

Notice of 2021 Annual General Meeting

Openpay Group Limited Notice of Meeting and Explanatory Statement
Wednesday, 15 November 2021, 11:00 AM (AEDT)

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.



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Important Information for Shareholders about the Company's 2021 AGM

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 15 October 2021.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at www.openpay.com.au. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the 2021 AGM as a virtual meeting, in a manner that is consistent with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021.

Venue and Voting Information.

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (AEDT) on Monday, 15 November as a **virtual meeting**.

The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen, and vote online.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link investor.automic.com.au and then clicking on “**register**” and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click “**register**” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left-hand menu bar to access registration.
4. Click on “**Register**” and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting. Note that the webcast will open in a separate window.

Shareholders will be able to vote (see the “Voting virtually at the Meeting” section of this Notice of Meeting below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to the Company Secretary at companysecretary@openpay.com.au at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Your vote is important

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

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM can do so through the online meeting platform powered by Automic.

Once the Chair of the Meeting has declared the poll open for voting click on “Refresh” within the platform to be taken to the voting screen.

Select your voting direction and click “confirm” to submit your vote. Note that you cannot amend your vote after it has been submitted

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Annual General Meeting.

Notice is hereby given that an Annual General Meeting of Shareholders of Openpay Group Ltd ACN 637 148 200 will be held at 11:00am (AEDT) on Monday, 15 November 2021 as a **virtual meeting (Meeting)**.

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 11:00am (AEDT) on Saturday, 13 November 2021.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Resolutions.

Remuneration Report

1. **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an **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 2021.”

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

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

Re-election of Directors

2. **Resolution 2 – Re-election of David Phillips as Director**

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

“That David Phillips, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5 and being eligible, offers himself for re-election as a Director of the Company, effective immediately.”

ASX Listing Rule 7.1A (Additional 10% Capacity)

3. **Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities 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 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those election persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Ratification of Prior Issue of Securities

4. **Resolution 4 – Ratification of Prior Issue of Securities**

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 1,022,271 unlisted warrants issued on 6 October 2021 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Approval of Issue of Shares

5. Resolution 5 – Approval of Issue of Upfront Consideration Shares

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 3,675,005 fully paid ordinary shares to the Payment Assist Vendors, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on

behalf of a beneficiary provided the following conditions are met:

- 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
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Approval of Issue of Options under the Equity Incentive Plan

6. Resolution 6 – Grant of Options to Michael Eidel, Chief Executive Officer and a Director of the Company

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of Options to Mr Michael Eidel, Chief Executive Officer and Director of the Company, and the issue or transfer of Shares to or for the benefit of Mr Eidel upon the vesting and exercise of those Options, under the Equity Incentive Plan and on the terms summarised in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Equity Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- (a) the proxy is either:
 - (i) a member of the Company's Key Management Personnel; or
 - (ii) a closely related party of a member of the Company's Key Management Personnel; and

- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

BY ORDER OF THE BOARD

Ed Bunting
Company Secretary

Explanatory Statement.

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11am (AEDT) on Monday, 15 November 2021 as a **virtual meeting**.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at www.openpay.com.au.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 8 November 2021.

Resolutions

Remuneration Report

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at www.openpay.com.au.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2022 Annual General Meeting (**2022 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2022 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2022 AGM. All of the Directors who were in office when the 2022 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

Re-election of Director

Resolution 2 – Re-election of David Phillips as Director

The Company's Constitution provides that if no Director is required to retire under the Constitution but the Listing Rules require that an election of Directors be held, the Director to retire and seek re-election if they wish is either:

- (i) the Director who has held office as Director the longest period of time since his or her last election or appointment to that office; or
- (ii) if two or more Directors have held office for the same period of time, the Director determined by lot, unless those Directors agree otherwise.

ASX Listing Rule 14.5 requires that an entity which has Directors must hold an election of Directors at each Annual General Meeting.

David Phillips was appointed a Director of the Company on 30 October 2019, has not sought re-election since and is currently, jointly, the longest in office.

Under this Resolution, David Phillips has therefore elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

David joined the board of the Company in September 2017. He has nearly 25 years' experience in financial services, 14 of which were with Investec where he has been the Head of Structured Finance, Global Co-head of Investec Aviation Finance and Head of Investec Emerging Companies. David is the Managing Director and Chief Investment Officer of Commencer Capital, fund manager and investment committee member of the Commencer Capital Emerging Companies Fund, and non-executive, independent member of the investment committee of W23, the venture capital arm of Woolworths Group Limited. David has held a number of board positions including Goshawk Aviation Limited, IGAF and IASL (which collectively owned US\$6bn+ of commercial aircraft globally), as well as a number of Investec investee companies including ICM Airport Technics, H2 Ventures, Pulse iD, and Splend. David has also been a Responsible Manager on Investec licenses related to certain fund management activities it carries on. Prior to joining Investec, he was a Director in the Corporate Advisory division of Deutsche Bank for 5 years where he was involved in large mergers and acquisitions transactions both domestically and offshore, and prior to that was a tax adviser and lawyer with KPMG and Freehills respectively.

Directors' recommendation

The Directors (excluding David Phillips) recommend that Shareholders vote for this Resolution.

ASX Listing Rule 7.1A

Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to add an additional 10% capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date this Notice of Meeting was finalised, the Company has a market capitalisation of approximately \$178.5 million and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Information Required by ASX Listing Rule 7.3A

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

Period for which the approval will be valid

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which

the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the Meeting (being the date on which the approval is obtained);
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration.

The issue price per equity security must not be less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for working capital and growth initiatives, including potential acquisitions.

Risk of economic and voting dilution to existing ordinary Securityholders

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of equity securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.6375 50% decrease in issue price	\$1.275 issue prices ^(b)	\$2.55 100% increase in issue price
"A" is the number of shares on issue, being 130,773,716 Shares^(a)	10% voting dilution^(c)	13,077,371	13,077,371	13,077,371
	Funds raised	\$8,336,824	\$16,673,648	\$33,347,296
"A" is a 50% increase in shares on issue, being 196,160,574 Shares	10% voting dilution^(c)	19,616,057	19,616,057	19,616,057
	Funds raised	\$12,505,236	\$25,010,472	\$50,020,945
"A" is a 100% increase in shares on issue, being 261,547,432 Shares	10% voting dilution^(c)	26,154,743	26,154,743	26,154,743
	Funds raised	\$16,673,648	\$33,347,296	\$66,694,594

Notes:

- (a) Based on the total number of fully paid ordinary Shares on issue as at 6 October 2021.
- (b) Based on the closing price of the Company's Shares on ASX as at 6 October 2021.
- (c) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when a determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is

able to make an offer of equity securities.

The Company has not previously sought Shareholder approval under Listing Rule 7.1A and therefore has not issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

Ratification of Prior Issue of Securities

Resolution 4 – Ratification of Prior Issue of Unlisted Warrants

Background

As announced by the Company on 7 October 2021, the Company has entered into a \$271.4 million secured revolving warehouse facility with Goldman Sachs (**Facility**). In consideration for entry into the Facility, and as also announced on 7 October 2021, the Company also issued 1,022,271 unlisted warrants to Goldman Sachs Bank USA (**Warrants**) utilising the Company's existing capacity under Listing Rule 7.1.

ASX Listing Rule 7.1

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of the Warrants, which were issued on 6 October 2021 (**Issue Date**).

All of the Warrants were issued by utilising the Company's existing capacity under Listing Rule 7.1.

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

The issue of the Warrants did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

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

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.

To this end, this Resolution seeks Shareholder approval to subsequently approve the issue of the Warrants for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the Warrants will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of the Warrants will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Warrants were issued to Goldman Sachs Bank USA in connection with the Facility. No related parties or Associates were allotted Warrants or securities.
- (b) The Company issued 1,022,271 unlisted warrants, representing \$1.33 million divided by \$1.30428516, being the 30 day VWAP immediately prior to execution of the Facility documents and Warrant Deed.
- (c) The material terms of the Warrants are set out in Annexure A of this Notice.
- (d) The Warrants were issued on 6 October 2021.
- (e) The Warrants have a value of \$1.33 million, but were issued for nil cash consideration, and in consideration for Goldman Sachs providing the Facility. If the Warrants are exercised, the Company will receive up to \$1.30428516 per Warrant, which would raise up to a maximum of \$1.33 million, unless Goldman Sachs exercised its cash-out right under the terms of the Warrants. The Company proposes to use amounts raised on exercise of the Warrants for general working capital.
- (f) The Warrants were issued under a Warrant Deed between the Company and Goldman Sachs Bank USA. The material terms of the agreement are set out in Annexure A of this Notice.

Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

Approval of Issue of Shares

Resolution 5 – Approval of Issue of Upfront Consideration Shares

Background

As announced by the Company on 22 June 2021, the Company has agreed to acquire 100% of Payment Assist Ltd (**Payment Assist**), a leading BNPL provider to the UK automotive sector (**Acquisition**).

The overall consideration of the Acquisition consists of an upfront consideration of GBP11.5m comprising of GBP8.2m cash (subject to certain adjustments) and GBP3.3m in shares (**Upfront Consideration Shares**) and a potential earn-out consideration of up to GBP17m.

The number of Upfront Consideration Shares to be issued is 3,675,005 which was calculated using an issue price of the 30-day VWAP up to and including 18 June 2021 and a total AUD value of \$6,072,000 having converted the GBP3.3m using an fx rate of AUD1.84 to GBP1.

The Upfront Consideration Shares will be issued to the four vendors of the shares in Payment Assist (**Payment Assist Vendors**).

The effect of this Resolution is for Shareholders to approve the issue of these Upfront Consideration Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Company to issue these without using the Company's 15% capacity under Listing Rule 7.1.

ASX Listing Rule 7.1

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

An issue of equity securities that is approved by the Company's Shareholders under Listing Rule 7.1 will not use up the Company's 15% limit and therefore does not reduce the Company's capacity to issue

further equity securities without Shareholder approval under Listing Rule 7.1.

At the time of entry into the share purchase agreement for the Acquisition, the Company had sufficient placement capacity to enable it to agree to issue the Upfront Consideration Shares without Shareholder approval. However, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to approve the issue of Upfront Consideration Shares under and for the purposes of Listing Rule 7.1.

If this Resolution is passed, the issue of the Upfront Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 to issue equity securities without Shareholder approval over the 12 month period following the date on which the Upfront Consideration Shares are issued.

If this Resolution is not passed, and the Company proceeds with the issue, the Upfront Consideration Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 to issue equity securities without Shareholder approval over the 12 month period following the date on which the Upfront Consideration Shares are issued.

Information Required by Listing Rule 7.3

The following information is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The allottees are the Payment Assist Vendors, being the persons from whom the Company will acquire the shares in Payment Assist pursuant to the Acquisition. As previously disclosed in the Company's announcement on 22 June 2021, two of the four Payment Assist Vendors, Neil Jeffery and Colin Ellard will enter into new employment agreements with Openpay effect from completion of the Acquisition.
- (b) The maximum number of Upfront Consideration Shares to be issued is 3,675,005.
- (c) The Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) These Upfront Consideration Shares will be issued upon completion of the Acquisition (expected to occur by 31 December 2021) and in any event, within 3 months of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion).
- (e) The Upfront Consideration Shares will be offered for nil cash consideration but will have a deemed total value of GBP3.3m (A\$6,072,000 based on the exchange rate of AUD1.84 to GBP1 as at 18 June 2021).
- (f) Funds will not be raised from the issue of these Upfront Consideration Shares as the issue is proposed to be made as part of the upfront consideration of the acquisition of Payment Assist.
- (g) The Upfront Consideration Shares will be issued under an agreement between the Company and the Payment Assist Vendors. The material terms of the agreement are set out in Annexure B of this Notice and were summarised in the Company's announcement dated 22 June 2021.

Directors' Recommendation

The Board of Directors recommend Shareholders vote for this Resolution.

Resolution 6 – Grant of Options to Michael Eidel, Chief Executive Officer and a Director of the Company

Background

The Company is seeking approval under ASX Listing Rule 10.14, and for all other purposes, for the proposed issue of Market Priced Options (**MPOs**) and Zero Exercise Price Options (**ZEPOs**) (together the “**Options**”) under the Company's Employee Equity Incentive Plan (**Equity Incentive Plan**) to Mr Eidel, Chief Executive Officer and a Director of the Company, on the terms set out below.

The maximum number of Options that may be granted to Mr Eidel is calculated by dividing \$500,000 (being 100% of Mr Eidel's fixed remuneration) by the value of the Options at the time of grant (calculated based on the Black-Scholes option pricing model and the VWAP of the Shares over the 5 trading days commencing on the day following the date of this Meeting (**Pricing Period**)).

To give shareholders a better understanding of the potential number of Options that Mr Eidel could receive, the Company has calculated the VWAP of the Shares over the 5 trading days prior to 5 October 2021 (**Theoretical VWAP**). Based on the Theoretical VWAP, the number of Options that the Company would grant to Mr Eidel would be 454,545 MPOs and 192,307 ZEPOs. The number of Options that will actually be granted to Mr Eidel may be more or less than this depending on the VWAP during the Pricing Period.

The Board considers it highly desirable for shareholders that the interests of Mr Eidel as Chief Executive Officer are directly aligned to the interests of other shareholders through the grant of Awards under the Equity Incentive Plan. The Board believes that part of the rewards for Mr Eidel's services to the Company should be performance-based and at risk and should involve equity interests in the Company. This approach is consistent with best practice in executive remuneration and corporate governance. In structuring the terms of the long-term incentives to Mr Eidel, the Board has considered market practice among comparable companies listed on the ASX.

Overview of the proposed grant to Mr Eidel

The proposed grant of Options to Mr Eidel will be pursuant to the terms of the Equity Incentive Plan and also subject to the specific terms set out below.

Nature of award	<ul style="list-style-type: none"> The awards proposed to be offered to Mr Eidel are Options. Each Option constitutes a right to receive one Share, subject to the terms and conditions of the Equity Incentive Plan. An Option which has vested may be exercised via an exercise notice, subject to compliance with the Company's Securities Trading Policy and may be fulfilled by the Company either issuing, allocating or causing a Share to be transferred to Mr Eidel, or the Board may determine to settle the Option with a cash equivalent amount.
Vesting Conditions	<p>The Options are subject to the following conditions:</p> <ul style="list-style-type: none"> All Options granted to a participant under the Equity Incentive Plan are subject to a 3 year vesting period from the date of the grant. The participant must remain employed with the Company for the duration of that period; up to 50% of the Options will vest based on the Company achieving an absolute total shareholder return CAGR hurdles from FY22 to FY24; and up to 50% of the Options will vest based on the Company achieving revenue CAGR hurdles from FY22 to FY24.

ASX Listing Rules

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval for the acquisition of securities under an employee incentive scheme by specified persons, which includes a director of the company. ASX Listing Rule 10.16B states that ASX Listing Rule 10.14 does not apply to options or other rights to acquire securities to the specified persons where the securities to be acquired on the exercise of the options or in satisfaction of the rights to acquire securities are required by the terms of the employee incentive scheme to be purchased on-market.

The Equity Incentive Plan provides that Shares to be delivered upon the exercise of awards may be satisfied by the issue of new shares, transferred Shares or Shares allocated under an employee share trust. Resolution 6 is being put to Shareholders to preserve the flexibility for the Company to fulfil exercised awards via the issue of new shares.

In addition, in accordance with ASX Listing Rule 10.15, the following information is provided to shareholders in relation to Resolution 6.

Information relating to the offer of Options to Mr Eidel	
Individual details	The proposed issue of Options under the Equity Incentive Plan is to Mr Michael Eidel. Mr Eidel falls under ASX Listing Rule 10.14.1, as he is a Director of the Company.
Number of Securities	The maximum number of Options that may be granted to Mr Eidel is to be calculated in accordance with the formula set out in the Background section above.
Price of Securities	<p>The Options will be granted for \$nil consideration.</p> <p>50% of the Options granted to Mr Eidel will be zero exercise price options expiring 10 years after the grant date.</p> <p>50% of the Options will have an exercise price equal to the volume weighted average price (VWAP) of the Shares over the 5 trading days commencing on the day following the date of this Meeting, expiring 10 years after the grant date.</p>
Securities granted under the Equity Incentive Plan since the last approval	<p>The number of securities that have previously been issued to Mr Eidel under the Equity Incentive Plan is:</p> <ul style="list-style-type: none"> • 1,428,571 Market Price Options exercisable at \$1.60, expiring 9 December 2029, for \$nil consideration; • 357,143 Market Price Options exercisable at \$1.60, expiring 15 July 2030, for \$nil consideration; • 156,250 Zero Price Options exercisable at \$nil, expiring 15 July 2030, for \$nil consideration; • 166,666 Market Price Options exercisable at \$2.6377086 expiring 20 January 2031; and • 94,779 Zero Price Options exercisable at \$nil, expiring 20 January 2031. <p>The average acquisition price paid by Mr Eidel for those securities is \$nil.</p>
Current total remuneration package	<ul style="list-style-type: none"> • Mr Eidel's fixed remuneration (inclusive of superannuation) for FY22 is \$500,000.

of Mr Eidel	<ul style="list-style-type: none"> Mr Eidel is entitled to variable remuneration as follows: <ul style="list-style-type: none"> a discretionary short term incentive bonus of up to \$250,000 based on the performance of the Company and achievement of specified key performance indicators; and participation in the long term incentive plan to a value equal to 100% of his fixed annual remuneration. Shareholders are referred to the Company's FY21 Remuneration Report for further details of Mr Eidel's remuneration.
Value of Options	<ul style="list-style-type: none"> As noted above, the Company attributes a value of \$500,000 (being 100% of Mr Eidel's fixed remuneration) to the Options to be issued to Mr Eidel. The maximum number of options that may be granted to Mr Eidel is calculated by dividing that value by the value of options at the time of grant (calculated based on the Black-Scholes option pricing model and the volume weighted average price (VWAP) of the Shares over the 5 trading days commencing on the day following the date of this meeting. The Company has chosen to grant the Options under the Equity Incentive Plan because they create share price alignment between executives and ordinary shareholders but do not provide executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the Options vest.
Summary of Incentive Plan's material terms	See Annexure C.
Voting exclusion statement	Details of the voting exclusion which applies to this Resolution can be found earlier in the Notice of Meeting.
Loans to acquire securities	Not applicable.
Issue of Options	If Resolution 6 is approved, the Company intends to grant the Options to Mr Eidel as soon as practicable after the date of this Meeting.
Further disclosures	<ul style="list-style-type: none"> Details of any securities issued to Mr Eidel under the Equity Incentive Plan will be published in the annual report of the Company for the period in which they were issued, along with a statement that the approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the Equity Incentive Plan after Resolution 6 is approved and who are not named in this Notice will not participate until approval is obtained under that rule.

If approval is given for the abovementioned issue of the Options to Mr Eidel under ASX Listing Rule 10.14, further approval is not required (and will not be sought) under ASX Listing Rule 7.1 for this issue of the abovementioned Options nor any resulting Shares following the vesting and exercise of those Options.

Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a

public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions apply.

A "financial benefit" is defined in the Corporations Act in broad terms and includes the grant of equity incentives by a public company.

Under the Corporations Act, a director of a company is a related party of that company. As Mr Eidel is a recipient under the Equity Incentive Plan and a director, financial benefits will be given by the Company when the Options are granted to Mr Eidel.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is given to a related party as an officer of the company and to give the remuneration would be reasonable given the circumstances of the company and the related party's circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exemption**).

It is the view of the directors that the proposed grant of Options to Mr Eidel (as contemplated in Resolution 6) falls within the Reasonable Remuneration Exemption given the circumstances of the Company and the position held by Mr Eidel.

Accordingly, the directors have determined not to seek shareholder approval for the purposes of section 208 of the Corporations Act for the grants of the Options contemplated by Resolution 6.

Directors Recommendation

The Board of Directors (other than Mr Eidel who abstains due to his interest in the resolution) recommend that Shareholders vote in favour of Resolution 6.

Enquiries

Shareholders are asked to contact the Company Secretary at companysecretary@openpay.com.au if they have any queries in respect of the matters set out in these documents.

Glossary.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual Financial Report means the 2021 Annual Report to Shareholders for the period ended 30 June 2021 as lodged by the Company with ASX on 26 August 2021.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of PricewaterhouseCoopers dated 26 August 2021 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Openpay Group Ltd ACN 637 148 200.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or **"\$"** means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

KMP means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting

dated 15 October 2021 including the Explanatory Statement.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

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

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares.

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

Shareholder means a holder of a Share.

Share Registry means Automic Group, Level 5, 126 Phillip Street, Sydney 2000.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Spill Meeting means the meeting that will be convened within 90 days of the 2022 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2022 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2022 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2022 AGM.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

VWAP means the volume weighted average market (closing) price, with respect to the price of Shares.

Annexure A – Summary of Warrant Terms and Warrant Deed.

The material terms and conditions of the Warrants the subject of Resolution 4, and the Warrant Deed pursuant to which the Warrants were issued, are set out below:

Topic	Summary
Issue	<p>The Company has agreed to issue to GS (Initial Warrantholder) on the date of entry into the Facility, 1,022,271 unlisted warrants, each of which entitles the Warrantholder to:</p> <ul style="list-style-type: none"> • subscribe for 1 fully paid ordinary share in the capital of the Company (Share) at the subscription price of \$1.30428516 (representing the 30 day VWAP prior to signing the Facility) (Subscription Price) (Subscription Right); or • receive cash consideration from the Company for the Warrant of an amount equal to the VWAP calculated over the 5 trading days prior to exercise of the Warrant, (Cash-out Amount) less the Subscription Price (Cash-out Right)
Exercise	<p>The Warrants may be exercised in full or in part during the Exercise Period. The Exercise Period commences on the date which is 18 months after the date of issue (being 6 October 2021) and expires on the seventh anniversary of the date of issue of the Warrants.</p> <p>The Initial Warrantholder is not permitted to exercise the Subscription Rights conferred by the warrants if the number of Shares which would be held by the Initial Warrantholder following exercise, together with the existing shareholding of the Initial Warrantholder at the time, would result in the Initial Warrantholder holding more than 4.9% of the issued share capital of the Company.</p>
Listing	<p>The Warrants will not be admitted to listing or trading on any stock exchange.</p> <p>The Company must take steps (but is not obliged) to ensure the Shares issued on exercise of the Subscription Right are freely tradable on issue.</p>
Transfer	<p>Other than in certain circumstances, the Warrantholder may only transfer any Warrant, or any Share resulting from the exercise of the Subscription Right, with the prior consent of the Company.</p> <p>The Warrantholder may transfer any Warrant held by it in whole without the prior written consent of the Company:</p> <ul style="list-style-type: none"> • to any affiliate of the Warrantholder; • if required by any law, regulation, court, securities exchange or Government Agency, in each case where applicable to the Warrantholder; or • to any third party following the expiry of the six month anniversary of the relevant issue date to which the Warrant, or the Share arising from the exercise of the Subscription Right, relates.

Adjustments

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

- the number of Shares to be issued on exercise of the remaining Subscription Rights will be increased by the number of Shares which the Warrantholder would have received if the Warrantholder had exercised all of the Subscription Rights before the record date for the bonus issue; and
- no change will be made to the Subscription Price payable in respect of each Warrant and any bonus shares to be issued shall be credited as fully paid.

If the Company makes a pro rata issue (as that term is defined in the ASX Listing Rules) of Shares to existing Shareholders (except a bonus issue) then upon completion of such issue the Subscription Price will be reduced according to the following formula (provided that in no event the new Subscription Price shall exceed the old Subscription Price):

$$\text{New Subscription Price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Subscription Price.

E = the number of underlying Shares into which one Warrant is exercisable.

Note: E is one unless the number has changed because of a bonus issue.

P = VWAP per Share of the underlying Shares calculated over the five (5) Trading Days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of an Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

If there is any reorganisation (including, but not limited to, any division, consolidation, conversion, reclassification or redenomination) of the issued share capital of the Company, the rights of the Warrantholder will be varied upon completion of such reorganisation to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation and shall, in all cases, treat the Warrantholders in the same manner as holders of Shares.

In all cases, the total number of Shares for which the outstanding Subscription Rights would then be capable of being exercised carry as nearly as possible (and in any event not less than) the same proportion of voting rights prior to such event and the same entitlement to participate in the profits and assets of the Company (including on liquidation) as if that had

	<p>been no such event giving rise to the adjustment, provided that no benefit is received by the Warrantholder that holders of Shares do not receive.</p> <p>Notwithstanding anything to the contrary, following the occurrence of an adjustment, the Subscription Price shall not be less than the nominal value of the Shares, provided that in no case shall the Subscription Price be adjusted or reorganized in a way that provides a benefit to the Warrantholder that holders of Shares do not receive</p> <p>The Company must ensure the record date for any proposed issues contemplated above is at least 15 Business Days after the Company has notified the Warrantholder of the proposed issue.</p>
Fractional entitlements	No fractional shares shall be issued or transferred, as applicable, upon the exercise of the Warrants, and the number of Shares to be issued or transferred, as applicable, shall be rounded to the nearest whole share.
Participation in new issues	In accordance with the ASX Listing Rules, there are no participation rights or entitlements inherent in the Warrants, and the Warrantholder shall not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Warrants prior to exercise.
Winding up	<p>If a process of liquidation or winding up of the Company is initiated, the Warrantholder shall have the right to be treated as if it had, immediately prior to the date of such event, exercised its Cash-out Rights, with the payment date occurring immediately before the date of such event. Each Warrantholder is entitled to prove and / or vote in any such liquidation or winding up as a creditor to the Company for an amount equal to the net cash-out amount for each Warrant.</p> <p>Any outstanding Warrant shall lapse on liquidation of the Company.</p>
Lapse on expiry	If on the last date of the Exercise Period any Warrants have not been exercised, and the net cash-out amount under the Warrant Deed remains outstanding, the Warrantholder is deemed to have delivered an exercise notice for exercise of its Cash-out Rights and for net settlement to apply.
Surrender	The Company shall accept the return / surrender of the Warrants at any time by any Warrantholder for any reason and without delay. Any Warrants surrendered will be cancelled forthwith and will not be available for re-issue or resale.

Annexure B - Summary of Payment Assist acquisition agreement.

A summary of the material terms of the Payment Assist acquisition agreement is set out below.

Topic	Summary
Acquisition	Openpay will acquire 100% of the issued capital in Payment Assist Limited.
Purchase Price	<p>The following consideration is payable:</p> <ul style="list-style-type: none"> Upfront consideration of £11.5 million, comprising £8.2 million cash (subject to certain adjustments) and £3.3 million in Openpay scrip payable at completion. Earn-out consideration of up to £17 million, payable as follows <ul style="list-style-type: none"> Tranche 1 of up to £5.5 million, subject to satisfaction of certain key performance indicators for the financial years of Payment Assist ended 31 December 2021 (FY2021) and 31 December 2022 (FY2022); Tranche 2 of up to £5.5 million, subject to satisfaction of certain key performance indicators for the financial year of Payment Assist ended 31 December 2023 (FY2023); and Outperformance Earn-out Consideration of up to £6 million, subject to satisfaction of certain 'outperformance' key performance indicators for FY2021, FY2022 and FY2023. <p>60% of the earn-out consideration shall be payable in cash and 40% shall be payable in Openpay scrip (subject to receipt of shareholder approval which must occur within three months of determination of each relevant earn out consideration amount). Openpay may also elect (at its discretion) to pay the earnout consideration entirely in cash.</p> <p>The earn-out consideration is contingent upon performance of Payment Assist's business measured against total transaction value (TTV), net transaction margin and profit before tax. Subject to at least 80% of the KPIs for an earn out period being satisfied, the vendors shall be entitled to a pro rata share of the earn-out consideration in respect of that earn-out period, equal to the proportion of the KPIs that have been satisfied.</p>
Funding	The cash component of the upfront consideration and the earn-out consideration (to the extent paid) will be funded from Openpay's available capital. The issue of the scrip component of the earn-out consideration is subject to receipt of shareholder approval, which will be sought following the end of the relevant earn out period if required.
Conditions precedent	The Acquisition is conditional upon certain conditions precedent, including the UK Financial Conduct Authority approving the Acquisition.

Restrictive covenants	<p>All vendors have agreed to provide restrictive covenants for a three-year period following completion in respect of the UK, Ireland and Australia regions.</p> <p>Upon payment of the second tranche earn out consideration, this restrictive covenant shall be extended for a further 6 months.</p>
Key employees	Two of the vendors, Neil Jeffery and Colin Ellard, will enter into new service agreements with effect from completion.
Estimated completion date	Subject to satisfaction of the conditions precedent, the Company currently expects to complete the transaction during 1H FY2022.

Annexure C - Summary of Key Terms of Equity Incentive Plan.

The Equity Incentive Plan (**EIP**) is designed to further align the interests of eligible employees or Directors with the interests of Shareholders through further equity exposure. The key features of the EIP are as follows:

Topic	Summary
Eligibility	Eligibility Eligible employees or Directors engaged by the Group, as determined by the Board.
Award	<p>The EIP provides flexibility for the Board to grant one or more types of award.</p> <p>The award may be:</p> <ul style="list-style-type: none"> • a cash payment; • a right to acquire Shares or, in certain circumstances, a cash payment, subject to satisfaction of vesting conditions (Performance Right); • a right to acquire Shares or, in certain circumstances, a cash payment, subject to satisfaction of vesting conditions and payment of the applicable exercise price (Option); or • Shares, including Shares that are subject to trading or dealing restrictions at the time of allocation. <p>The value of the award will be determined by the Board and the number of awards determined by dividing the value of the award by the allocation value (being the face value of the award for Performance Rights and fair value for Options (disregarding conditions such as performance and service conditions), as determined by an independent valuer).</p>
Vesting	<p>The Board shall have the discretion to determine whether service or performance-based conditions (or both) must be met before awards will vest, with conditions to be specified in the relevant offer document.</p> <p>The Board shall have the discretion to waive a vesting condition or to ensure that a participant is not advantaged or disadvantaged by matters outside of management's control that materially affect the Group's performance.</p>
Acquisition price	<p>Cash incentives, Performance Rights and Options</p> <p>Cash incentives, Performance Rights and Options granted under the EIP will be granted for nil consideration.</p> <p>Shares</p> <p>Shares granted under the EIP may have an acquisition price as set out in the invitation letter.</p>
Exercise	<p>The Board will have the discretion to determine the exercise conditions (if any) that must be met before Performance Rights and Options may be exercised following vesting.</p> <p>Performance Rights</p>

	<p>No amounts will be payable on exercise.</p> <p>Options</p> <p>Participants may elect to exercise their vested Options via an exercise notice, subject to compliance with Openpay's Securities Trading Policy. Participants must pay an exercise price in order to exercise their vested Options if required by the terms of the Options.</p>
Settling by the Company	<p>In certain situations, the Board may, at its sole discretion, determine to settle the Performance Rights or Options in cash rather than Shares – with the cash payment equal to the value of the Shares that would be allocated to participants if Performance Rights or Options were Share-settled less any amount payable on exercise of the Performance Rights or Options.</p> <p>In relation to Options (with an exercise price that is not nil), if specified in the invitation, the Board may, at its discretion determine to (or the participant may elect for the Company to) “net settle” Options on exercise.</p> <p>The Shares used to satisfy an award may be newly-issued Shares, transferred Shares or Shares allocated under an employee share trust.</p> <p>Subject to any net-settling, each vested Option or Performance Right will entitle the participant to one Share.</p>
Restrictions on dealing	<p>Awards</p> <p>Unless otherwise stated in an invitation, awards will not be transferable in the hands of participants, except to certain permitted transferees (including spouses, children of at least 18 years of age, trusts set up for the benefit of the participant, their spouse or children, companies wholly owned by the participant, their spouse or children, or any other person approved by the Company), subject to receipt of prior approval from the Board.</p> <p>Awards and Shares</p> <p>The EIP rules will allow for disposal restrictions to be placed on awards or Shares allocated under the EIP. The details of each participant's disposal restrictions (if any) will be included in their invitation. Any disposal restriction period may be enforced through an employee share trust or via an ASX Holding Lock (administered by the Share Registry).</p>
Cessation of employment	<p>Under the EIP rules, the Board retains full discretion to determine the manner in which a participant's awards will be dealt with in the event that the participant ceases employment or engagement with the Group, including to determine that the participant forfeits all awards (whether vested or unvested). It is intended that individual offer documents will provide specific information on how an award will be treated where a participant ceases employment or engagement with Openpay</p>
Change of control	<p>Unless the invitation states otherwise, on the event of a change of control, the Board may, by notice to participants, waive any vesting or exercise conditions, or determine that a vesting or exercise condition is satisfied, and the participant may notify the Company of exercise of their award, subject to the change of control event actually occurring. Under the EIP, a change of</p>

	<p>control will occur if as a result of any event or transaction, a person or entity becomes entitled to:</p> <ul style="list-style-type: none"> • more than 50% of Openpay's issued Shares; and • the sale of all or substantially all of the business and assets of the Company.
Compulsory transfers, malus and clawback	<p>On the occurrence of certain events (including cessation of employment or a malus or insolvency event in respect of the participant), the Board can require the participant to sell the awards, or require the redemption, buy-back or purchase of the awards, at the price set out in the relevant invitation letter.</p> <p>In addition, on the occurrence of a malus event, the Board will have the power to clawback awards, including awards that have vested and been paid or awarded in certain circumstances to ensure that no unfair benefit is obtained by a participant. This power will allow the Board to determine that the participant is required to pay Openpay the net proceeds received on the sale of any equity acquired under the EIP, provided that any exercise price paid to the Company must be repaid to the participant.</p> <p>Malus events include: serious misconduct, fraud or dishonesty; breach of material obligations to the Openpay Group; bringing the Openpay Group into disrepute; contributing to any Group Company incurring significant unexpected financial loss, breaching applicable laws or making a material financial misstatement; or the participant receiving or otherwise being eligible to receive an unfair benefit, or where the Board otherwise determines that a reduction in the award is otherwise warranted.</p>
Expiry	<p>The EIP rules set out that Options and Performance Rights will expire on the date that is 10 years from the grant date, or any other date determined by the Board and as specified in the invitation letter (if earlier). Options and Performance Rights that are not exercised before the expiry date will lapse, as will any awards where the vesting or exercise condition becomes incapable of satisfaction, unless the Company determines otherwise or the offer documents state otherwise.</p>
Capital structure	<p>The EIP rules include provisions addressing adjustments or otherwise on bonus issues, rights issues and capital restructures undertaken by the Company in future.</p>

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Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (AEDT) on Saturday, 13th November 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.



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