. A voting exclusion statement is included in the Notice.

### **3.2 Listing Rules 7.1A and 7.4**

Listing Rule 7.1A provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 10% of its fully paid ordinary securities on issue at the start of that 12 month period (**10% share issue capacity**). Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1A will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1A.

Without Shareholder approval pursuant to Listing Rule 7.4, the issue will be counted towards the Company's 10% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

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

Accordingly, Resolution 3 seeks shareholder approval under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 10% share issue capacity.

If Resolution 3 is passed, the issue will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If Resolution 3 is not passed, the issue will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

### **3.3 Specific Information Required by Listing Rule 7.5**

In accordance with the requirements of Listing Rule 7.5 the following information is provided:

- (1) The placees were sophisticated and professional investors, including clients of the lead manager for the July Placement, Petra Capital, and existing shareholders of the Company.
- (2) 23,665,904 Shares were issued, being fully paid ordinary Shares.
- (3) The Shares were issued on 9 July 2021.
- (4) The Shares were issued at \$0.55 per Share.
- (5) The Shares rank equally with all other Shares on issue in the Company.
- (6) The purpose of the issue was to fund the acquisition of the Company's strategic stake in Reckon Limited (as also announced to ASX on 2 July 2021), growth of the Novatti business into existing and new markets, further strategic acquisition opportunities, licensing for the Company's banking subsidiary and general working capital.

## **4. Resolution 4 – Approval for issue of shares – July 2021 placement (Tranche 2)**

### **4.1 Background**

Details of the July Placement are set out in Section 2.1.

Resolutions 2 and 3 seek Shareholder ratification of, and approval for, the previous issues of the Shares under Tranche 1 of the July Placement. Tranche 2 is the balance of the Shares under the July Placement, comprising 21,606,801 Shares. Resolution 4 seeks Shareholder approval under Listing Rule 7.1 for the issue of those Shares.

Resolution 4 is an ordinary resolution. A voting exclusion statement is included in the Notice.

### **4.2 Listing Rule 7.1**

Information about Listing Rule 7.1 is set out in Section 1.2.

The Company has no additional 10% share issue capacity or 15% share issue capacity to issue the Tranche 2 Shares, though the approvals sought under Resolutions 2 and 3, if given, will refresh those capacities.

Resolution 4 seeks Shareholder approval under and for the purposes of Listing Rule 7.1 to allow the Company to issue the Tranche 2 Shares without utilising its 10% share issue capacity or 15% share issue capacity, which as at the date of this Notice has been exhausted.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Tranche 2 Shares.

If Resolution 4 is not passed, the Company will not be able to issue the Tranche 2 Shares unless either or both of Resolutions 2 and 3 are passed, in which case the Company may issue those Shares within its refreshed 10% share issue capacity or 15% share issue capacity.

#### **4.3 Specific Information Required by Listing Rule 7.3**

In accordance with the requirements of Listing Rule 7.3 the following information is provided:

- (1) The placees will be sophisticated and professional investors, including clients of the lead manager for the July Placement, Petra Capital, and existing shareholders of the Company.
- (2) 21,606,801 Shares will be issued, being fully paid ordinary Shares.
- (3) The Shares will rank equally with all other Shares on issue in the Company.
- (4) The Shares will be issued as soon as practicable after approval is given, but in any event within three months of the date of approval.
- (5) The Shares will be issued at a price of \$0.55 per Share.
- (6) The purpose of the issue was to fund the acquisition of the Company's strategic stake in Reckon Limited (as also announced to ASX on 2 July 2021), growth of the Novatti business into existing and new markets, further strategic acquisition opportunities, licensing for the Company's banking subsidiary and general working capital.

### **5. Resolution 5 – Adoption of 2021 Novatti Employee Incentive Plan**

#### **5.1 Background**

Under Listing Rule 7.2 (Exception 13(b)), for issues under an employee incentive scheme not to count towards the 15% capacity to issue share capital in a 12 month period without Shareholder approval, Shareholder approval of the employee incentive scheme is required every three years or if there is a material change to the terms of an approved employee incentive scheme.

The Company's current employee incentive scheme was approved by Shareholders on 1 June 2018 at a general meeting of the Company held (being the 2018 Novatti Employee Share Plan). That approval, being more than three years ago, has expired.

The Company has decided to create a new, single employee incentive scheme to reflect recent sound corporate governance practices and streamline administrative requirements.

Details of the proposed new 2021 Novatti Employee Incentive Plan are set out in Schedule 2 (**2021 Plan**). A full copy of the 2021 Plan is available at the Company's registered office during normal business hours.

Shareholder approval is being sought under Resolution 5 to adopt the 2021 Plan.

The Board believes that the 2021 Plan is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the approval of the 2021 Plan. The Chair intends to vote undirected proxies in favour of the Resolution.

## **5.2 Listing Rule 7.2, exception 13(b)**

If this Resolution is approved by Shareholders for all purposes under the Listing Rules, including Listing Rule 7.2, exception 13(b), it will have the effect of enabling the securities issued by the Company under the 2021 Plan to be automatically excluded from the formula to calculate the number of securities which the Company may issue in any 12 month period using Listing Rule 7.1 (15% share issue capacity – see Section 1.2 for further information) during the next three year period.

If this Resolution is not approved by Shareholders, grants under the 2021 Plan will count towards the 15% share issue capacity. In addition, if Shareholder approval is not granted under this Resolution, the Board may need to consider alternative remuneration arrangements which are consistent with the Company's remuneration principles, including providing equivalent cash incentives subject to the risk of forfeiture, performance conditions and performance period.

Pursuant to the Listing Rules, Shareholders must re-approve the 2021 Plan and all unissued securities issuable pursuant thereto every three years.

Resolution 5 is an ordinary resolution. A voting exclusion statement is included in the Notice.

## **5.3 Specific Information Required by Listing Rule 7.2, exception 13(b)**

In accordance with Listing Rule 7.2, exception 13(b) the following information is provided in relation to Resolution 5:

- (1) A summary of the 2021 Plan is set out in Schedule 2.
- (2) The 2021 Plan is a new incentive scheme and has not previously been approved by Shareholders. No securities have previously been issued under the 2021 Plan.
- (3) The maximum number of securities proposed to be issued under the 2021 Plan shall not exceed 15% of the Company's equity securities currently on issue, subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules. Based on the number of equity securities on issue as at the date of this Notice, 15% equates to a maximum of 45,036,195 equity securities.

## **Schedule 1 - Definitions**

In this Notice and the Explanatory Statement:

**\$** means Australian Dollars.

**10% share issue capacity** has the meaning set out in Section 3.2.

**15% share issue capacity** has the meaning set out in Section 1.2.

**AEST** means Australian Eastern Standard Time.

**ASX** means ASX Limited ACN 008 624 691 and, where context permits, the Australian Securities Exchange it operates.

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Meeting convened by this Notice.

**Company** or **Novatti** means Novatti Group Limited ACN 606 556 183.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement attached to the Notice.

**July Placement** has the meaning set out in Section 2.1.

**Listing Rules** means the listing rules of ASX.

**May Placement** has the meaning set out in Section 1.1.

**Meeting** means the general meeting of the Company convened by this Notice.

**Petra Capital** means Petra Capital Pty Ltd (ABN 95 110 952 782) AFSL 317 944

**Notice** means this notice of meeting.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Statement.

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

**Shareholder** means a shareholder of the Company.

**Tranche 1** has the meaning set out in Section 2.1.

**Tranche 2** has the meaning set out in Section 2.1.

**VWAP** means volume weighted average price of Shares on ASX.

In this Notice and the Explanatory Statement words importing the singular include the plural and vice versa.

## **Schedule 2 – Summary of 2021 Novatti Employee Incentive Plan**

### **1. Eligible Participant**

**Eligible Participant** means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with ASX Listing Rule 10.14.

### **2. Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

### **3. Plan administration**

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

### **4. Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

### **5. Grant of Securities**

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

### **6. Terms of Convertible Securities**

Each "Convertible Security" represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

## **7. Vesting of Convertible Securities**

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

## **8. Exercise of Convertible Securities and cashless exercise**

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

## **9. Delivery of Shares on exercise of Convertible Securities**

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

## **10. Forfeiture of Convertible Securities**

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.



## 11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

## 12. Rights attaching to Plan Shares

All Shares issued or transferred under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

## 13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

## 14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

## 15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

## **16. Compliance with applicable law**

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (a) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
- (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia;
- (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
- (e) an offer made under a disclosure document,

would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

## **17. Maximum number of Securities**

The Company will not make an invitation under the Plan if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan, will exceed 15% of the total number of issued Shares at the date of the invitation.

## **18. Amendment of Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

## **19. Plan duration**

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

## **20. Income Tax Assessment Act**

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **10.00am (AEST) on Wednesday, 18 August 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

## Lodging your Proxy Voting Form:

### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



### BY MAIL:

Automic  
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Sydney NSW 2001

### IN PERSON:

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