

6 November 2017

Dear Fellow Shareholder,

### **BPS Technology - The Way Ahead**

At last Friday's Requisitioned General Meeting of BPS Shareholders, convened by Alceon Liquid Strategies and LHC Capital Partners ('Requisitioning Shareholders'), all of the Resolutions put to the Meeting were rejected by a majority of shareholders.

The Board does recognise the concerns of the Requisitioning Shareholders and of other institutions and shareholders who supported the Resolutions.

BPS will continue to engage in good faith discussions with the Requisitioning Shareholders to seek an outcome which advances the best interests of the Company as a whole and all of its shareholders.

### **Strategic Plan**

The AGM of the Company is to be held on Monday, 27 November 2017.

In the interim it is appropriate to provide shareholders with an update of key matters relating to BPS's business operations.

These include:

- Broadening the scope of our payments platform into the B2C market, of which the highly successful 2016 Entertainment acquisition was a key element
- The Company will achieve efficiencies and cost savings in excess of \$6.0m over the next three years particularly focused on the Bartercard Division but also applying to other parts of the Group.
- Actioning the marketing agreements with Alipay and Alibaba.com which will have a direct impact on the growth of the BPS business. This is part of a 3-year strategy which will provide BPS with direct access to the growth in China and Chinese tourism in Australia and reposition the BPS business as an integrated marketing and payments platform
- Completion of the "transition to digital" phase and implementation strategy which will deliver increasing returns for shareholders over the medium and long term

### **Board Renewal and CEO Succession**

We are well advanced in the appointment of additional independent Non-Executive Directors (NEDs) to the Board as announced to the market on 26 September 2017.

A number of highly qualified, independent NED candidates have been identified. We expect to make an announcement regarding the above to the market at or shortly after the AGM.

In addition, before or at the AGM, the Company intends to announce further details about the process to appoint a permanent successor to retiring CEO Mr Trevor Dietz. Now the General Meeting is behind us, this process will be accelerated.

The Board has already engaged international executive search firm, Heidrick & Struggles, to recruit a high calibre, appropriate candidate to succeed Mr Dietz.

Subject to the date of commencement of the permanent CEO, this process may involve the appointment of an interim CEO.

Mr Dietz has expressed his willingness to effect a suitable transition of responsibilities.



### **Institutional Engagement**

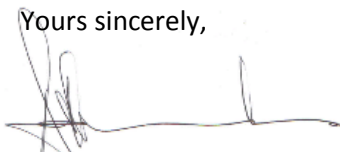
Directors acknowledge the Company could and should improve its communication with its major institutional investor base. Over the coming weeks I plan to engage with institutional shareholders and other market participants to discuss the matters raised in this announcement or other matters they wish to raise.

The Company's future profitability is underwritten by our existing strong revenue base, future growth and immediate implementation of the cost savings program previous outlined.

Your Board and Management are absolutely committed to the delivery on our operational strategy and to Board and management renewal.

I look forward to further updating shareholders at the AGM and, in the meantime, thank you for your continuing support.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Murray d'Almeida", with a long horizontal stroke extending to the right.

Murray d'Almeida  
Non-Executive Chairman