
ISIGNTHIS LTD

ACN 075 419 715

NOTICE OF ANNUAL GENERAL MEETING

TIME: 3:00 pm AEDT

DATE: 28 November 2017

PLACE: Institute of Chartered Accountants
Level 18, Bourke Place, 600 Bourke Street
Melbourne VIC 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 8640 0990

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 3:00 pm AEDT on 28 November 2017 at:

Institute of Chartered Accountants
Level 18, Bourke Place, 600 Bourke Street
Melbourne VIC 3000

YOUR VOTE IS IMPORTANT

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

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 7:00 pm AEDT on 26 November 2017.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form (and any authority under which the proxy is signed) and return the Proxy Form (and any authority) to the Company by post, facsimile or email (see details below), so that it is received not less than 48 hours prior to the commencement of the Meeting.

- by post – iSignthis Ltd, 456 Victoria Parade, East Melbourne, Victoria 3002
- by facsimile – facsimile number +61 3 8640 0953
- by email – investors@isignthis.com

Please refer to the enclosed Proxy Form for further instructions on how to appoint a proxy.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that, on a poll:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the directors' report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding ordinary resolution**:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2017.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **prohibited voter**) described above may vote directed proxies for someone other than a prohibited voter.

Further, a member of the Key Management Personnel (regardless of whether or not their remuneration details are disclosed in the Remuneration Report) and their Closely Related Parties may not cast a vote on this Resolution as a proxy unless that person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution and the vote is not cast on behalf of a prohibited voter. However, the Chair can vote undirected proxies, provided the proxy expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR TIMOTHY HART

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Timothy Hart, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities totalling up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement:

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of equity securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associate of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – RATIFICATION OF PRIOR GRANT OF UNLISTED ADVISER OPTIONS

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the grant of 250,000 unlisted Adviser Options to Mr Chris Northwood and 250,000 unlisted Adviser Options to Mr Hamish Moore as the directors of Activ8 Capital (and/or their nominees) on 3 August 2017, at an exercise price of \$0.30 per Adviser Option, with an expiry date of 31st December 2018, and on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – APPROVAL OF 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 ASX Listing Rule 7.2 Exception 9, as an exception to ASX Listing Rule 7.1, and for all other purposes, the Shareholders approve the terms of the “iSignthis Ltd Employee Incentive Plan - Performance Rights” as summarised in the Explanatory Statement and the grant of Performance Rights and the issue of Shares under that plan.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a member of the Key Management Personnel and their Closely Related Parties may not vote as a proxy on this Resolution if the appointment does not specify how the proxy is to vote. However, the Chair can vote undirected proxies, provided the proxy expressly authorises the Chair to do so.

7. RESOLUTION 6 - GRANT OF PERFORMANCE RIGHTS TO MR NICKOLAS KARANTZIS

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

"That, for the purpose of ASX Listing Rule 10.14, and for all other purposes, approval is given for the grant of 500,000 Performance Rights to Mr Nickolas Karantzis on the terms and conditions of the "iSignthis Ltd Employee Incentive Plan - Performance Rights" as summarised in the Explanatory Statement."

Voting exclusion statement:

The Company will disregard any votes cast on this Resolution by a Director who is eligible to participate in the "iSignthis Ltd Employee Incentive Plan - Performance Rights" and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a member of the Key Management Personnel and their Closely Related Parties may not vote as a proxy on this Resolution if the appointment does not specify how the proxy is to vote. However, the Chair can vote undirected proxies, provided the proxy expressly authorises the Chair to do so.

DATED: 9 OCTOBER 2017

By Order of the Board



TODD RICHARDS
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

The Directors recommend that Shareholders read the Notice of Meeting (including this Explanatory Statement and the Proxy Form) in full before making any decision in relation to the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act and the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the directors' report and the auditor's report.

There is no requirement in the Corporations Act or Constitution for Shareholders to approve the annual financial report, directors' report or auditor's report.

Shareholders will be given a reasonable opportunity to ask questions and make comments on these reports, and on the management of the Company.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.isignthis.com>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Two strikes rule

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when it was resolved to put the directors' report to the second annual general meeting, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous annual general meeting

At the Company's 2016 annual general meeting the votes cast against the Company's 2016 remuneration report were less than 25%. Accordingly, the Spill Resolution is not relevant for the Meeting.

2.4 Voting exclusion statement

Refer to the voting exclusion statement for this Resolution in the Notice of Meeting.

2.5 Directors' recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors unanimously recommend that you vote in favour of this non-binding ordinary resolution.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR TIMOTHY HART

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 4 Directors and accordingly 1 must retire. Mr Timothy Hart, the Director longest in office since his last election, retires by rotation and seeks re-election as a Director.

The Directors, other than Mr Timothy Hart, unanimously support the re-election of Mr Timothy Hart as a Director and recommend that Shareholders vote in favour of this Resolution.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 General

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue equity securities up to 10% of its issued capital during the 10% Placement Capacity Period (defined below) (**10% Placement Capacity**).

On the date of the Meeting, the Company expects to be an eligible entity for the purposes of ASX Listing Rule 7.1A because it will not be included in the S&P/ASX 300

index and will have a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less.

If Shareholders approve Resolution 3, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 4.2 below).

The effect of Resolution 3 will be to allow the Company to issue equity securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the 10% Placement Capacity Period, without Shareholder approval. The 10% Placement Capacity is in addition to the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 ASX Listing Rule 7.1A

Any equity securities issued under ASX Listing Rule 7.1A must be in the same class as an existing class of the Company's quoted equity securities. The Company currently has one class of quoted equity securities on issue, being Shares (ASX Code: ISX).

The number of equity securities that the Company may issue or agree to issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 or 7.4; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Shares under ASX Listing Rules 7.1 or 7.4.

4.3 Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price**

The minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 ASX trading days of the date in Section 4.3(a)(i), the date on which the equity securities are issued.

(b) **Risk of voting dilution**

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the market price of Shares and the number of equity securities on issue as at the dates specified in the notes to the table below.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue | Dilution | | | |
|-------------------------------------|-------------------------|--|-----------------------|---|
| | Issue Price (per Share) | \$0.07 50% decrease in Issue Price | \$0.14 Issue Price | \$0.28 100% increase in Issue Price |
| 631,869,714 (Current) | Shares issued | 63,186,971 Shares | 63,186,971 Shares | 63,186,971 Shares |
| | Funds raised | \$4,423,088 | \$8,846,176 | \$17,692,352 |
| 947,804,571 (50% increase) | Shares issued | 94,780,457 Shares | 94,780,457 Shares | 94,780,457 Shares |
| | Funds raised | \$6,634,632 | \$13,269,264 | \$26,538,528 |
| 1,263,739,428 (100% increase) | Shares issued | 126,373,943 Shares | 126,373,943 Shares | 126,373,943 Shares |
| | Funds raised | \$8,846,176 | \$17,692,352 | \$35,384,704 |

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

Notes: The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 2 October 2017.
2. The issue price set out above is the closing price of the Shares on the ASX on 2 October 2017.
3. The Company issues the maximum possible number of equity securities under the 10% Placement Capacity.
4. No options are exercised into Shares before the date of the issue of the equity securities.
5. The Company has not issued any equity securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(c) Date of Issue

The equity securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

(10% Placement Capacity Period).

(d) Purpose of issue under 10% Placement Capacity

The Company may issue equity securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised to fund additional growth by way of entering new markets, sales and marketing, development of further intellectual property or working capital; or

- (ii) as non-cash consideration for the acquisition of new business assets and investments in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

(e) **Allocation under the 10% Placement Capacity**

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities under the 10% Placement Capacity.

The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity on a case by case basis, having regard to a range of factors, including but not limited to, the following:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval under ASX Listing Rule 7.1A at the annual general meeting held on 18 November 2016. The following information is provided in accordance with ASX Listing Rule 7.3A.6:

- (i) During the 12 months preceding the date of the Meeting, the Company issued a total of 10,939,000 equity securities, which represents approximately 1.09% of the total number of equity securities on issue at 28 November 2016 (12 months before the Meeting) (being 1,002,894,131 equity securities).
- (ii) Set out below are details of all issues of equity securities by the Company during the 12 months before the date of the Meeting:

| Date | Number of equity securities issued | Class of equity securities issued and a summary of the terms of that class | Name of persons to whom equity securities were issued or the basis on which those persons were determined | Price at which equity securities were issued and any discount to closing market price on date of issue | If issue was for cash, total cash consideration, amount of cash spent, what it was spent on, and intended use for any remaining cash | If issue was for non-cash consideration, the non-cash consideration that was paid and the current value of that non-cash consideration |
|------------------|------------------------------------|---|---|--|--|--|
| 27 January 2017 | 371,500 | Employee performance rights which, subject to satisfaction of performance conditions, convert to Shares on 2 January 2019 | Employees of the Company | Nil issue price | N/A | N/A |
| 10 February 2017 | 10,000,000 | Fully paid ordinary shares, on exercise of unlisted options expiring on 13 May 2017 | Gold Resources Ltd | Exercise price of \$0.04 per unlisted option | \$400,000 | N/A |
| 30 June 2017 | 50,000 | Employee performance rights which, subject to satisfaction of performance conditions, convert to Shares on 25 April 2019 | Employees of the Company | Nil issue price | N/A | N/A |
| 30 June 2017 | 17,500 | Employee performance rights which, subject to satisfaction of performance | Employees of the Company | Nil issue price | N/A | N/A |

| Date | Number of equity securities issued | Class of equity securities issued and a summary of the terms of that class | Name of persons to whom equity securities were issued or the basis on which those persons were determined | Price at which equity securities were issued and any discount to closing market price on date of issue | If issue was for cash, total cash consideration, amount of cash spent, what it was spent on, and intended use for any remaining cash | If issue was for non-cash consideration, the non-cash consideration that was paid and the current value of that non-cash consideration |
|---------------|------------------------------------|--|---|--|--|--|
| | | e conditions, convert to Shares on 1 July 2019 | | | | |
| 3 August 2017 | 500,000 | Unlisted Options expiring 31 December 2018 | Mr Chris Northwood and Mr Hamish Moore of Activ8 Capital (and/or their nominees) | Nil issue price. Exercise price of \$0.30 per option. | N/A | Consideration for corporate advisory services to the Company |

4.4 Voting exclusion statement

A voting exclusion statement for this Resolution is included in the Notice of Meeting. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in any issue of equity securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

4.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

5. RESOLUTION 4 – RATIFICATION OF PRIOR GRANT OF UNLISTED ADVISER OPTIONS

5.1 General

On 3 August 2017, the Company granted 500,000 unlisted Adviser Options at a nil issue price to the Advisers (and/or their nominees) in recognition of ongoing corporate advisory services provided to the Company by Activ8 Capital.

ASX Listing Rule 7.1 provides that, except in limited circumstances, prior approval of shareholders is required for any issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where the holders of ordinary securities subsequently approve an issue of securities, the issue will be treated as having been made with approval for the purposes of ASX Listing Rule 7.1 and the issue will not be

included in the 15% limit imposed by ASX Listing Rule 7.1 thereby enabling the Company to issue further securities up to that limit.

Resolution 4 proposes the ratification and approval of the grant of 500,000 unlisted options to the Advisers for the purpose of ASX Listing Rule 7.4.

Approval is being sought under ASX Listing Rule 7.4 on the basis that the grant of the Adviser Options did not breach ASX Listing Rule 7.1. Resolution 4 is an ordinary resolution.

5.2 Information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, information regarding the grant of the Adviser Options is provided as follows:

- (a) 500,000 Adviser Options were granted to the Advisers on 3 August 2017 (with 250,000 of the Adviser Options granted to Mr Chris Northwood and 250,000 of the Adviser Options granted to Mr Hamish Moore).
- (b) The Adviser Options were granted at a nil issue price and the Company therefore did not raise any funds from the grant of Adviser Options.
- (c) The Adviser Options are exercisable at an exercise price of \$0.30 and expire on 31 December 2018.
- (d) Further terms and conditions of the Adviser Options are set out in Schedule 1.
- (e) The Adviser Options were granted to Mr Chris Northwood and Mr Hamish Moore who are the directors of Activ8 Capital (and/or their nominees).
- (f) No funds were raised on the grant of the Adviser Options, with the options being granted in recognition of ongoing corporate advisory services provided to the Company by Activ8 Capital.
- (g) A voting exclusion statement for Resolution 4 is included in the Notice.

5.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

6. RESOLUTION 5 – APPROVAL OF EMPLOYEE INCENTIVE PLAN

6.1 General

Resolution 5 seeks to 'refresh' the Shareholders' previous approval of the "iSignthis Ltd Employee Incentive Plan - Performance Rights" (**Performance Rights Plan**).

The Performance Rights Plan provides for the issuance of Performance Rights which, upon a determination by the Board that the performance conditions attached to the Performance Rights have been met, will result in the issue of one ordinary Share in the Company for each Performance Right.

The Company wishes to exempt issues of securities under the Performance Rights Plan from contributing towards the rolling annual limit of 15% of issued Shares prescribed by ASX Listing Rule 7.1. This limit otherwise applies to all new issues of equity securities made without Shareholder approval.

The Performance Rights Plan was approved by Shareholders at a general meeting of the Company on 7 May 2015. For the future securities issued under the Performance

Rights Plan to be exempt from contributing towards the rolling annual limit under ASX Listing Rule 7.1, ASX Listing Rule 7.2 Exception 9 requires the Company to seek Shareholder approval of the Performance Rights Plan every 3 years.

Further information about the Performance Rights Plan is set out below.

6.2 Reasons for the Performance Rights Plan

To achieve its corporate objectives, the Company needs to attract and retain its key staff. The Board believes that grants made to eligible participants under the Performance Rights Plan provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Performance Rights Plan:

- (a) enables the Company to recruit, incentivise and retain Key Management Personnel and other eligible employees needed to achieve the Company's business objectives;
- (b) links the rewards of key staff with the achievements of strategic goals and the long term performance of the Company;
- (c) aligns the financial interests of participants of the Performance Rights Plan with those of Shareholders; and
- (d) provides incentives to participants of the Performance Rights Plan to focus on superior performance that creates Shareholder value.

6.3 Outline of the Performance Rights Plan

This section gives a brief outline of the Performance Rights Plan.

(a) Participation

Carefully designed, performance linked, equity plans are widely considered to be very effective in providing long term incentives to staff. As well, they are used to attract and retain staff by providing them with the opportunity to participate in the creation of a valuable personal asset – a financial stake in the Company.

As part of the Company's strategy, the Board wishes to be in a position to grant Performance Rights under the Performance Rights Plan to employees (including Directors), to achieve the objectives outlined above. A Performance Right is a right to be issued a Share upon satisfaction of certain performance conditions that are attached to the Performance Right, as determined by the Board. In accordance with the requirements of the ASX Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Performance Rights Plan.

(b) Overview of the Performance Rights Plan rules and terms and conditions

The Board is cognizant of general Shareholder concern that long-term equity based rewards for staff should be linked to the achievement by the Company of a performance condition. Performance Rights granted under the Performance Rights Plan to eligible participants will be subject to performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting and the employee being advised that the vesting conditions have been met, Shares will be issued to the employee exercising the Performance Rights.

The Board considers the Performance Rights Plan a crucial mechanism to encourage and retain high level executive and employee performance. The Board intends to implement the Performance Rights Plan, and set the performance conditions, in a manner designed to incentivise and reward high level executive and employee performance.

The main features of the Performance Rights Plan are summarised as follows:

Eligible Participants: The eligible participants under the Performance Rights Plan are full time or part time employees (including Directors) of the Company and its subsidiaries, a contractor or casual employee who works a pro-rata equivalent of 40% or more of a comparable full-time position for the Company or its subsidiaries, or any other person determined by the Board to be an eligible employee for the purposes of the Plan (**Eligible Employees**).

In accordance with the ASX Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Performance Rights Plan and be granted Performance Rights.

Limits on Entitlements: The Company may issue such number of Performance Rights, where the number of Shares that may be acquired on conversion of those Performance Rights when added to the total number of Shares or Performance Rights that have already been issued pursuant to the Performance Rights Plan or other incentive scheme in the previous three years, will not exceed 3% of the total number of issued Shares at the time of the issue.

If relying on an ASIC class order to grant Performance Rights, the Company will ensure that it complies with any limit on the number of Performance Rights that may be issued as required by such ASIC class order.

Individual Limits: The Performance Rights Plan does not set out a maximum number of Shares that may be issued to any one person or company.

Consideration Payable: Performance Rights will be issued for no consideration and no amount will be payable upon exercise thereof.

Offer and Performance Conditions: The Performance Rights issued under the Performance Rights Plan to Eligible Employees may be subject to performance conditions, determined by the Board from time to time and expressed in a written offer letter (**Offer**) made by the Company to the Eligible Employee which is subject to acceptance by the Eligible Employee within a specified period. The performance conditions may include one or more of (i) service to the Company of a minimum period of time (ii) achievement of specific performance conditions by the participant and/or by the Company (iii) a vesting period following satisfaction of performance conditions before the Performance Rights vest, or (iv) such other performance conditions as the Board may determine and set out in the Offer. The Board in its absolute discretion determines whether performance conditions have been met.

Milestone Date, Expiry Date & Lapse: Performance Rights will have an expiry date as the Board may determine in its absolute discretion and specify in the Offer. The Board is not permitted to extend an expiry date without Shareholder approval.

The performance conditions of Performance Rights will have a milestone date as determined by the Board in its absolute discretion and will be specified in the Offer. The Board shall have discretion to extend a milestone date where the Board (in its sole discretion) considers that unforeseen circumstances or events have caused a delay in achieving the performance condition by the milestone date. The Board shall not be permitted to extend the milestone date beyond the expiry date of the Performance Rights.

If a performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Rights will lapse. A Performance Right will also lapse if the Board determines the participant ceases to be an Eligible Employee for the purposes of the Performance Rights Plan for any reason (other than as a result of retirement, disability, bona fide redundancy or death).

Retirement, Disability, Redundancy or Death: Under the Performance Rights Plan, upon the retirement, total and permanent disability, bona fide redundancy or death of a participant, the Board shall determine, in its discretion, whether those Performance Rights which have not satisfied the performance condition but have not lapsed, shall in whole or in part be deemed to have become vested Performance Rights or be deemed to have lapsed.

Forfeiture: If a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Company, the Board will have the discretion to deem any Performance Rights to have lapsed and deem any Performance Rights that have become Shares to be forfeited. In the event the underlying Shares have been sold by the participant, the participant will be required to pay all or part of the net proceeds of that sale to the Company.

Assignment: Without prior approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

Takeover Bid or Change of Control: All Performance Rights automatically vest in the event of:

- (i) a Court ordering a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the Shareholders of the Company approve the proposed compromise or arrangement at such meeting;
- (ii) a takeover bid (as defined in the Corporations Act) is announced, has become unconditional and the person making the takeover bid has a relevant interest in 50% or more of the shares in the Company; or
- (iii) any person acquires a relevant interest in 50.1% or more of the shares in the Company by any other means.

Alteration in Share Capital: Appropriate adjustments will be made to the number of Performance Rights in accordance with the ASX Listing Rules in the event of a reconstruction of the share capital of the Company, such as a share consolidation, share split or other reduction of capital.

Pro Rata Issue of Securities: If, during the term of any Performance Rights, the Company makes a pro rata issue of securities to the Company's Shareholders by way of a rights issue, the holder thereof shall be entitled to participate in the rights issue on the same terms as the Company's Shareholders as if the holder held that number of Shares equal to the number of Shares issuable to the holder if all of the holder's Performance Rights were exercised prior to the record date for determining entitlement under the pro rata issue.

A holder will not be entitled to any adjustment to the number of Shares he or she is entitled to under any Performance Rights or adjustment to any Performance Condition which is based, in whole or in part, upon the Company's Share price, as a result of the Company undertaking a rights issue.

Bonus Issue: If, during the term of any Performance Rights, the Company completes a bonus issue, the number of Shares each Performance Rights holder is then entitled to, shall be increased by that number of securities which the holder would have been issued if the Performance Rights then held by the holder were exercised immediately prior to the record date for the bonus issue.

Participation in other Opportunities: There are no participation rights or entitlements inherent in the Performance Rights though the Company will use its reasonable endeavours to ensure that each holder is given an opportunity to participate on the same basis as if his or her Performance Rights had been exercised.

Termination, Suspension or Amendment: The Board may terminate, suspend or amend the Performance Rights Plan at any time subject to any resolution of the Company required by the ASX Listing Rules.

(c) Specific Information Required by ASX Listing Rule 7.2

In accordance with the requirements of ASX Listing Rule 7.2 Exception 9(b) the following information is provided:

- (i) the material terms of the Performance Rights Plan are summarised above.
- (ii) 1,796,750 securities have been issued under the Performance Rights Plan since the plan was first approved on 7 May 2015.
- (iii) a voting exclusion statement for Resolution 5 is included in this Notice.

7. RESOLUTION 6 – GRANT OF PERFORMANCE RIGHTS TO MR NICKOLAS KARANTZIS

7.1 Background to Resolution

ASX Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the acquisition of securities under an employee incentive scheme by specified persons, which includes a Director of the Company.

7.2 Proposed issue of Performance Rights to Mr Karantzis

Mr Karantzis was appointed as the Managing Director of the Company on 22 December 2014. Since his appointment, Mr Karantzis has led an executive team that has achieved numerous milestones, including the successful relisting of the Company on ASX in 2014.

It is proposed that Mr Karantzis be issued with 500,000 Performance Rights for the achievement of the following milestones:

- (a) establishment of operational teams in Melbourne and Cyprus in line with the Company's objectives and strategy.
- (b) the grant of an Electronic eMoney Institution License by the Central Bank of Cyprus.
- (c) establishment of the system required to deliver a working product to the Company's merchant customers.
- (d) establishment of a working solution to provide identity services in line with current compliance legislation thereby allowing the Company to commence revenue generation in late 2016.
- (e) completion of capital raising initiatives to provide sufficient working capital to meet the Company objectives.
- (f) the meeting of key security and card scheme requirements by way of ISO27001 and PCI DSS certification.
- (g) completion of applications for principal membership with main card schemes Visa and MasterCard and execution of a partnership agreement with JCB International.

Each of these milestones have been achieved, and the Directors do not propose to impose any further performance conditions on the Performance Rights. Accordingly, if the Shareholders approve the grant of the Performance Rights, the Board intends to determine that the performance conditions attaching to the Performance Rights have been satisfied.

In accordance with the terms of the Performance Rights Plan, once the Board has determined that the performance conditions have been satisfied the Performance Rights will vest and will be automatically exercised into an equivalent number of Shares. Mr Karantzis may trade Shares issued to him upon the vesting of the Performance Rights (subject to the Corporations Act, the ASX Listing Rules and the Company's Securities Dealing Policy).

If the Shareholders approve the grant of the Performance Rights the subject of this Resolution, the Performance Rights will be subject to the terms and conditions of the Performance Rights Plan, which is summarised in section 6 of this Explanatory Statement.

7.3 Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, information regarding the grant of the Performance Rights is provided as follows:

- (a) the maximum number of Performance Rights that will be acquired by Mr Karantzis pursuant to this Resolution is 500,000 Performance Rights.
- (b) the Performance Rights will be issued for nil consideration and no amount will be payable upon exercise thereof.

- (c) no person referred to in ASX Listing Rule 10.14 has previously received Performance Rights under the Performance Rights Plan.
- (d) the Directors (being Mr Nickolas Karantzis, Mr Scott Minehane, Mr Barnaby Egerton-Warburton and Mr Timothy Hart) are the only persons referred to in ASX Listing Rule 10.14 who are entitled to participate in the Performance Rights Plan.
- (e) a voting exclusion statement for this Resolution is included in this Notice.
- (f) no loan is applicable to the Performance Rights granted under the Performance Rights Plan.
- (g) if the Resolution is passed, the Performance Rights will be granted to Mr Karantzis no later than 30 days after the date of the Meeting.

7.4 Directors' Recommendation

The Directors (other than Mr Karantzis) unanimously recommend that Shareholders vote in favour of this Resolution.

The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

If you do not wish to appoint the Chairman of the Meeting to vote in favour of this Resolution, it will be important for you to complete the voting directions in respect of this Resolution in the Proxy Form.

GLOSSARY

\$ means Australian dollars.

Advisers means, for the purposes of Resolution 4, Mr Chris Northwood and Mr Hamish Moore who are the directors of Activ8 Capital.

Adviser Options means the unlisted options granted to the Advisers, on the terms and conditions set out in Schedule 1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means iSignthis Ltd (ACN 075 419 715).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Performance Rights means performance rights issued under the Performance Rights Plan.

Performance Rights Plan means the "iSignthis Ltd Employee Incentive Plan - Performance Rights".

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the director's report section of the Company's annual financial report for the financial year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

SCHEDULE 1 – TERMS AND CONDITIONS OF ADVISER OPTIONS

The Terms and Conditions of the Adviser Options are set out below:

1. Entitlement

The Adviser Options entitle the holder to subscribe for one Share upon the exercise of each Adviser Option.

2. Exercise price

The exercise price of each Adviser Option is \$0.30 (**Exercise Price**).

3. Expiry date

The expiry date of each Adviser Option is 31st December 2018 (**Expiry Date**). Any Adviser Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise period

The Adviser Options are exercisable at any time on or prior to the Expiry Date.

5. Notice of exercise

The Adviser Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Adviser Option being exercised. Any Notice of Exercise of an Adviser Option received by the Company will be deemed to be a notice of the exercise of that Adviser Option as at the date of receipt.

6. Shares issued on exercise

Shares issued on exercise of the Adviser Options will rank equally with the then issued Shares of the Company.

7. Adviser Options not quoted

The Company will not apply to ASX for quotation of the Adviser Options.

8. Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Adviser Options.

9. Timing of issue of Shares

After an Adviser Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Adviser Option:

- (a) issue the Share;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act

and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (c) do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Adviser Option.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Adviser Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Adviser Options.

11. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Adviser Option will be increased by the number of Shares which the Adviser would have received if the Adviser had exercised the Adviser Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

12. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Adviser Option.

13. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Adviser Option holder may be varied to comply with the ASX Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

14. Adviser Options not transferable

The Adviser Options are not transferable, except with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

15. Lodgment instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Adviser Options with the appropriate remittance should be lodged at the Company's share registry.