



NOVATTI GROUP LIMITED
ACN 606 556 183

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

Date of Meeting: 19 August 2020

Time of Meeting: 11.00am (AEST)

Place of Meeting: Level 3, 461 Bourke Street, Melbourne Vic. 3000

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

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

Due to the current restrictions in place as a result of the COVID-19 pandemic, Shareholders are strongly encouraged not to physically attend the Meeting and to either vote via proxy prior to the Meeting or appoint the Chair as their proxy.

IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING

Due to current restrictions in place as a result of the Covid-19 pandemic and, in particular, the Government ban on large public gatherings and social distancing requirements, the Company is unable to allow more than 20 people to attend the Meeting in person. Shareholders should note that the 20 person limit will include the officers of the Company and technical and advisory attendees.

While the Company is able to hold the Meeting physically albeit in strictly limited numbers and is required to invite Shareholders to attend the Meeting in person, the Company strongly encourages Shareholders to instead attend the Meeting virtually via a web-based meeting portal arranged for the Meeting. The Company will be in breach of the law if more than 20 people attend the Meeting.

The Board also considers that the health, safety and welfare of the Company's staff, its Shareholders and other stakeholders is of paramount importance.

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

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

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

The Company is aware that, at present, there are significant delays in the Australian postal system due to Covid-19, which may potentially adversely affect both the receipt and return of voting forms by Shareholders. Accordingly, the Board has despatched by email the Notice of General Meeting and Explanatory Statement to all Shareholders who have provided an email address to the Company's share registrar. A copy of the Notice of General Meeting and Explanatory Statement can also be accessed on the ASX company announcements platform at www.asx.com.au.

Shareholders who wish to attend the Meeting virtually must first register their attendance with the Company by no later than 11.00am (AEST) on 18 August 2020, the day prior to the day of the Meeting, by email to the Company Secretary at ianhobson@bigpond.com, including the Shareholder's name, address and HIN or SRN. The Company will then email the Shareholder the details to participate in the virtual Meeting via zoom (a web-based meeting portal).

Shareholders are encouraged to submit any questions that they may wish to put to the Company during the Meeting in writing by email to the Company Secretary at ianhobson@bigpond.com, by no later than 11.00am (AEST) on 18 August 2020, the day prior to the Meeting. Shareholders will also be able to ask questions during the Meeting using the web-based meeting portal, and Shareholders will be required to give their names when asking a question.

Enquiries

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

Voting Eligibility

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEST) on 17 August 2020.

Voting by poll

All votes taken at the Meeting will be conducted by way of a poll, taken both physically at the Meeting and electronically. Shareholders who wish to vote by poll during the virtual Meeting must first notify the Company of their intention by emailing the Company Secretary at ianhobson@bigpond.com, by no later than 11.00am (AEST) on 18 August 2020, the day prior to the Meeting. Shareholders will be able to submit their email poll votes immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the company secretary sufficient time to count such poll votes submitted by email.

Voting by proxy

Shareholders should note that:

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

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

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

Corporate representatives

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

The representative must, prior to the Meeting, provide evidence of his or her appointment, to the Company Secretary by email at ianhobson@bigpond.com by no later than 11.00am (AEST) on 18 August 2020, the day prior to the Meeting, noting whether the representative intends to attend the Meeting physically or virtually including any authority under which the appointment is signed, unless it has previously been given to the Company. Representatives who wish to vote by poll during the virtual Meeting must first notify the company secretary in accordance with the instructions set out above under 'voting by poll'. Shareholders are again reminded of the strict limit of 20 attendees at the physical Meeting.

NOVATTI GROUP LIMITED
ACN 606 556 183

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the shareholders of Novatti Group Limited ACN 606 556 183 will be held at 11.00am (AEST) on 19 August 2020 at Level 3, 461 Bourke Street, Melbourne Vic 3000.

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

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

AGENDA

1. Resolution 1 – Ratification of prior issue of shares – June 2020 placement made under LR 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue under Listing Rule 7.1 by the Company of 21,500,000 fully paid ordinary shares to the parties and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

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

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

2. Resolution 2 – Ratification of prior issue of shares – June 2020 placement made under LR 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue under Listing Rule 7.1 by the Company of 18,500,000 fully paid ordinary shares to the parties and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

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

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

3. Resolution 3 – Approval for issue of Shares to Peter Pawlowitsch – June 2020 placement

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

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr Peter Pawlowitsch (and/or nominees) up to 400,000 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

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

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

4. Resolution 4 – Approval for issue of Shares to Peter Cook – June 2020 placement

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

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Peter Cook (and/or nominees) up to 400,000 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

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

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

5. Resolution 5 – Approval for issue of Options to Baker Young

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

"That, pursuant to Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 6,000,000 Options with an exercise of price of 25 cents each and expiring on 31 December 2021, and any and all Shares issued on exercise of those Options, to Baker Young (and/or nominees) and on the terms set out in the Explanatory Statement."

Voting Exclusion

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

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

6. Resolution 6 – Approval for issue of Options to Emerald

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

“That, pursuant to Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 500,000 Options with an exercise of price of 25 cents each and expiring on 31 December 2021, and any and all Shares issued on exercise of those Options, to Emerald (and/or nominees) and on the terms set out in the Explanatory Statement.”

Voting Exclusion

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

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

Dated 15 July 2020

BY ORDER OF THE BOARD



Ian Hobson
Company Secretary

NOVATTI GROUP LIMITED
ACN 606 556 183

EXPLANATORY STATEMENT

1. Introduction

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the general meeting of the Company to be held at 11.00am (AEST) on 19 August 2020 at Level 3, 461 Bourke Street, Melbourne Vic 3000.

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

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

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

2. Resolution 1 – Ratification of prior issue of shares – June 2020 placement made under LR 7.1

2.1 Background

On 29 June 2020, the Company announced to ASX that it had accepted unconditional commitments from sophisticated and professional investors (none of whom are related parties of the Company) to raise \$10,200,000 by the issue of 40,000,000 Shares together with an additional 800,000 Shares to Directors Peter Pawlowitsch and Peter Cook, subject to Shareholder approval (**Placement**).

The Shares under the Placement were issued to the non-related parties on 7 July 2020, with 21,500,000 Shares issued within the Company's existing 15% share issue capacity pursuant to Listing Rule 7.1 (see Section 2.2). The balance of the Shares to non-related parties were issued within the Company's existing 10% placement capacity pursuant to Listing Rule 7.1A.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares under Listing Rule 7.1. Resolution 2 seeks ratification for the issue under Listing Rule 7.1A. Approval is sought for the issue of Shares to Mr Pawlowitsch and Mr Cook under Resolutions 3 and 4.

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

2.2 Listing Rules 7.1 and 7.4

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

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

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

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

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

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

2.3 Specific Information Required by Listing Rule 7.5

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

- (1) The placees were sophisticated and professional investors, including clients of the lead manager for the Placement, Shaw and Partners Limited AFSL 236048, and existing shareholders of the Company.
- (2) 21,500,000 Shares were issued, being fully paid ordinary securities.
- (3) The Shares were issued on 7 July 2020.
- (4) The Shares were issued at \$0.25 per Share.
- (5) The Shares rank equally with all other Shares on issue in the Company.
- (6) The purpose of the issue was to raise funds to accelerate Novatti's current growth strategy, including increasing business development resources; acquiring new Visa card issuing programs; securing new strategic, global partnerships; and fast-tracking the Company's integration into other payment networks.

3. Resolution 2 – Ratification of prior issue of shares – June 2020 placement made under LR 7.1

3.1 Background

Details of the Placement are set out in Section 2.1.

The Shares under the Placement were issued to the non-related parties on 7 July 2020, with 18,500,000 Shares issued within the Company's existing 10% share issue capacity pursuant to Listing Rule 7.1A (see Section 3.2) and the balance of the Shares to non-related parties were issued within the Company's existing 15% placement capacity pursuant to Listing Rule 7.1. The issue price of \$0.25 met the requirements of Listing Rule 7.1A.3, being greater than 75% of the 15-day VWAP.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares under Listing Rule 7.1A. Resolution 1 seeks ratification for the issue under Listing Rule 7.1A.

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

3.2 Listing Rules 7.1A and 7.4

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

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

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

Accordingly, Resolution 2 seeks shareholder approval to under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 10% share issue capacity.

If Resolution 2 is passed, the issue under the Placement will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If Resolution 2 is not passed, the issue will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

3.3 Specific Information Required by Listing Rule 7.5

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

- (1) The placees were sophisticated and professional investors, including clients of the lead manager for the Placement, Shaw and Partners Limited AFSL 236048, and existing shareholders of the Company.
- (2) 18,500,000 Shares were issued, being fully paid ordinary securities.
- (3) The Shares were issued on 7 July 2020.
- (4) The Shares were issued at \$0.25 per Share.
- (5) The Shares rank equally with all other Shares on issue in the Company.
- (6) The purpose of the issue was to raise funds to accelerate Novatti's current growth strategy, including increasing business development resources; acquiring new Visa card issuing programs; securing new strategic, global partnerships; and fast-tracking the Company's integration into other payment networks.

4. Resolutions 3 and 4 – Approval for the issue of shares to Peter Pawlowitsch and Peter Cook (July 2020 Placement)

4.1 Background

As announced to ASX on 29 June 2020, Directors Peter Pawlowitsch and Peter Cook have agreed to subscribe for \$100,000 worth of Shares each (being 400,000 Shares each) under the Placement, subject to the Company obtaining Shareholder approval for the issue of those Shares. Further details of the Placement are set out in Section 2.1.

Resolutions 3 and 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issues of the Shares.

Each of Resolutions 3 and 4 is a separate and independent ordinary resolution. Voting exclusion statements are included in the Notice.

4.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to certain categories of recipients, including a related party of the company and their associates, unless it obtains the approval of shareholders.

The proposed issues to Mr Pawlowitsch and Mr Cook fall within Listing Rule 10.11.1 as they are related parties and they do not fall within any of the exceptions in Listing Rule 10.12. They therefore require the approval of Shareholders under Listing Rule 10.11.

If the Resolutions are passed, the Company will be able to proceed with the issue of the Shares to Mr Pawlowitsch and Mr Cook (and/or nominees). In addition, as Shareholder approval is not required under Listing Rule 7.1 where an approval is given under Listing Rule 10.11, the issue of the Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If the Resolutions are not passed, the Company will not be able to proceed with the issue of the Shares to Mr Pawlowitsch and Mr Cook (and/or nominees) and they will not be required to subscribe for the Shares despite their commitments in connection with the Placement.

4.3 Specific Information Required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13 the following information is provided:

- (1) The recipients of the Shares are Peter Pawlowitsch and Peter Cook.
- (2) Listing Rule 10.11.1 applies as Peter Pawlowitsch and Peter Cook are related parties of the Company in their capacity as Directors.
- (3) The maximum number of Shares to be issued to Peter Pawlowitsch and Peter Cook (and/or nominees) is 400,000 Shares each.
- (4) The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (5) The issue of the Shares will occur no later than one month after the date of the Meeting.
- (6) The Shares will be issued at an issue price of \$0.25 per Share, being the issue price under the Placement.
- (7) The funds raised from the issue of the Shares, being approximately \$100,000 in each case, will be aggregated with and used for the same purpose as the funds raised from the Placement. See Section 2.2 above for further details.
- (8) The Shares are being issued in connection with the Placement and not under a separate agreement.

5. Resolution 5 – Approval for issue of Options to Baker Young

5.1 Background

The Company has previously engaged Baker Young for the provision of corporate advisory and related services, including mandates for lead manager services in connection with the issue of convertible notes by the Company that was subsequently ratified by Shareholders in general meeting on 28 May 2020.

In order to preserve the Company's cash, the Company has reached agreement with Baker Young whereby Baker Young will receive accrued fees under those engagements in Options in lieu of cash. The Company currently has no active engagements in place with Baker Young.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Options.

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

5.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% share issue capacity**). Listing Rule 7.1 is subject to a number of exceptions, however the proposed issue of Options to Baker Young does fall within any of those exceptions.

Without Shareholder approval pursuant to Listing Rule 7.1, the issue will be counted towards the Company's 15% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

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

Accordingly, Resolution 5 seeks shareholder approval for the Company to issue the Options under Listing Rule 7.1, therefore not count towards the Company's 15% share issue capacity.

If Resolution 5 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and will not impact on the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If Resolution 5 is not passed, the Company will still have capacity to issue the Options, however they will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

5.3 Specific Information Required by Listing Rule 7.3

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

- (1) The Options will be issued to Baker Young (and/or nominees).
- (2) The number of Options proposed to be issued is 6,000,000.
- (3) The Options will be exercisable at 25 cents each and expiring on 31 December 2021, and otherwise on the terms and conditions set out in Schedule 2.
- (4) The issue of the Options will occur no later than three months after the date of the Meeting, all on the same date.
- (5) The Options are to be issued to satisfy fees incurred by the Company in connection with its engagement of Baker Young for corporate advisory and related services, in lieu of cash.
- (6) The purpose of the issue is to satisfy the Company's obligation to pay fees to Baker Young as described above. No funds will be raised from the issue of the Options, and any funds raised from the issue of the Shares on exercise of the Options will be allocated to working capital.
- (7) The Options are not being issued under a specific agreement, other than a short letter agreement between the Company and Baker Young pursuant to which Baker Young accepts the issue of the Options in lieu of payment in cash as described above.

6. Resolution 6 – Approval for issue of Options to Emerald

6.1 Background

The Company has engaged previously Emerald for the provision of investor relations and related services.

The Company has reached agreement with Emerald whereby Emerald will receive accrued fees under that engagement by way of an issue of Options in lieu of cash. This agreement relates to the period from commencement of the engagement prior to the outbreak of the COVID-19 pandemic in March until 30 June 2020.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Options.

Resolution 6 is an ordinary resolution. A voting exclusion statement is included in the Notice.

6.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% share issue capacity**). Listing Rule 7.1 is subject to a number of exceptions, however the proposed issue of Options to Emerald does fall within any of those exceptions.

Without Shareholder approval pursuant to Listing Rule 7.1, the issue will be counted towards the Company's 15% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

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

Accordingly, Resolution 6 seeks shareholder approval for the Company to issue the Options under Listing Rule 7.1, therefore not count towards the Company's 15% share issue capacity.

If Resolution 6 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and will not impact on the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If Resolution 6 is not passed, the Company will still have capacity to issue the Options, however they will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

6.3 Specific Information Required by Listing Rule 7.3

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

- (1) The Options will be issued to Emerald (and/or nominees).
- (2) The number of Options proposed to be issued is 500,000.
- (3) The Options will be exercisable at 25 cents each and expiring on 31 December 2021, and otherwise on the terms and conditions set out in Schedule 2.
- (4) The issue of the Options will occur no later than three months after the date of the Meeting, all on the same date.
- (5) The Options are to be issued in satisfaction of payment for fees incurred by the Company in connection with its engagement of Emerald for investor relations and related services from March to June 2020 in lieu of cash.
- (6) The purpose of the issue is to satisfy the Company's obligation to pay fees to Emerald as described above. No funds will be raised from the issue of the Options, and any funds raised from the issue of the Shares on exercise of the Options will be allocated to working capital.
- (7) The Options are not being issued under a specific agreement, other than a short letter agreement between the Company and Emerald pursuant to which Emerald accepts the issue of the Options in lieu of payment in cash as described above.

Schedule 1 - Definitions

In this Notice and the Explanatory Statement:

\$ means Australian Dollars.

AEST means Australian Eastern Standard Time.

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

Baker Young means Baker Young Limited ABN 92 006 690 320 (AFSL 246735).

Board means the board of Directors.

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

Company means Novatti Group Limited ACN 606 556 183.

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

Convertible Note means convertible note issued by the Company on terms and conditions summarised in Schedule 2.

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

Director means a director of the Company.

Emerald means Emerald Financial Group Pty Ltd ABN 85 106 823 741 (AFSL 241041).

Explanatory Statement means the explanatory statement attached to the Notice.

Listing Rules means the listing rules of ASX.

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

Notice means this notice of meeting.

Option means option to acquire a Share.

Placement has the meaning set out in Section 2.1.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

VWAP means volume weighted average price of Shares on ASX.

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

Schedule 2 – Terms and conditions of Options

The following details the terms and conditions attaching to the Options.

- (a) The Options will be exercisable at \$0.25 each (**Exercise Price**).
- (b) Unless earlier exercised, the Options will expire at 5:00pm (AEDT) on 31 December 2021 (**Expiry Date**). Options not exercised before the Expiry Date will expire.
- (c) Each Option will entitle the holder to subscribe for one Share.
- (d) The Options are exercisable at any time on or before the Expiry Date.
- (e) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque in Australian dollars for the full payment of the Exercise Price to the registered address of the Company at any time on or before the Expiry Date.
- (f) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then existing Shares on issue.
- (g) The Option holder will be permitted to participate in new issues of securities of the Company only upon the prior exercise of the Options, in which case the holder of the Options will be afforded such period of notice as prescribed under the ASX Listing Rules to exercise the Options.
- (h) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (i) the number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on Shareholders; and
 - (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (i) There is no right to a change in the exercise price of the Options or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- (j) If there is a bonus issue to the holders of Shares, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (k) The Company will not apply for quotation of the Options.
- (l) The Options are not transferable.



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

Holder Number:

Vote by Proxy: NOV

Your proxy voting instruction must be received by **11.00am (AEST) on Monday 17 August 2020**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

You must sign this form as follows in the spaces provided.

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

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person or virtually if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person or virtually, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

Due to the current restrictions in place as a result of the COVID-19 pandemic, Shareholders are strongly encouraged not to physically attend the Meeting and to either vote via proxy prior to the Meeting or appoint the Chair as their proxy.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



STEP 3: Sign Here + Contact Details

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).