

NSX Limited

ACN 089 447 058

**Notice of General Meeting and Explanatory Notes
30 April 2020**

Thursday 30 April 2020, 11.00am (AEST)

To be held at the ClearPay registered office
456 Victoria Parade, Melbourne VIC 3002

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NOTICE OF GENERAL MEETING AND EXPLANATORY NOTES

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

You should read the whole of this document before you decide whether and how to vote on the Resolutions in the Notice of General Meeting.

IMPORTANT NOTICES

The Explanatory Notes in this document are intended to provide Securityholders with information to assess the merits of the proposed Resolutions contained in this Notice of General Meeting and are to be read in conjunction with the Notice of General Meeting.

Defined terms

Terms used in the Notice of General Meeting and the Explanatory Notes are defined in the Glossary at the end of the Explanatory Notes.

Read this document

The Notice of General Meeting and the Explanatory Notes are important. You should read each document in its entirety before deciding how to vote on the Resolutions. If you have any doubt regarding what you should do, you should consult your investment, financial or other professional advisers.

Forward looking statements

Certain statements in the Explanatory Notes may constitute "forward looking statements" for the purposes of applicable securities law. You should be aware that there are a number of risks (known and unknown), uncertainties and assumptions and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements, express or implied, by such statements. Factors that could cause or contribute to such differences include the general trading and economic conditions affecting the Company or its subsidiaries. The past performance of the Company is not necessarily representative of future performance.

None of the Company, its subsidiaries or their respective directors, officers and advisers, or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in the Explanatory Notes will actually occur. Securityholders are cautioned not to place undue reliance on these forward looking statements.

All subsequent written and oral forward looking statements attributable to the Company or its subsidiaries or any person acting on their behalf are qualified by the above cautionary statement.

NOTICE OF GENERAL MEETING

NSX Limited ACN 089 447 058 ("**NSX**" or "the **Company**") will hold a General Meeting at **11:00 AM** (AEST) on **Thursday 30 April 2020**, in the ClearPay, 456 Victoria Parade, Melbourne VIC 3002. Due to COVID-19 requirements attendee registration by weblink will be available up to **10:30 AM** (AEST) on the day prior to the meeting by emailing the Company Secretary at cosec@nsx.com.au and including your Holder Name, Address and HIN or SRN details.

ORDINARY BUSINESS

Resolution 1 – Ratification of February Placement

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 29,190,517 Shares on the terms set out in the Explanatory Notes."

Voting Exclusion Statement and Notes on Resolution 1:

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely, Probanx, Woolwich Holdings Pty Ltd atf The J Deacon Superannuation Fund and David Andrew Deacon) or an associate of that person or those persons . However, the Company need not disregard a vote cast in favour of Resolution 1 if it is cast by:

- *a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way; or*
- *the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the chair to vote on Resolution 1 as the chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on Resolution 1; and*
 - *the holder votes on Resolution 1 in accordance with the directions given by the beneficiary to the holder to vote in that way.*

Resolution 2 – Approval of April Placement

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

“That, subject to and conditional upon the passing of Resolution 3, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$5,800,000 on the terms set out in the Explanatory Notes.”

Voting Exclusion Statement and Notes on Resolution 2:

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares) or an associate of that person (or those persons). However, the Company need not disregard a vote cast in favour of Resolution 2 if it is cast by:

- *a person as a proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the directions given to the proxy or attorney to vote on Resolution 2 in that way; or*
- *the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction given to the chair to vote on Resolution 2 as the chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on Resolution 2; and*
 - *the holder votes on Resolution 2 in accordance with the directions given by the beneficiary to the holder to vote in that way.*

Resolution 3 – Approval of Probanx Participation in April Placement

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

“That, subject to and conditional on the passing of Resolution 2, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to that number of Shares, which when multiplied by the issue price, will raise up to \$3,400,000 to Probanx (or its nominee) on the terms set out in the Explanatory Notes.”

Voting Exclusion Statement and Notes on Resolution 3:

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Probanx (or its nominee) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of Shares) or an associate of that person (or those persons). However, the Company need not disregard a vote cast in favour of Resolution 3 if it is cast by:

- *a person as a proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way; or*
- *the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the chair to vote on Resolution 3 as the chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on Resolution 3; and*
 - *the holder votes on Resolution 3 in accordance with the directions given by the beneficiary to the holder to vote in that way.*

Resolution 4 – Approval of Success Options

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Options to KG Capital Partners Pty Ltd (or its nominee) on the terms set out in the Explanatory Notes.”

Voting Exclusion Statement and Notes on Resolution 4:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, KG Capital Partners Pty Ltd (or its nominee)) or an associate of that person (or those persons).

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

- *a person as a proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions given to the proxy or attorney to vote on Resolution 4 in that way; or*
- *the Chair as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 as the Chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and*
 - *the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.*

Resolution 5 – Approval of Securities Issuance under Performance Rights Plan

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

“That, for the purposes of ASX Listing Rule 7.2, Exception 13, and for all other purposes, approval is given for the Company to adopt and issue securities under an employee incentive scheme, titled Performance Rights Plan, on the terms set out in the Explanatory Notes.”

Voting Exclusion Statement and Notes on Resolution 5:

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 and 10.14.3, who is eligible to participate in the employee incentive scheme, or an associate of that person or those persons. However, the Company need not disregard a vote if it is cast by:

- *a person as a proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with the directions given to the proxy or attorney to vote on Resolution 5 in that way; or*
- *the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the chair to vote on Resolution 5 as the chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on Resolution 5; and*
 - *the holder votes on Resolution 5 in accordance with the directions given by the beneficiary to the holder to vote in that way.*

Voting Prohibition Statement on Resolution 5:

In accordance with section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast by a person appointed as a proxy as the basis of that appointment, where that person is either a member of the Key Management Personnel or a Closely Related Party of such a member.

However, a vote may be cast by such person as the basis of that appointment if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- *the appointment specifies how the proxy is to vote; or*
- *the person appointed as proxy is the person chairing the Meeting and the appointment does not specify how the chair is to vote but expressly authorises the chair to exercise the proxy even if Resolution 5 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

By order of the Board

Scott Evans

Company Secretary

30 March 2020

NOTES TO THE NOTICE OF GENERAL MEETING

EXPLANATORY NOTES

The accompanying Explanatory Notes form part of this Notice of General Meeting and should be read in conjunction with it. Unless the context otherwise requires, terms which are defined in these Explanatory Notes have the same meaning when used in the Notice of General Meeting.

RECORD DATE

The Board has determined that, for the purposes of the Meeting, Shares will be taken to be held by the persons who are registered as Securityholders at **7.00pm (AEST) on Tuesday 28 April 2020**. Accordingly Share transfers registered after that time will be disregarded in determining entitlement to attend and vote at the Meeting.

POLL

Subject to any voting exclusions, on a poll, Securityholders will have one vote for every Share held. On a show of hands, every person present and qualified to vote has one vote and if one proxy has been appointed, that proxy will have one vote on a show of hands. If a Securityholder appoints more than one proxy, neither proxy may vote on a show of hands, but both proxies will be entitled to vote on a poll.

Note: As required by ASX listing rules, the Chair will call a poll on all resolutions.

REPRESENTATIVES

A body corporate may appoint an individual as its representative to exercise any of the powers the body corporate may exercise at meetings of Securityholders. 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 should bring to the Meeting evidence of their appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

PROXIES

A proxy form accompanies this Notice of General Meeting.

If you are entitled to attend and cast a vote at the Meeting, you may appoint a person as your proxy to attend and vote for you at the Meeting and that appointment may specify the proportion or number of votes that the proxy may exercise. If you are entitled to cast 2 or more votes at the Meeting, you may appoint up to 2 proxies. If you appoint 2 proxies but do not specify the proportion or number of your votes that each proxy may exercise, each proxy may exercise half of your votes. A proxy does not need to be a Securityholder.

If the proxy form is signed under a power of attorney, you must also lodge the power of attorney with the Company not less than 48 hours before the Meeting, unless you have previously sent the power of attorney to the Company.

If you chose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolutions by marking either "**For**", "**Against**" or "**Abstain**" on the proxy form for that Resolution.

To appoint a proxy (or proxies) you must complete the attached proxy form and lodge it so that it is received by the Company not less than 48 hours before the Meeting (i.e. by **11:00 AM (AEST) on Tuesday 28 April 2020**) at the following address, fax number or vote online.

METHODS OF LODGING PROXIES

BY MAIL -	Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia
BY FAX -	+61 2 9290 9655
IN PERSON -	Share Registry – Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000 Australia
LODGE PROXY ONLINE –	https://www.votingonline.com.au/nsxgm2020

ATTENDING THE MEETING

Physical attendance by shareholders will not be permitted due to COVID-19 social distancing restrictions, travel restrictions and other requirements imposed by State and federal governments. Attendance is only available by weblink to registered shareholders and Board.

You must lodge your vote or proxy in advance of the meeting by 11.00 am Tuesday 28 April 2020.

If you have lodged an online proxy, you are still entitled to attend the Meeting by weblink. You must register your interest to attend the meeting by weblink on or before **10.30 am Wednesday 29 April 2020** by sending an email to the Company Secretary at cosec@nsx.com.au including your Holder Name, Address and HIN or SRN details.

SUBMITTING QUESTIONS

It is preferred that if you have any questions of the Board that they be submitted in writing to the Company Secretary by email at cosec@nsx.com.au on or before **10.30 am Wednesday 29 April 2020**.

HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES

You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy. Instructions are provided in the proxy form distributed with the Notice of General Meeting.

If you appoint the Chairman of the Meeting as your proxy and you wish to vote differently to how the Chairman of the Meeting intends to vote on any of the items you must mark either of the boxes “For”, “Against” or “Abstain” on the proxy form for the relevant Resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

NON-CHAIRMAN DIRECTED PROXIES

Non-Chairman proxy holders are required to cast all of their directed proxies on all Resolutions as directed on a poll if they vote. If a nominated proxy does not vote on a poll, the proxy will automatically default to the Chairman, who has a duty to vote all directed proxies on a poll (sections 250BB and 250BC of the Corporations Act).

EXPLANATORY MEMORANDUM

These Explanatory Notes have been prepared for the Securityholders to provide information about the items of business to be considered at the Meeting to be held at **11:00 AM (AEST) on Thursday 30 April 2020**.

Background

On 20 February 2020, the Company announced that it was entering into an agreement with iSignthis to establish a joint venture vehicle, ClearPay Pty Ltd ("**ClearPay JV**"), to develop a multi-currency, real-time, same day Delivery versus Payment ("**DvP**") platform ("**ClearPay**"), to be integrated with ISX's ISXPay and Payidentity.

The ClearPay system will initially be utilised alongside with the National Stock Exchange of Australia's ("**NSXA**") current post-trade arrangements where appropriate. However, the NSXA, NSX's wholly owned subsidiary market operator, intends to ultimately process all transactions via the new platform.

Securityholders can view a detailed set of presentation slides on the ClearPay JV on the ASX Announcements Platform which was released by NSX on 27 February 2020.

February Placement

To facilitate the Company's initial investment in the ClearPay JV, NSX raised \$4,232,625 (exclusive of costs) by way of a placement of 29,190,517 Shares to certain sophisticated and professional investors on 28 February 2020 ("**February Placement**"). The investors included Probanx, a wholly owned subsidiary of iSignthis, which as a result of the February Placement, holds 12.94% of the issued capital of the Company. NSX used \$3.2 million of the funds raised from the February Placement to subscribe for a 41% interest in the ClearPay JV.

The Company is seeking Shareholder approval to ratify the issue of Shares issued under the February Placement pursuant to Resolution 1.

April Placement

As announced on 20 February 2020 NSX is proposing to undertake a further capital raising to raise up to \$5.8 million subject to Shareholder approval being obtained (being, the purpose of Resolutions 2 and 3) ("**April Placement**"). Pursuant to Resolution 2, NSX is seeking Shareholder approval to issue Shares to unrelated parties for the maximum amount which may be raised pursuant to the April Placement, being \$5,800,000. Pursuant to Resolution 3, NSX is seeking Shareholder approval to enable Probanx to participate in the April Placement up to a maximum amount of \$3,400,000 ("**Participation**"). The Company confirms that any funds raised from Probanx Participation will proportionately reduce the amount raised from unrelated parties pursuant to Resolution 2, such that no more than \$5,800,000 is raised by NSX under the April Placement. The Company notes that the level of Participation by Probanx will be subject to both Shareholder approval pursuant to Resolution 3 and compliance with the Corporations Act, such that Probanx acquires no more than a 19.9% holding post issue of Shares under the April Placement.

The Company advises Shareholders that following the appointment of Mr John Karantzis as a Director on 11 March 2020, Probanx is considered to be a related party of the Company by virtue of being an entity controlled by Mr John Karantzis, such that prior Shareholder approval is required in respect of the Participation. In addition and notwithstanding the appointment of Mr John Karantzis as a Director, Probanx is also considered to be an entity to which Chapter 10 of the ASX Listing Rules applies by virtue of Probanx holding an interest in NSX of greater than 10% following completion of the February Placement (such that it is a substantial holder) and having appointed a nominee to the Board of NSX.

Use of funds raised under the Placements

Assuming Shareholder approval is obtained in respect of the April Placement, and should a minimum of \$3.5 million be raised under the April Placement, \$1.3 million of the total funds raised pursuant to the April Placement will be used by the Company to acquire an additional 9% equity interest in the ClearPay JV, such that NSX will hold a 50% equity interest.

The remaining proceeds from the February Placement and the April Placement (together, the "**Placements**") will be used by NSX to continue to enhance market connectivity to the exchange, in particular, online brokers, creating greater liquidity in our market, to continue extensive work on operational enhancements and working capital.

ClearPay Shareholders Agreement

On 20 February 2020, NSX entered into a shareholder's agreement with ClearPay Pty Ltd and iSignthis setting out the rights and obligations of the parties with respect to their ownership and management of the ClearPay JV ("**Shareholders Agreement**").

Under the Shareholders Agreement, the parties agreed that ISX would hold 100% of the issued capital of the ClearPay JV initially, which interest would reduce to 59% once NSX paid the first instalment of \$3.2 million for a 41% share of the ClearPay JV (which the Company notes, occurred on 28 February 2020 such that NSX currently holds a 41% interest in the ClearPay JV). Further, under the Shareholders Agreement, NSX and ISX would each be entitled to appoint a representative director to the ClearPayJV, such that there were two directors in total. NSX is to contribute market operations expertise to the ClearPay JV whilst it is a shareholder.

ClearPay JV and NSX will revenue share for the services operated by the ClearPay JV.

Subject to Shareholder approval and NSX raising a minimum amount of \$3.5 million from the April Placement, NSX intends to subscribe for additional shares in the ClearPay JV such that both NSX and ISX hold a 50% interest in the ClearPayJV. NSX and ISX would each be entitled to appoint an additional representative director to the ClearPay JV, such that there were four directors in total. In the event that the Company does not raise the minimum amount of \$3,500,000 under the April Placement, NSX shall not subscribe for any additional shares in ClearPay JV and its interest will remain at 41%.

Under the terms of the Shareholders Agreement, ISX will be contributing intellectual property and its subsidiary, Probanx Solutions Ltd, will design and develop the Delivery versus Payment platform called 'ClearPay' for a fee, including the integration into ISXPay® and Payidentity™ platforms.

Advisory and Lead Manager Agreements

NSX has entered into a strategic partnership mandate with KG Capital Partners Pty Ltd (ACN 638 926 959) ("**KG**") (an entity not associated with the Company and or the Directors) under which KG has been engaged by NSX to provide strategic partnership introductory, and lead manager, services to NSX ("**Strategic Partnership Mandate**").

Pursuant to the terms of the Strategic Partnership Mandate, NSX has agreed to issue KG (or its nominee) up to 30,000,000 unlisted Options, exercisable at \$0.25 each, on or before the date that is 3 years from the date of issue, subject to the satisfaction of a number of milestones, in consideration for services provided by KG to NSX pursuant to the Strategic Partnership Mandate ("**Success Options**"). The Company notes is seeking Shareholder approval for the issue of the Success Options to KG (or its nominee) pursuant to Resolution 4 however in the event Shareholder approval is not obtained, the Company intends to issue the Success Options to KG (or its nominee) out of its available 15% placement capacity such that it complies with its obligations under the Strategic Partnership Mandate.

Further detail regarding the key terms and conditions of the Strategic Partnership Mandate and the Success Options are set out in Schedules 1 and 2.

In addition, NSX has entered into a lead manager mandate with KG Capital Partners (VIC) Pty Ltd (ACN 617 902 646) ("**KG Capital**") (an entity not associated with the Company and or the Directors) under which KG Capital has been engaged to act as lead manager and bookrunner to a two tranche placement to be undertaken by NSX to raise up to \$10,000,000 (being, the February Placement and April Placement) ("**Lead Manager Mandate**").

Pursuant to the terms of the Lead Manager Mandate, NSX has agreed to pay KG Capital a fee of 6% of the total amount raised ("**Management Fee**"), being \$600,000 assuming \$10,000,000 is raised by NSX pursuant to the February Placement and April Placement. The Company notes the Management Fee is payable in cash or Shares at the election KG Capital and the Company.

Further detail regarding the key terms and conditions of the Lead Manager Mandate are set out in Schedule 1.

Overview of Explanatory Notes

Section 1 of these Explanatory Notes provides information relating to Resolution 1, the ratification of February Placement. Resolution 1 is an Ordinary Resolution.

Section 2 of these Explanatory Notes provides information relating to Resolution 2, the approval of the April Placement. Resolution 2 is an Ordinary Resolution.

Section 3 of these Explanatory Notes provides information relating to Resolution 3, the approval of the participation by Probanx in the April Placement. Resolution 3 is an Ordinary Resolution.

Section 4 of these Explanatory Notes provides information relating to Resolution 4, the approval of the Success Options. Resolution 4 is an Ordinary Resolution.

Section 5 of these Explanatory Notes provides information relating to Resolution 4, the approval of the Employee Incentive Plan. Resolution 5 is an Ordinary Resolution.

Section 6 sets out the glossary of terms used in these Explanatory Notes.

Section 7 sets out Schedule 1 for the terms of the Strategic Partnership Mandate and the Lead Manager Mandate (together, “the **Advisory Agreements**”).

Section 8 sets out Schedule 2 for the terms of the Success Options.

The information contained in these Explanatory Notes is important and should be read carefully by all Securityholders.

1. RESOLUTION 1: RATIFICATION OF FEBRUARY PLACEMENT

1.1 General

As set out above, on 28 February 2020, the Company issued 29,190,517 Shares at an issue price of \$0.145 each to raise \$4,232,625 pursuant to the February Placement. Resolution 1 seeks Shareholder approval to ratify the issue of Shares pursuant to the February Placement for the purposes of ASX Listing Rule 7.4.

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

The issue of the Shares pursuant to the February Placement does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the date of issue of the Shares pursuant to the February Placement.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1, to allow the Company to raise additional capital to finance the working capital of the Company and to allow the Company to pursue additional commercial opportunities as they may arise. Accordingly, the Company is seeking Shareholder ratification under ASX Listing Rule 7.4 for the issue of the Shares pursuant to the February Placement pursuant to Resolution 1.

If Resolution 1 is passed, the Shares issued pursuant to the February Placement will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue with Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 1 is not passed, the Shares issued pursuant to the February Placement will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

1.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the February Placement and Resolution 1.

7.5.1	The names of the persons to whom the entity issued the securities	a) Probanx – 28,965,517 Shares b) Woolwich Holdings Pty Ltd aff The J Deacon Superannuation Fund – 112,500 Shares c) David Andrew Deacon – 112,500 Shares
7.5.2	The number and class of securities the entity issued or agreed to issue.	29,190,517 Shares
7.5.3	If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	The Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares
7.5.4	The date of issue	28 February 2020
7.5.5	The price or consideration the entity has received or will receive for the issue	\$0.145 per Share, raising \$4,232,625 (exclusive of costs of the issue)
7.5.6	The purpose of the issue and use of funds raised by the issue.	To raise capital to allow NSX to acquire an initial 41% interest in in the ClearPay JV and to supplement working capital and to satisfy the Company's obligations under the ClearPay JV shareholder agreement.
7.5.7	If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement.	The Shares were issued as part of the ClearPay JV shareholder agreement as summarised in section 2.1 above.
7.5.8	A voting exclusion statement	A voting exclusion statement is included in Resolution 1 of this Notice.

2. RESOLUTION 2: APPROVAL OF APRIL PLACEMENT

2.1 General

As set out above, the Company is seeking to raise up to \$5,800,000 pursuant to the April Placement for the purposes summarised on page 10 of this Notice.

Pursuant to Resolution 2, the Company is seeking Shareholder approval for the issue to unrelated parties of the Company of that number of Shares, which when multiplied by the Issue Price (defined below), will raise up to \$5,800,000 pursuant to the April Placement ("**Tranche 1 of the April Placement**").

Pursuant to Resolution 3, the Company is seeking Shareholder approval to enable Probanx (a related party of the Company) to participate in the April Placement up to a maximum amount of \$3,400,000 ("**Participation**").

Whilst the Company believes Probanx will participate in Tranche 2 of the April Placement, it has not received binding commitments as at the date of this Notice and so, considers it prudent to seek Shareholder approval for the maximum amount of \$5,800,000 pursuant to this Resolution 2, which will enable the Company to achieve its short term objectives including, the further investment the ClearPay JV. The Company confirms that any funds raised from the Participation by Probanx will proportionately reduce the amount raised from unrelated parties pursuant to Resolution 2, such that no more than \$5,800,000 is raised by NSX under the April Placement.

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

The issue of the Shares pursuant to Tranche 1 of the April Placement does not fall within any of these exceptions and exceeds (or is likely to exceed) the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of Shareholders under ASX Listing Rule 7.1.

Resolution 2 is conditional on Resolution 3 being passed. Accordingly, if Resolutions 2 and 3 are passed, the Company will be able to proceed with the issue of Shares pursuant to the April Placement. In addition, the issue of Shares pursuant to the April Placement will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 2 and 3 are not passed, the Company will not be able to proceed with the April Placement. In addition, the Company will not be able to complete the further investment in the ClearPay JV and the Company's investment will remain at 41%. The Company will continue to progress the development of the proposed ClearPay systems but may not have enough capital to fund all of the requirements of the development. The Company may also not be able to reap any or all of the potential future benefits as a result of the reduced investment position that it will have in the ClearPay JV. Additionally, NSX's business may not have sufficient capital to continue to develop and grow its business in accordance with its business strategy in the short term without an additional capital raising.

2.2 Dilution

Set out below is a worked example of the number of Shares that may be issued under Resolution 2 based on an assumed issue prices of \$0.08, \$0.10, \$0.12 and \$0.145 per Share, \$0.12 being the closing price of Shares on 19 March 2020 and \$0.145 being the price at which funds were raised under the February Placement by NSX. The worked example assumes that the full \$5.8 million is raised at the issue prices set out in the table.

Assumed issue price per Share (Cents)	Maximum number of Shares which may be issued pursuant to Resolution 2 ¹ (Number)	Current Shares on issue as at the date of this Notice (Number) ²	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 2 (Number) ³	Dilution effect on existing Shareholders (%)
8	72,500,000	223,799,560	296,299,560	24%
10	58,000,000	223,799,560	281,799,560	21%
12	48,333,334	223,799,560	272,132,894	18%
14.5	40,000,000	223,799,560	263,799,560	15%

Notes:

1. Rounded to the nearest whole number.
2. There are currently 223,799,560 Shares on issue as at the date of this Notice and this table assumes no Options or Partly Paid Shares have been converted, become fully paid or additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolutions 2 and 3 to raise up to \$5,800,000 (based on the assumed issue prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

2.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Other April Placement and Resolution 3.

7.3.1	The names of the persons to whom the entity will issue the securities	The Shares will be issued to professional and sophisticated investors who are clients of KG Capital, none of whom will be related parties of the Company. The recipients will be identified through a bookbuild process, which will involve KG Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients will be related parties of the Company.
7.3.2	The number and class of securities the entity will issue	The maximum number of Shares which may be issued is up to that number of Shares which, when multiplied by the Issue Price, equals \$5,800,000
7.3.3	If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares
7.3.4	The issue date	The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date
7.3.5	The issue price	The issue price per Share is the price equal to 80% of the volume weighted average price for Shares calculated over the 30 trading days before the date the Shares are issued (" Issue Price ")
7.3.6	The purpose of the issue and the intended use of the funds raised	The purpose of the issue of the Shares pursuant to the April Placement is to raise capital, which the Company intends to apply as follows: a) \$1.3 million will be used to subscribe for additional equity in the ClearPay JV which will take NSX's interest to 50%; and b) the balance will be used by NSX to further enhance market connectivity to the exchange, in particular, online brokers, creating greater liquidity in our market, to continue the extensive work on operational enhancements, to supplement working capital and for costs of the April Placement.
7.3.7	If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement.	N/A
7.3.8	If the securities are being issued under or to fund a reverse takeover	Not applicable.
7.3.9	A voting exclusion statement	A voting exclusion statement is included in Resolution 2 of this Notice.

3. RESOLUTION 3: APPROVAL OF PROBAX PARTICIPATION IN APRIL PLACEMENT

3.1 General

As set out above, the Company is seeking to raise up to \$5,800,000 pursuant to the April Placement.

Probanx wishes to participate in the April Placement. Accordingly, Resolution 3 seeks Shareholder approval for the issue of up to that number of Shares, which when multiplied by the Issue Price, will raise \$3,400,000 to Probanx (or its nominee), pursuant to the April Placement (**Participation**).

The Company notes that as set out on page 10 of the Notice above, Probanx currently holds 12.94% of the issued capital of the Company. Upon completion of the Participation, Probanx may hold an interest of up to 19.9% in the issued capital of the Company. The Company confirms that any further acquisition of securities in the Company by Probanx will be made in accordance with the Corporations Act.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Probanx is a related party of the Company by virtue of being an entity controlled by Director, Mr Nickolas John Karantzis (who was appointed to the Board on 11 March 2020). The Company also notes that Director, Mr Timothy Hart is a nominee Director of ISX (holding company of Probanx) however is not considered to control Probanx.

The Directors (other than Nickolas John Karantzis and Timothy Hart who have a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Probanx (or its nominee) on the same terms and conditions as Shares will be issued to unrelated parties under Tranche 1 in the April Placement and as such the giving of the financial benefit is on arm's length terms.

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

The Participation falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

As set out at section 2.1 above, this Resolution 3 is conditional on Resolution 2 being passed. Accordingly, if Resolution 2 is not passed, no Shares will be issued pursuant to the Participation (or pursuant to the April Placement).

If Resolutions 2 and 3 are passed, the Company will be able to proceed with the issue of the Shares pursuant to the April Placement (including, the Participation) and the Company will proceed with its further investment in the ClearPay JV. In addition, the issue of the Shares pursuant to the April Placement (including pursuant to the Participation) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 2 and 3 are not passed, the Company will not be able to proceed with the issue of the Shares pursuant to the April Placement or the Participation. In addition, the Company will not be able to complete the further investment in the ClearPay JV and the Company's investment in the ClearPay JV will remain at 41%. The Company will continue to progress the development of the proposed ClearPay systems but may not have enough capital to fund all of the development requirements. The Company may also not be able to reap any or all of the potential future benefits as a result of the reduced investment position that it will have in the ClearPay JV. Additionally, NSX's business may not have sufficient capital to continue to develop and grow its business in accordance with its business strategy in the short term without an additional capital raising.

3.2 Dilution

Set out below is a worked example of the number of Shares that may be issued under Resolution 3 based on an assumed issue prices of \$0.08, \$0.10, \$0.12 and \$0.145 per Share, \$0.12 being the closing price of Shares on 19 March 2020 and \$0.145 being the price at which Shares were issued under the February Placement. The worked example assumes that the full \$3.4 million is subscribed by Probanx in the April Placement at the issue prices set out in the table (and that these Shares are the only securities issued).

Assumed issue price per Share (Cents)	Maximum number of Shares which may be issued pursuant to Resolution 3 ¹	Current Shares on issue as at the date of this Notice (Number) ²	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 3 (Number) ³	Dilution effect on existing Shareholders (%)
8	42,500,000	223,799,560	266,299,560	16%
10	34,000,000	223,799,560	257,799,560	13%
12	28,333,334	223,799,560	252,132,894	11%
14.5	23,448,276	223,799,560	247,247,836	9%

Notes:

1. Rounded to the nearest whole number.
2. There are currently 223,799,560 Shares on issue as at the date of this Notice and this table assumes no Options or Partly Paid Shares have been converted, become fully paid, or additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolution 3 to raise up to \$3,400,000 (based on the assumed issue prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

3.3 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Probanx April Placement and Resolution 3.

10.13.1	The name of the person	Probanx (or its nominee), a related party of the Company by virtue of being an entity controlled by Director, John Karantzis
10.13.2	The category in rules 10.11.1-10.11.5 the person falls within and why	Probanx falls within Listing Rule 10.11.1 by virtue of being a related party of NSX
10.13.3	The number and class of securities to be issued to the person	The maximum number of Shares to be issued is that number of Shares which when multiplied by the Issue Price (defined below) equals \$3,400,000
10.13.4	If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares
10.13.5	The dates or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting.	The Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules)
10.13.6	The price or other consideration the entity will receive for the issue.	The issue price per Share will be the price equal to 80% of the volume weighted average price per Share calculated over the 30 trading days before the Shares are issued (" Issue Price ")
10.13.7	The purpose of the issue and the intended use of the funds raised.	<p>The purpose of the issue of the Shares pursuant to the April Placement is to raise capital, which the Company intends to apply as follows:</p> <ul style="list-style-type: none"> a) \$1.3 million will be used to subscribe for additional equity in the ClearPay JV which will take NSX's interest to 50%; and b) the balance will be used by NSX to further enhance market connectivity to the exchange, in particular, online brokers, creating greater liquidity in our market, to continue the extensive work on operational enhancements, to supplement working capital and for costs of April Placement.

10.13.8	<p>If the person is</p> <ul style="list-style-type: none"> a director and therefore a related party under rule 10.11.1; or an associate of, or person connected with a director, under rules 10.11.4 or 10.14.5, <p>And the issue is intended to remunerate or incentivise the directors, details (including the amount) of the director's current total remuneration package.</p>	Not applicable, the issue of Shares to Probanx is not intended to remunerate or incentivise a Director.
10.13.9	If the securities are issued under an agreement, a summary of any other material terms of the agreement.	Not applicable
10.13.10	A voting exclusion statement	A voting exclusion statement is included in Resolution 3 of this Notice.

4. RESOLUTION 4: APPROVAL TO SUCCESS OPTIONS

4.1 General

As set out above, the Company has agreed to issue 30,000,000 Success Options to KG (or its nominee) in consideration for services provided under the Strategic Partnership Mandate.

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

The proposed issue of the Success Options does not fit within any of these exceptions. While the issue does not exceed the 15% limit in ASX Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to ASX Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Success Options. In addition, the issue of the Success Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 4 is not passed, the issue of the Success Options can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under ASX Listing Rule 7.1 for 12 months following the issue.

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Success Options.

4.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Success Options and Resolution 4.

7.3.1	The names of the persons to whom the entity will issue the securities	KG (or its nominee), who is not a related party of NSX.
7.3.2	The number and class of securities the entity will issue	30,000,000 Options.
7.3.3	If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	The terms and conditions of Success Options are set out in Schedule 2.
7.3.4	The issue date	The Success Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Success Options will occur on the same date.
7.3.5	The issue price	The Success Options will be issued at a nil issue price, in consideration for introductory and lead manager services provided by KG to NSX.
7.3.6	The purpose of the issue and the intended use of the funds raised	The purpose of the issue of the Success Options is to satisfy the Company's obligations under the Strategic Partnership Mandate.
7.3.7	If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement.	A summary of the material terms of the Strategic Partnership Mandate are set out in Schedule 1.
7.3.8	If the securities are being issued under or to fund a reverse takeover	Not applicable.
7.3.9	A voting exclusion statement	A voting exclusion statement is included in Resolution 4 of this Notice.

5. RESOLUTION 5: APPROVAL OF SECURITIES ISSUANCE UNDER PERFORMANCE RIGHTS PLAN

5.1 General

Resolution 5 seeks Shareholder approval, pursuant to ASX Listing Rule 7.2, Exception 13, for the adoption of an employee incentive scheme titled "Performance Rights Plan" and to enable issues of Performance Rights under the Performance Rights Plan.

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

As set out above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. ASX Listing Rule 7.2 (Exception 13) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to AS Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years. The issue of any Performance Rights to eligible participants under the Performance Rights Plan (up to the maximum number of Performance Rights stated in section 5.3 below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights under the Performance Rights Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 5 is not passed, the Company will be to proceed with the issue of Performance Rights under the Performance Rights Plan to eligible participants, but any issues of Performance Rights will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Reasons for the Performance Rights Plan

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

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

Any future issues of Performance Rights under the Performance Rights Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

5.2 Outline of terms of the Performance Rights Plan

A summary of the key terms and conditions of the Performance Rights Plan is set out below. In addition, a copy of the Performance Rights Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Performance Rights Plan can also be sent to Shareholders upon request to the Company Secretary at email address cosec@nsx.com.au. Shareholders are invited to contact the Company if they have any queries or concerns.

Participation

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

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

Overview of the Performance Rights Plan rules and terms and conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.3 Technical information required by ASX Listing 7.2

A summary of the terms of the scheme.	A summary of the Performance Rights Plan to be adopted pursuant to Resolution 5 is set out above at section 5.2.
The number of securities issued under the scheme since the entity was listed or the date of the last approval under this rule.	The Performance Rights Plan has not previously been approved by Shareholders under this Listing Rule.
The maximum number of equity securities proposed to be issued under the scheme following the approval.	to the maximum number of equity securities proposed to be issued under the Performance Rights Plan is the number equal to 3% of the issued capital of the Company as at the date of adoption of the Performance Rights Plan and post this additional shares to be issued under any of the above resolutions
A voting exclusion statement.	A voting exclusion statement is included in Resolution 5 of this Notice.

6. GLOSSARY

\$ and cents means an amount in Australian currency.

ASX means ASX Limited ACN 008 624 691 or the securities market which it operates, as the case may be.

ASX Listing Rules means the listing rules of the ASX from time to time.

Board means the board of directors of the Company of NSX Limited.

Closely Related Party means, as defined in the Corporations Act, a closely related party of a member of the Key Management Personnel being:

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

Company means NSX Limited ABN 33 089 447 058.

Constitution means the constitution of the Company at the date of these Explanatory Notes.

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

Directors means the directors of the Company. **Explanatory Notes** means these Explanatory Notes.

February Placement means the issue of 29,190,517 Shares by the Company to Probanx, Woolwich Holdings Pty Ltd and David Andrew Deacon at an issue price of 14.5 cents per Share on 28 February 2020, as described in section 1 of the Explanatory Notes.

iSignthis or ISX means iSignthis Ltd (ACN 075 419 715).

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rule means a listing rule of the ASX.

Meeting means the extraordinary general meeting convened by the Notice of General Meeting.

Notice of General Meeting means the notice of general meeting accompanying these Explanatory Notes.

NSXA means the National Stock Exchange of Australia.

Ordinary Resolution means a simple majority (at least 50%) of those Securityholders present and entitled to vote either in person or by proxy at the Meeting, either on a show of hands or on a poll if one is called in accordance with applicable requirements.

Performance Rights means performance rights in the capital of the Company].

Performance Rights Plan means the "NSX Limited Employee Incentive Plan – Performance Rights".

Placements means the February Placement and the April Placements.

Probanx means Probanx Holdings Limited (a UK Company, number 12488005).

Resolution means a resolution in the Notice of General Meeting which requires Securityholder approval.

Share means a fully paid ordinary share in the Company or an equivalent paid up value of a partly paid share.

Securityholder means any person holding Shares.

Shareholders Agreement means the shareholders agreement between, ClearPay Pty Ltd (ACN 638 533 418), NSX and ISX dated 20 February 2020.

Success Options means 30,000,000 Options to be issued to KG (or its nominee) on the terms set out in Schedule 2.

7. Schedule 1 – Terms and Conditions of Advisory Agreements

Strategic Partnership Mandate

In consideration for introductory and lead manager services to NSX provided by KG to NSX, NSX has agreed to issue KG (or its nominee) up to 30,000,000 unlisted Options, exercisable at \$0.25 each, on or before the date that is 3 years from the date of issue, subject to the satisfaction of a number of milestones, in consideration for services provided by KG to NSX pursuant to the Strategic Partnership Mandate (**Success Options**).

The Success Options will be issued as follows:

(a) 75% of the Success Options (being, 22,500,000 Options) will be issued on satisfaction of the following milestones:

- (i) formal execution of a memorandum of understanding entered into between NSX and ISX;
- (ii) incorporation of the ClearPay JV; and
- (iii) completion of an initial capital raising by NSX and subscription of NSX of at least a 37.5% interest in the ClearPay JV,

(the **Tranche 1 Milestones**), all of which have been satisfied as at the date of this Notice; and

(b) the remaining 25% of the Success Options (being, 7,500,000 Options) will be issued on satisfaction of the following milestones:

- (i) satisfaction of the Tranche 1 Milestones; and
- (ii) completion of a subsequent capital raising by NSX and subscription by NSX of at least a further 9% interest in the ClearPay JV,

(the **Tranche 2 Milestones**).

NSX shall reimburse KG for all documented out of pocket expenses incurred by KG in respect of the Strategic Partnership Mandate and approved by NSX.

The Strategic Partnership Mandate may be terminated by NSX or KG at any time by the giving of one month's notice in writing.

The Strategic Partnership Mandate contains such other terms and conditions considered standard for an agreement of its nature including confidentiality and representations and warranties.

Lead Manager Mandate

In consideration for lead manager and bookbuild services provided by KG Capital, NSX has agreed to pay KG Capital a Management Fee of 6% of the total amount raised under the February Placement and April Placement, being up to \$600,000 assuming \$10,000,000 is raised by NSX pursuant to the February Placement and April Placement. The Management Fee is payable in cash or shares at the election of KG Capital and the Company.

In addition, NSX shall reimburse KG Capital for all documented out of pocket expenses incurred by KG Capital in respect of the Lead Manager Mandate and approved by NSX.

The Lead Manager Mandate may be terminated by NSX or KG Capital at any time by the giving of one month's notice in writing.

The Lead Manager Mandate contains such other terms and conditions considered standard for an agreement of its nature including confidentiality and representations and warranties.

8. Schedule 2 – Terms and Conditions of Success Options

The terms of the Options are as follows:

- (a) **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price)**: The Options have an exercise price of \$0.25 per Option (**Exercise Price**).
- (c) **(Expiry Date)**: The Options expire at 5:00pm (AEST) on the date that is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (e) **(Quotation of the Options)**: The Options will be unquoted.
- (f) **(Transferability of the Options)**: The Options will only be permitted to be transferable to exempt investors such as "sophisticated investors" or "professional investor" for the purposes of section 708 of the Corporations Act where a disclosure document under Part 6D.2 of the Corporations Act is not required.
- (g) **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (h) **(Lodgement instructions)**: Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Share Registry.
- (i) **(Shares issued on exercise)**: Shares issued on exercise of the Options rank equally with the then Shares of the Company.
- (j) **(Quotation of Shares on exercise)**: Application will be made by the Company to ASX, on the business day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.
- (k) **(Timing of issue of Shares)**: Within 15 business days after the later of the following:
 - a. receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
 - b. when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
 the Company will:
 - c. issue the Shares pursuant to the exercise of the Options;
 - d. give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - e. apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph (k)(iv) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company.

- (l) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Securityholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be the minimum required by the Listing Rules. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Securityholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - a. the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

 - b. no change will be made to the Exercise Price.

- (n) **(Adjustment for entitlements issue):** If the Company makes an issue of Shares pro rata to existing Securityholders (other than as a bonus issue, to which paragraph (m) will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

- (o) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the Listing Rules.