
Transaction Solutions International Limited
ACN 057 335 672

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at
Bentleys Boardroom
Level 3, London House
216 St George's Terrace
Perth, Western Australia
on
31 May 2018
at 2:00pm (WST).**

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

***Should you wish to discuss any matter please do not hesitate to contact the contact
the Company Secretary on +61 8 9430 5044.***

Transaction Solutions International Limited

ACN 057 335 672

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Transaction Solutions International Limited (**Company**) will be held at the Bentleys Boardroom, Level 3 London House, 216 St George's Terrace, Perth, Western Australia on 31 May 2018 at 2:00pm (WST) (**Meeting** or **General Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 29 May 2018 at 5.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 5.

AGENDA

1. Resolution 1 – Approval of convertibility of Convertible Notes

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Convertible Notes to be convertible into up to 74,332,909 Shares (**Convertible Note Conversion Shares**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Convertible Noteholders and a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting 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.

2. Resolution 2 – Approval of convertibility of Lai Convertible Notes

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

“That, subject to Resolution 1 being passed, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Convertible Notes held by Polaris Equity Pty Ltd, an entity controlled by Director, Mr Jeffrey Lai, to be convertible into up to 55,472,317 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Polaris Equity Pty Ltd and any of its associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting 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.

3. Resolution 3 – Approval of convertibility of Foster Convertible Notes

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

“That, subject to Resolution 1 being passed, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Convertible Notes held by Director, Mr Gary Foster and Mrs Lisa Foster to be convertible into up to 5,547,232 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Gary Foster and Mrs Lisa Foster and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting 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.

4. Resolution 4 – Ratification of issue of Placement Securities

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

*"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 48,181,818 Shares (**Placement Shares**) each at an issue price of \$0.011 and 48,181,818 Placement Options each exercisable at \$0.017 on or before 3 April 2020 on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person that participated in the Placement and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting 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.

5. Resolution 5 – Ratification of issue of Broker 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 Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 5,000,000 Broker Options each exercisable at \$0.02 on or before 3 April 2020 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Placement Participant and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting 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.

6. Resolution 6 – Ratification of issue of Decipher Works Consideration Shares

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

*"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 180,876,934 Shares (**Decipher Works Consideration Shares**) to the Vendors on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Vendor and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting 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.

Dated 30 April 2018

BY ORDER OF THE BOARD

Phillip MacLeod
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Bentleys Boardroom, Level 3 London House, 216 St George's Terrace, Perth, Western Australia on 31 May 2018 at 2:00pm (WST).

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

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

2. Action to be taken by Shareholders

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

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

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

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Resolution 1 – Approval of convertibility of Convertible Notes

3.1 General

On 13 December 2017 the Company announced that it had agreed to raise \$670,000 through the issue of Convertible Notes to staff, management and Directors to provide funding for working capital requirements including the current evaluation of near term cybersecurity acquisition opportunities.

The key terms of the Convertible Notes are as follows:

- (a) The Convertible Notes were drawdown as a single drawdown on the issue date.
- (b) The Convertible Notes have a maturity date of 15 December 2019.
- (c) Subject to Shareholder approval, the Convertible Notes are convertible to Shares at the election of the holder at the conversion price of 1.1 cents.
- (d) 10% per annum interest accrued daily and compounding monthly which is payable at maturity in cash or converted into Shares at the conversion price.
- (e) The Convertible Notes are unsecured.
- (f) The Convertible Notes are not transferable.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the ability for the Convertible Noteholders to convert the Convertible Notes and any outstanding interest into up to 74,332,909 Shares. The maximum number of Shares that may be issued for conversion of the face value of the Convertible Notes is 60,909,091 Shares and the maximum number of Shares that may be issued for the conversion of interest is 13,423,818 Shares (which assumes interest is payable on the maximum term of the Convertible Note of two years).

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

If Shareholder approval is given under Listing Rule 7.1 for the ability to convert the Convertible Notes, approval is not required under Listing Rule 7.1 for the issue of the Convertible Note Conversion Shares to the Convertible Noteholders on conversion of the Convertible Notes pursuant to exception 4 of Listing Rule 7.2.

Resolution 1 is an ordinary resolution.

3.2 Information required by Listing Rule 7.3

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

- (a) The Convertible Notes will be convertible into a maximum of 74,332,909 Shares which comprises a maximum of 60,909,091 Shares for repayment of the face value of the Convertible Notes and a maximum of 13,423,818 Shares for repayment of interest (which assumes interest is payable on the maximum term of the Convertible Note of two years).

- (b) If approved by Shareholders, the Convertible Notes will become equity securities for the purposes of the Listing Rules at the time of the approval being obtained. The aggregate issue price of the Convertible Notes is \$670,000.
- (c) The amount drawdown under the Convertible Notes (\$670,000 in aggregate) plus outstanding interest (see section 3.1 above) will be convertible into Shares each at an issue price of \$0.011.
- (d) The Convertible Note Conversion Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Convertible Note have been entered into with, and will be convertible by, the Convertible Noteholders which include, Polaris Equity Pty Ltd (an entity controlled by Mr Jeffrey Lai) and Mr Gary Foster and Mrs Lisa Foster (refer to Section 4.1 below).
- (f) Further terms and conditions of the Convertible Notes are set out in Section 3.1
- (g) The Convertible Notes will be convertible at the Convertible Noteholders' election at any time during the period commencing on the date that Shareholders approve the convertibility of the Convertible Notes and ending on the earlier to occur of 15 December 2019 and the occurrence of an event of default under the Convertible Note terms.
- (h) The funds raised from the issue of the Convertible Notes have been, or will be, used for the purposes set out in Section 3.1.
- (i) A voting exclusion statement is included in the Notice.

4. Resolutions 2 and 3 – Approval of convertibility of Convertible Notes held by the Director Convertible Noteholders

4.1 General

As noted in the Company's announcement on 13 December 2017, \$550,000 of the Convertible Notes (**Director Convertible Notes**) were issued to Polaris Equity Pty Ltd, an entity controlled by Director Mr Jeffrey Lai, and Director, Mr Gary Foster and his spouse, Mrs Lisa Foster (together the **Director Convertible Noteholders**).

The key terms of the Convertible Notes are set out in Section 3.1

Resolutions 2 and 3 seek Shareholder approval pursuant to Listing Rule 10.11 for the ability for the Director Convertible Noteholders to convert the Director Convertible Notes into up to 61,019,545 Shares (**Director Conversion Shares**). The maximum number of Shares that may be issued for conversion of the face value of the Director Convertible Notes is 50,000,000 Shares and the maximum number of Shares that may be issued for the conversion of interest is 11,019,545 Shares (which assumes interest is payable on the maximum term of the Convertible Note of two years).

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Polaris Equity Pty Ltd is a related party of the Company by virtue of being controlled by Director, Mr Jeffrey Lai, and Mr Gary Foster and Mrs Lisa Foster are related parties of the Company by virtue of Mr Foster being a Director and Mrs Foster being his spouse.

If Shareholder approval is given under Listing Rule 10.11 for the ability to convert the Director Convertible Notes, approval is not required under Listing Rule 10.11 for the issue of the Director Conversion Shares to the Director Convertible Noteholders on conversion of the Director Convertible Notes pursuant to exception 7 of Listing Rule 10.12.

Resolutions 2 and 3 are ordinary resolutions and are subject to Resolution 1 being passed.

4.2 Information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

- (a) The Director Convertible Note have been entered into with, and will be convertible by, Polaris Equity Pty Ltd, an entity controlled by Director Mr Jeffrey Lai, and Director, Mr Gary Foster and Mrs Lisa Foster.
- (b) The Director Convertible Notes will be convertible into a maximum as follows:
 - (i) 55,472,317 Shares to Polaris Equity Pty Ltd which comprises a maximum of 45,454,546 Shares for repayment of the face value of the Convertible Notes and a maximum of 10,017,771 Shares for repayment of interest (which assumes interest is payable on the maximum term of the Convertible Note of two years); and
 - (ii) 5,547,232 Shares to Mr Gary Foster and Mrs Lisa Foster which comprises a maximum of 4,545,455 Shares for repayment of the face value of the Convertible Notes and a maximum of 1,001,777 Shares for repayment of interest (which assumes interest is payable on the maximum term of the Convertible Note of two years).
- (c) If approved by Shareholders, the Director Convertible Notes will become equity securities for the purposes of the Listing Rules at the time of the approval being obtained. The aggregate issue price of the Director Convertible Notes is \$550,000.
- (d) The amount drawdown under the Director Convertible Notes (\$550,000 in aggregate) plus outstanding interest (see section 3.1 above) will be convertible into Shares each at an issue price of \$0.011.
- (e) The Director Conversion Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) Polaris Equity Pty Ltd is a related party of the Company by virtue of being controlled by Director, Mr Jeffrey Lai, and Mr Gary Foster and Mrs Lisa Foster are related parties of the Company by virtue of Mr Foster being a Director and Mrs Foster being his spouse.
- (g) Further terms and conditions of the Convertible Notes are set out in Section 3.1
- (h) The Director Convertible Notes will be convertible at the Director Convertible Noteholders' election at any time during the period commencing on the date that Shareholders approve the convertibility of the Convertible Notes and ending on the earlier to occur of 15 December 2019 and the occurrence of an event of default under the Convertible Note terms.
- (i) The funds raised from the issue of the Convertible Notes have been, or will be, used for the purposes set out in Section 3.1.

- (j) A voting exclusion statement is included in the Notice.

5. Resolution 4 – Ratification of issue of Placement Securities

5.1 General

On 15 March 2018 the Company announced a placement of Shares to strategic, sophisticated and professional investors at an issue price of \$0.011 per Share, with a 1 for 1 free attaching Placement Option, to raise \$530,000 (before costs) (**Placement**).

The Company completed the Placement on 3 April 2018 and issued 48,181,818 Share each at an issue price of \$0.011 and 48,181,818 Placement Options to raise \$530,000 (before costs) pursuant to the Placement.

The funds raised from the issue of the Placement Shares will be used to further the Company's cybersecurity acquisition model and for general working capital. The Placement Options were granted as free attaching Options on the basis of one Placement Option for every two Shares subscribed for. Accordingly, no funds were raised from the issue of the Placement Options.

A summary of Listing Rule 7.1 is set out in Section 3.1

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (including the additional 10% capacity under Listing Rule 7.1A), providing that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

The Placement Shares were issued within the Company's additional 10% annual limit approved by Shareholders under Listing Rule 7.1A at the Company's 2017 Annual General Meeting, without the need for Shareholder approval.

The Placement Options were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

Resolution 4 seeks Shareholder approval for the ratification of the issue of the Placement Shares and Placement Options (together the **Placement Securities**) pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 4 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months and within the additional 10% placement capacity under Listing Rule 7.1A during the balance of the 12 months from the date of the Company's 2017 Annual General Meeting without the need for Shareholder approval.

Resolution 4 is an ordinary resolution.

5.2 Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) 48,181,818 Shares and 48,181,818 Placement Options were issued by the Company pursuant to the Placement.

- (b) The Placement Shares were issued at \$0.011 per Share and the Placement Options were granted as free attaching Options on the basis of one Placement Option for every Share subscribed for.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Placement Options are each exercisable at \$0.017 on or before 3 April 2020 and otherwise have the terms and conditions in Schedule 1.
- (d) The Placement Shares and Placement Options were issued to sophisticated investors, none of who are a related party of the Company.
- (e) The funds raised from the issue of the Placement Shares will be used for the purposes set out in Section 3.1. No funds were raised from the grant of the Placement Options.
- (f) A voting exclusion statement is included in the Notice.

6. Resolution 5 – Ratification of issue of Broker Options

6.1 General

On 3 April 2018 the Company issued 5,000,000 Broker Options as part of the fee payable for management of the Placement to participating brokers (or their nominees).

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.4 for the ratification of the prior issue of 5,000,000 Broker Options. A summary of Listing Rule 7.1 is provided in in Section 3.1 and Listing Rule 7.4 is provided in in Section 5.1.

The Broker Options were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

The effect of Shareholders passing Resolution 5 ratifying the issue of the Broker Options will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months without the need for Shareholder approval.

Resolution 5 is an ordinary resolution.

6.2 Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) 5,000,000 Broker Options were issued to the nominees of participating brokers, none of whom are related parties of the Company.
- (b) The Broker Options were issued as part of the fee payable for management of the Placement and accordingly no funds were raised from the issue of the Broker Options.
- (c) The Broker Options are each exercisable at \$0.02 on or before 3 April 2020 and otherwise have the terms and conditions in Schedule 2.
- (d) A voting exclusion statement is included in the Notice.

7. Resolution 6 – Ratification of issue of Decipher Works Consideration Shares

7.1 General

On 23 August 2017 the Company issued 180,876,934 Shares to the Vendors as part of the consideration for the acquisition of Decipher Works. Refer to the Company's ASX announcements on 16 and 24 August 2017 for further details.

The Decipher Works Consideration Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval. A summary of Listing Rule 7.1 is set out in Section 3.1 and Listing Rule 7.4 is provided in Section 5.1.

Resolution 6 seeks Shareholder approval for the ratification of the issue of the Decipher Works Consideration Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 6 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months without the need for prior Shareholder approval.

Resolution 6 is an ordinary resolution.

7.2 Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) 180,876,934 Shares were issued to the Vendors, none of whom are related parties of the Company.
- (b) The Decipher Works Consideration Shares were issued as part of the consideration for the acquisition of Decipher Works and accordingly no funds were raised from the issue of the Decipher Works Consideration Shares.
- (c) The Decipher Works Consideration Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) A voting exclusion statement is included in the Notice.

8. Definitions

\$ means Australian Dollars.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Broker Option means an Option exercisable at \$0.02 on or before 3 April 2020 and otherwise with the terms and conditions in Schedule 2.

Chairman means the chairman of this Meeting.

Company means Transaction Solutions International Limited ACN 057 335 672.

Convertible Note Conversion Shares has the meaning given in Resolution 1.

Convertible Notes means the convertible notes with an aggregate face value of \$670,000 issued by the Company with the key terms set out in Section 3.1.

Corporations Act means the Corporations Act 2001 (Cth).

Decipher Works means Decipher Works Pty Ltd ACN 128 028 375.

Decipher Works Consideration Shares has the meaning given in Resolution 6.

Director means a director of the Company.

Director Convertible Noteholders has the meaning given in Section 4.1.

Director Convertible Notes has the meaning given in Section 4.1.

Director Conversion Shares has the meaning given in Section 4.1.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Listing Rules means the listing rules of ASX.

Meeting and **General Meeting** has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Placement has the meaning given in Section 5.1.

Placement Option means an Option exercisable at \$0.017 on or before 3 April 2020 and otherwise with the terms and conditions in Schedule 1.

Placement Securities has the meaning given in Section 5.1.

Placement Shares has the meaning given in Resolution 4.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Vendors means the shareholders of Decipher Works.

WST means Western Standard Time, being the time in Perth, Australia.

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

Schedule 1 – Terms and Conditions of Placement Options

- (a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.017 (**Exercise Price**).
- (c) **Expiry Date**
Each Option will expire at 5:00 pm (WST) on 3 April 2020 (**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 on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Options may be exercised during the Exercise Period 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.
- (f) **Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
Within 15 Business Days after the later of the following:
(i) the Exercise Date; and
(ii) 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,
but in any case no later than 20 Business Days after the Exercise Date, the Company will:
(iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a 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.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **No Quotation of the Option**
The Company will not apply for quotation of the Options on ASX.
- (j) **Quotation of Shares issued on exercise**
If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (k) **Reconstruction of capital**
If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (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 Shareholders during the currency of the Options without exercising the Options.
- (m) **Change in exercise price**
An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (n) **Transferability**
The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 2 – Terms and Conditions of Broker Options

- (a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).
- (c) **Expiry Date**
Each Option will expire at 5:00 pm (WST) on 3 April 2020 (**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 on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Options may be exercised during the Exercise Period 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.
- (f) **Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
Within 15 Business Days after the later of the following:
(i) the Exercise Date; and
(ii) 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,
but in any case no later than 20 Business Days after the Exercise Date, the Company will:
(iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a 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.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **No Quotation of the Option**
The Company will not apply for quotation of the Options on ASX.
- (j) **Quotation of Shares issued on exercise**
If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (k) **Reconstruction of capital**
If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (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 Shareholders during the currency of the Options without exercising the Options.
- (m) **Change in exercise price**
An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (n) **Transferability**
The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

TRANSACTION SOLUTIONS INTERNATIONAL LIMITED

ACN 057 335 672

PROXY FORM

The Company Secretary
Transaction Solutions International Limited

By delivery:

108 Forrest St, Cottesloe WA 6011

By post:

PO Box 159, Fremantle WA 6959

By facsimile:

+61 8 9431 9800

By email:

pmacleod@gapcs.com.au

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

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 and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally on my/our behalf at the Meeting to be held at the Bentleys Boardroom, Level 3, 216 St George's Tce, Perth, WA on Thursday, 31 May 2018 at 2:00pm (WST) and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit, except for as set out below).

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

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

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval of convertibility of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of convertibility of Lai Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of convertibility of Foster Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of issue of Placement Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of issue of Decipher Works Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

* If you mark the Abstain box for a particular Resolution, 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.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding: where the holding is in more than one name all of the holders should sign.
Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the General Meeting (WST).

Hand deliveries: 108 Forrest Street, Cottesloe WA 6011

Postal address: PO Box 159, Fremantle WA 6959

Facsimile: (08) 9431 9800 if faxed from within Australia or + 61 8 9431 9800 if faxed from outside Australia.

Email: pmacleod@gapcs.com.au