

IncentiaPay Ltd

ACN 167 603 992

Notice of 2018 Annual General Meeting and Explanatory Statement

Time:	12:00pm
Date:	19 November 2018
Place:	KPMG - Level 38, Tower Three, 300 Barangaroo Avenue, Sydney 2000

Venue

The Annual General Meeting of the shareholders to which this Notice of Meeting relates will be held at 12:00 pm (Sydney time) on 19 November 2018 at:

KPMG
Level 38, Tower Three
300 Barangaroo Avenue
Sydney 2000

Your vote is important

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

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and either:

1. deliver the Proxy Form:

a) by hand to:
Link Market Services
1A Homebush Bay Drive
Rhodes NSW 2138; or

b) by post to:
IncentiaPay Ltd
C/- Link Market Services
Locked Bag A14
Sydney South NSW 1235; or

2. by facsimile to +61 2 9287 0309; or

3. lodge online at www.linkmarketservices.com.au, instructions as follows:

Select 'Investor Login' and in the Single Holding section enter IncentiaPay Ltd or the ASX code INP in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your Proxy Form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Your Proxy Form must be received not later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of shareholders of IncentiaPay Ltd ACN 167 603 992 will be held at 12:00pm (Sydney time) on 19 November 2018 at KPMG, Level 38, Tower Three, 300 Barangaroo Avenue, Sydney 2000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement 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 7:00pm (Sydney time) on 17 November 2018. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

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 2018 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.

However, 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

Part A: Remuneration Report

Resolution 1 – adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, 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 2018."

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

Company. However, if 25% of more of the votes cast on this resolution are against the resolution, the conditional Spill Resolution referred to in Item 2 will be put to shareholders for their consideration and vote.

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.

Resolution 2 – conditional Spill Resolution

Subject to and conditional upon at least 25% of the votes on Resolution 1 being cast against resolution 1, to consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

"That:

a) *the Company will convene another meeting of the Company's members (Spill Meeting) within 90 days.*

b) *all the Company's directors:*

i) *who were directors when the resolution to approve the Directors' Report for the financial year ended 30 June 2018 was passed; and*

ii) *who are not a managing director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office,*

cease to hold office, immediately before the end of the Spill Meeting; and

c) *resolutions to appoint new directors to replace the vacated directors will be put to vote at the Spill Meeting."*

Notes: This resolution will only be put to shareholders if at least 25% of the votes cast on the resolution in Resolution 1 to adopt the Remuneration Report are cast against its adoption. If fewer than 25% of the votes on Resolution 1 are against adoption of the Remuneration Report, this resolution will not be put to shareholders. Please refer to the Explanatory Statement for more information. A voting exclusion applies to this resolution.

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 2 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 2; and

(b) it is not cast on behalf of a Restricted Voter.

If you appoint the 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 2 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 against Resolution 2. If you do not want your vote exercised against Resolution 2, you should direct the person chairing the Meeting to vote "for" this Resolution.

Part B: Re-election / election of directors

Resolution 3 – election of Naseema Sparks as director

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

"That Naseema Sparks, a Director appointed as an additional Director and holding office until the next general meeting of the Company after her appointment in accordance with the Company's Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company."

Resolution 4 – election of Iain Dunstan as director

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

"That Iain Dunstan, a Director appointed as an additional Director and holding office until

the next general meeting of the Company after his appointment in accordance with the Company's Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company."

Resolution 5 – re-election of Chris Berkefeld as director

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

"That Chris Berkefeld, a Director required to retire by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.5, be re-elected as a Director of the Company."

Part C: ASX Listing Rule 7.1A

Resolution 6 – ASX Listing Rule 7.1A approval of future issue of securities

To consider and, if thought fit, to pass with or without amendment, 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 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 6 by:

- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

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

Part D: Appointment of auditor

Resolution 7 – appointment of auditor

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

"That, in accordance with section 327B(1)(b) of the Corporations Act 2001 (Cth) and for all other purposes, KPMG having been nominated by shareholders and consented in writing to act in the capacity of auditor, be appointed as auditor of IncentiaPay Ltd."

Dated: 17 October 2018

BY ORDER OF THE BOARD



Laura Newell
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 12:00pm (Sydney time) on the 19 November 2018 at KPMG, Level 38, Tower Three, 300 Barangaroo Avenue, Sydney, 2000.

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.

Ordinary business

Financial statements and reports

In accordance with the Constitution, 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 2018 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. These amendments may result in reducing the Company's printing costs.

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.incentiapay.com.

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.

Resolutions

Part A: Remuneration Report

Resolution 1 – adoption of Remuneration Report

Section 250R of the Corporations Act requires a listed company to put a resolution to shareholders to adopt its Remuneration Report for the relevant financial year. The Company's Remuneration Report for the financial year ended 30 June 2018 can be found at pages 27 to 35 of the Company's Annual Report.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to the Company's Key Management Personnel (including the Company's Chief Executive Officer and other senior executives, as well as the Company's Non-Executive Directors).

The vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, under the Corporations Act:

- if at least 25% of the votes cast at any AGM on a resolution to adopt the Remuneration Report are cast against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken; and
- if, at the AGM in the following year, at least 25% of the votes cast on a resolution to adopt the Remuneration Report are cast against the adoption of the Remuneration Report, a resolution must be put to the shareholders (**Spill Resolution**) that another meeting be held within 90 days at which all the Directors who were directors when the resolution to approve the Directors' Report for that year was passed, excluding any managing director, would need to stand for re-election (**Spill Meeting**).

At the Company's 2017 AGM, more than 25% of votes cast on the resolution to adopt the Remuneration Report were cast against the resolution. The Company's proposed action in response included a strategic review of IncentiaPay's remuneration and incentive schemes for Key Management Personnel (KMP) and other executives, in order to ensure we have the balance right between our employee value proposition and our shareholder return obligations. During FY2018, the Board and management have consulted widely with stakeholders to more clearly understand their perspectives and concerns. This feedback has been incorporated in to the revised remuneration packages provided to the new executive team that have been put in place during the year, and was reflected in the seeking of shareholder approval in April this year for the issuance of Loan Funded Shares to key executives and the formal approval of the Board's Performance Rights Equity Plan at that same EGM.

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 him to vote in accordance with his 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.

Resolution 2 – conditional Spill Resolution

The Corporations Act requires that a Spill Resolution be included in the Notice of Meeting where at least 25% of the votes cast at the previous AGM on a resolution to adopt the Remuneration Report were cast against the adoption of the report. However, the Spill Resolution will only be put to the Meeting if at least 25% of the votes cast on Resolution 1 to adopt the Remuneration Report for the financial year ended 30 June 2018 are cast against the adoption of the report. If the Spill Resolution is put, it will be considered as an ordinary resolution.

If the Spill Resolution is put to the Meeting and passed, the Company will hold another meeting of shareholders, known as Spill Meeting, within 90 days. In this case the following Directors will cease to hold office immediately before the end of the Spill Meeting (unless they resign before the Spill Meeting):

- (a) Naseema Sparks; and
- (b) Chris Berkefeld.

This assumes those eligible are re-elected at this 2018 AGM.

The Spill Resolution will be carried by ordinary majority (more than 50%). If the Spill Resolution is valid and carried, the Spill Meeting must be held within 90 days of passing the Spill Resolution.

The Spill Meeting, if required, will be subject to separate notice in accordance with the Constitution of the Company and the Corporations Act. Nominations for director

appointments at the Spill Meeting may be made in accordance with the Constitution of the Company and may include the Directors listed above.

Directors' recommendation

The Directors recommend you vote **against** this Resolution.

Voting

Note that a voting exclusion applies to Resolution 2 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 2 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed him to vote in accordance with his stated intention to vote against Resolution 2.

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

Part B: re-election / election of directors

Resolution 3 – election of Naseema Sparks

The Company's Constitution provides the Board may at any time appoint any person to be a Director (**Additional Director**) provided that the total number of Directors does not exceed nine. The Company's Constitution also provides each Additional Director appointed during the year is to hold office until the next general meeting and is then eligible for election as a Director of the Company.

Naseema Sparks was appointed an Additional Director of the Company on the 9 May 2018 and has since served as a Director of the Company.

Under this Resolution, Naseema Sparks seeks election at this AGM.

Naseema Sparks is an experienced 'top line growth' director with expertise in organisations with strong growing B2B and B2C offerings. Her expertise includes business strategy, marketing, branding, consumer segmentation and digital marketing.

She has been a professional non-executive director since 2005, serving on boards of a diverse range of companies including ASX listed and private companies. She is currently a director of Melbourne IT Ltd, Australian Vintage Ltd (McGuigan Wine Group), Genero.com and Chair of Sniip (Australia), an innovative m-billing app.

Directors' recommendation

The Directors (excluding Naseema Sparks) recommend that shareholders vote **for** this Resolution.

Resolution 4 – election of Iain Dunstan

The Company's Constitution provides the Board may at any time appoint any person to be a Director (**Additional Director**) provided that the total number of Directors does not exceed nine. The Company's Constitution also provides each Additional Director appointed during the year is to hold office until the next general meeting and is then eligible for election as a Director of the Company.

Iain Dunstan was appointed an Additional Director of the Company on 22 February 2018 and has since served as a Director of the Company.

Under this Resolution, Iain Dunstan seeks election at this AGM.

Iain Dunstan has over 35 years' experience in the global fintech industry, including an extensive listed company and M&A background.

Iain joined the Company in December 2017 and, as the Managing Director, he is responsible for the overall strategic direction of the Group, including divisions, employees and shareholders.

Iain was previously the CEO of ASX-listed Rubik Financial Limited, where he facilitated the sale of the company to Temenos Group in May 2017. Prior to that, Iain was the Founder and CEO of ASX listed company Bravura Solutions Limited. Iain grew the company from its small foundations to an enterprise with over 700 employees operating in nine countries around the world, and an annual turnover of more than \$125 million.

In 2007, Iain won the Ernst & Young Entrepreneur of the Year, in the Technology, Communications, e-Commerce and Life Sciences category.

Iain has a Master of Commercial Law from Macquarie, an MBA from the Macquarie Graduate School of Management and is a graduate member of the Australian Institute of Company Directors.

Directors' recommendation

The Directors (excluding Iain Dunstan) recommend that shareholders vote **for** this Resolution.

Resolution 5 – re-election of Chris Berkefeld as director

In accordance with section 47(b) of the Company's Constitution and ASX Listing Rule 14.5, Chris Berkefeld is retiring by rotation and submitting himself for re-election as a Director of the Company, having last been elected by shareholders on 28 May 2018.

Chris has over 20 years' experience on public and private company boards in New Zealand and Australia.

He has a background in industrial, waste and mining services in Australia along with

engineering and heavy transportation services in Europe and Asia, and has extensive experience as Managing Director, Executive Director and Chief Executive Officer in the waste industry spanning almost two decades.

Directors' recommendation

The Directors (excluding Chris Berkefeld) recommend that shareholders vote **for** this Resolution.

Part C: ASX Listing Rule 7.1A

Resolution 6 – ASX Listing Rule 7.1A approval of future issue of securities

Under Listing Rule 7.1A, certain companies may seek shareholder approval by special resolution passed at an Annual General Meeting to have the additional capacity to issue equity securities (which must be in the same class as an existing quoted class of equity securities of the Company) which do not exceed 10% of the existing ordinary share capital without further shareholder approval. The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

Approval under this Resolution is sought for the Company to issue equity securities under Listing Rule 7.1A.

If this Resolution is approved the Company may make an issue of equity securities under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- (a) the date which is 12 months after the date of the 2018 Annual General Meeting; or
- (b) the 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),

or such longer period if allowed by the ASX.

Accordingly, the approval given if this Resolution is passed will cease to be valid on the earlier of 19 November 2019 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

At the date of this Explanatory Statement, the Company is an 'eligible entity', and therefore able to seek approval under Listing Rule 7.1A, as it is not included in the S&P/ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million). If at the time of the Annual General Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

- A** is the number of shares on issue 12 months before the date of issue or agreement to issue:
 - (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid shares issued in the 12 months with approval of the holders of shares under Listing Rules 7.1 and 7.4 (this does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval); and
 - (iv) less the number of fully paid shares cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of the Resolution will be to allow the Company to issue equity securities under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at 25 September 2018, the Company has on issue 288,193,274 ordinary shares and therefore has capacity to issue:

- (a) 32,860,528 equity securities under Listing Rule 7.1; and
- (b) subject to shareholder approval being sought under this Resolution, 12,783,934 equity securities under Listing Rule 7.1A.

The issue price of the equity securities issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the equity securities which are the subject of this Resolution will be issued is 75% of the volume weighted average market (closing) price (VWAP) of the Company's equity securities over the 15 days on which trades in that class were recorded immediately before either:

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

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing shareholders' voting power in the Company will be diluted. There is a risk that:

- (a) the market price for the Company's equity securities may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- (b) the equity securities issued under Listing Rule 7.1A 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.

The table set out below shows the dilution of existing shareholders on the basis of:

- The market price of the Company's ordinary shares and the number of ordinary securities as at 25 September 2018
- Two examples where the number of ordinary shares on issue ("A") has increased, by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by shareholders.
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the market price as at 25 September 2018.

Variable "A" ASX Listing Rule 7.1A.2		\$0.0725 50% decrease in issue price	\$0.145 issue price **	\$0.29 100% increase in issue price
"A" is the number of shares on issue, being 288,193,274 *** shares	10% voting dilution	22,819,327	22,819,327	22,819,327
	Funds raised	\$1,654,401	\$3,308,802	\$6,617,605
"A" is a 50% increase in shares on issue, being 342,289,911 *** shares	10% voting dilution	34,228,991	34,228,991	34,228,991
	Funds raised	\$2,481,602	\$4,963,204	\$9,926,407
"A" is a 100% increase in shares on issue, being 456,386,548 *** shares *	10% voting dilution	45,638,655	45,638,655	45,638,655
	Funds raised	\$3,308,802	\$6,617,605	\$13,235,210

Notes:

- The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.
 - The table assumes that no options are exercised in ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.
 - 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.
 - The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.
 - The issue of equity securities under the Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes options, it is assumed that those options are exercised into ordinary shares for the purposes of calculating the voting dilution effect on existing shareholders.
- * Any issue of equity securities is required to be made in accordance with the Listing Rules. Any issue made other than under the Company's 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require shareholder approval.

** Based on the closing price of the Company's Shares on ASX on 24 September 2018.

*** Based on the Company's Share structure as at 24 September 2018.

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Explanatory Statement, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. In some circumstances, the Company may issue equity securities under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- raising funds to further develop the Company's business;
 - raising funds to be applied to the Company's working capital requirements;
 - acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets. If the Company elects to issue ordinary shares for the purpose of acquiring assets then the Company will release to the market a valuation of the assets prior to issuing the shares; and
 - paying service providers or consultants of the Company.
- Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:
- the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
 - the potential effect on the control of the Company;
 - the Company's financial situation and the likely future capital requirements; and
 - advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to 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 allocation policy the Company may adopt for a particular issue of equity securities under Listing Rule 7.1A and the terms on which those equity securities may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the Listing Rules and the Corporations Act, the 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.

This is the fourth occasion on which shareholder approval has been sought under Listing Rule 7.1A, having received shareholder approval at the 2014, 2015 and 2016 AGMs. The Company did not seek shareholder approval under Listing Rule 7.1A in 2017.

The total number of equity securities issued in the 12 months preceding the date of the meeting is 135,970,503 representing 60% of the equity securities on issue at the commencement of that 12-month period.

The following issues of equity securities in INP have been made during the 12 months preceding the date of the meeting:

Date	Number of Shares issued	Allottee/s	Issue price	Discount to Share price at date of issue	Amount	Use of funds
27 November 2017	21,818,000	Share placement to professional and sophisticated investors	\$0.45 per share	N/A	\$9,818,100	Share placement to raise funds to replace convertible note and raise working capital
15 December 2017	4,446,323	Share placement to professional and sophisticated investors	\$0.45 per share	N/A	\$2,000,845	Share placement under a Share Purchase Plan
12 March 2018	44,521,738	Share issued to institutional investors	\$0.28 per share	N/A	\$12,466,086	Share placement under the Institutional Entitlement Offer
23 March 2018	34,470,157	Share issued to retail investors	\$0.28 per share	N/A	\$9,651,644	Share placement under the Retail Entitlement Offer
4 May 2018	5,714,285	Shares issued to Mr Iain Dunstan, CEO & Mr Darius Coveney, COO/CFO	\$0.28 per share	N/A	\$1,600,000	Shares issued to the CEO and COO/CFO under the Company's loan funded share plan
11 May 2018	25,000,000	Shares issued to the shareholders of Gruden Group Limited	\$0.28 per share	N/A	\$7,000,000	Share placement for consideration for the purchase of Gruden Group Limited

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 directors unanimously recommend that shareholders vote **for** this Resolution.

Part D: appointment of auditor

Resolution 7 – appointment of auditor

Pilot Partners, which is the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC under section 329(5) of the Corporations Act.

Upon receipt of ASIC's consent to their resignation, Pilot Partners has advised that it will submit a notice of resignation to the Company in accordance with section 329(5) of the Corporations Act, such resignation to take effect from the date of the Annual General Meeting.

In accordance with section 328B(1) of the Act, the Company has sought and obtained a nomination from a shareholder for KPMG to be appointed as the Company's auditor. A copy of this notice is contained in Annexure B to this Notice.

KPMG has given its written consent to act as the Company's auditor, subject to shareholder approval and the resignation of Pilot Partners. A copy of this consent is contained in Annexure A to this Notice.

If Resolution 7 is passed, the appointment of KPMG as the Company's auditors will take effect from the close of the Annual General Meeting.

Directors' recommendation

The directors unanimously recommend that shareholders vote **for** this Resolution.

The Chairman intends to vote all available proxies in favour of this Resolution.

Enquiries

Shareholders are asked to contact Ms Laura Newell, Company Secretary, on 1300 737 760 (in Australia) +61 2 9290 9600 (International) 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 2018 Annual Report to shareholders for the period ended 30 June 2018 as lodged by the Company with ASX on 28 September 2018.

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 Pilot Partners dated 28 September 2018 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 IncentiaPay Ltd ACN 167 603 992.

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 17 October 2018 including the Explanatory Statement.

Option means an option to acquire a Share.

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 and/or Options (as the context requires).

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

Shareholder means a holder of a Share.

Spill Meeting means the meeting that will be convened within 90 days of the 2018 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2018 AGM.

Spill Resolution means the resolution required to be put to shareholders at the 2018 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2018 AGM.

Subscription Agreement means the agreement under which a non-related professional and sophisticated investor has agreed to subscribe for Convertible Notes.

VWAP means the volume weighted average price, with respects to the price of Shares.



Level 38 Tower Three
300 Barangaroo Avenue
Sydney NSW 2000

P O Box H67 Australia Square
Sydney NSW 1213
Australia

ABN: 51 194 660 183
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

The Chairman Board of Directors
IncentiaPay Limited
Level 10
220 George Street
Sydney NSW 2000

Our ref CTAIncentiaPayandsubs1209

13 September 2018

Dear Sir

Consent to act as auditor of IncentiaPay Limited

We are pleased to receive nomination to act as auditors of IncentiaPay Limited.

This letter is our formal consent to act as statutory auditor of the company, pursuant to Section 328A(1) of the Corporations Act 2001, if we are appointed at the annual general meeting to be held on 19 November 2018 subject to the required consent to the resignation of the company's current auditors by the Australian Securities and Investments Commission.

The appointment proposed, and to which we consent, is an appointment as statutory auditor only and not, in the absence of written arrangements to the contrary, as auditor with duties other than those prescribed or implied by the Corporations Act 2001.

We would be pleased to provide any additional services compatible with that appointment that may be required from time to time, although such services are to be regarded as distinct from the performance of our duties as statutory auditor.

If we are appointed, an engagement letter will be forwarded to you in due course confirming our responsibilities and arrangements for the audit of the financial report.

Please do not hesitate to contact us if you require further clarification.

Yours faithfully

A blue ink signature, appearing to be 'John Wigglesworth', written in a cursive style.

John Wigglesworth
Partner

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

12 /9/18

LHC Capital Partners Pty Ltd
Level 9, 139 Macquarie St
Sydney, NSW 2000

Dear Directors,

Nomination of auditor of KPMG, ABN 51 194 660 183

I, LHC Capital Partners Pty Ltd, being a shareholder of IncentiaPay Limited ACN 167 603 992, nominate John Wigglesworth of KPMG for the appointment as auditor of IncentiaPay Limited at its 2018 Annual General Meeting.

I consent to the distribution of a copy of this notice as an attachment to the Notice of Meeting and Explanatory Memorandum for the 2018 Annual General Meeting of IncentiaPay Limited as required by section 328B(3) of the *Corporations Act 2001* (Cth).

Yours faithfully,



Stephen Aboud
Principal

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

IncentiaPay Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of IncentiaPay Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12:00pm on Monday, 19 November 2018 at KPMG – Level 38, Tower Three, 300 Barangaroo Avenue, Sydney 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 2: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of **Resolutions 1 and 2**, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business, except for Resolution 2.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Adoption of Remuneration report

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Re-election of Chris Berkefeld as director

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Conditional Spill Resolution

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 ASX Listing Rule 7.1A approval of future issue of securities

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Election of Naseema Sparks as director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

7 Appointment of auditor

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Election of Iain Dunstan as director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO 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 those 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 Form, including where the Resolution is 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 placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm on Saturday, 17 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

IncentiaPay Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**