



25 January 2019

### Confirmations by Company

Splitit Payments Ltd (ARBN 629 557 982), a foreign company registered in its original jurisdiction of Israel as Splitit Ltd (**Company**) is pleased to confirm the following:

1. The Company confirms that it has raised A\$12,000,000 pursuant to the offer under the replacement prospectus dated 20 December 2018 (**Prospectus**) by issue of 60,000,000 fully paid ordinary shares (**Shares**) at an issue price of A\$0.20 per Share (**Offer**).
2. The Company confirms the issue of:
  - (a) 60,000,000 Shares under the Offer;
  - (b) 15,000,000 options exercisable at A\$0.30 each, expiring three years from the date of issue to the Lead Manager (and its nominees) (**Advisor Options**);
  - (c) 3,000,000 options exercisable at A\$0.30 each, expiring three years from the date of issue to certain directors (and/or its nominee); and the issue of 3,000,000 options exercisable at A\$0.40 each, expiring three years from the date of issue to certain directors (and/or its nominee) (**Director Options**);
  - (d) 8,000,000 options exercisable at A\$0.20 each, expiring 31 December 2023 to the managing director and the executive director (**Management Options**); and
  - (e) 18,000,000 performance rights, which convert into one Share each on attainment of various performance criteria (as detailed in the Prospectus), expiring no later than 3 years from the date of issue to employees (**Performance Rights**).
3. The capital structure of the Company following completion of the Offer is as follows:

	Shares	Options	Performance Rights
Number of Securities on issue prior to Admission	209,655,661	10,344,339	-
Advisor Options	-	15,000,000	-
Director Options and Management Options	-	14,000,000	-
Performance Rights	-	-	18,000,000
Shares issued under the Offer	60,000,000	-	-
<b>Total</b>	<b>269,655,661</b>	<b>39,344,339</b>	<b>18,000,000</b>

4. 5,724,238 Shares are subject to an escrow period of 12 months from the date of issue, 90,867,346 Shares are subject to an escrow period of 24 months from the date of Admission, 18,000,000 Performance Rights are subject to an escrow period of 24 months from the date of Admission and:
  - a. 10,344,339 Options with an exercise price of NIS 0.01 each, to be held in escrow until 29 January 2021, being 24 months from the date of Admission and expiring on the dates as follow:

Number of Options	Expiry Date
470,076	31/12/2020
199,410	09/01/2022
783,283	31/12/2022
783,283	15/03/2023
3,724,452	04/11/2023
783,283	31/01/2024
69,129	12/02/2024
167,505	25/02/2024
229,721	01/03/2024
308,422	15/03/2024
183,989	01/05/2024
459,973	07/07/2024
98,376	08/07/2024
61,153	15/08/2024
153,147	17/09/2024
69,129	11/12/2024
69,129	17/12/2024
69,129	12/02/2025
167,505	25/02/2025
229,720	01/03/2025
308,421	15/03/2025
183,989	01/05/2025
61,152	15/05/2025
98,375	08/07/2025
153,147	17/09/2025
69,129	11/12/2025
69,129	17/12/2025
167,504	25/02/2026
153,679	17/09/2026

- b. 8,000,000 options with an exercise price of AUD\$0.20 each, expiring on 31 December 2023 and to be held in escrow until 29 January 2021, being 24 months from the date of Admission.
- c. 18,000,000 options with an exercise price of AUD\$0.30 each, expiring on 22 January 2022 classified by ASX as restricted securities and to be held in escrow until 29 January 2021, being 24 months from the date of Admission.
- d. 3,000,000 options with an exercise price of AUD\$0.40 each, expiring on 22 January 2022 and to be held in escrow until 29 January 2021, being 24 months from the date of Admission.

5. The terms and conditions of the Performance Rights are as follows:

- (a) Milestone Conversion

Each Performance Right will be satisfied by the issuance of one fully paid ordinary share (**Share**) in the Splitit Ltd (**Splitit** or the **Company**) upon the achievement of the following performance milestones.

Number of Performance Rights	Performance Criteria	Performance Period
4 million	Splitit achieving Transaction Volumes of A\$150 million in calendar year 2019. Where <b>Transaction Volume</b> means the aggregate amount of funds third party merchants process through the Splitit Payment Platform for the relevant period.	1 year
4 million	Splitit achieving Transaction Volumes of A\$350 million in calendar year 2020.	2 year
2 million	Splitit achieving Transaction Volumes of A\$1.1 billion in calendar year 2021.	3 year
2.5 million	Splitit executing a global business partnership agreement with Mastercard or any other global payment scheme (other than Visa) by the end of the calendar year 2019	1 year
2 million	Splitit executing a global business partnership agreement with Visa or any other global payment scheme (other than a global payment scheme achieved in respect to the above milestone) by the end of the calendar year 2020	2 year
2 million	Splitit achieving Transaction Volumes of A\$200 million through commercial agreements entered into with Visa and/or Mastercard by the end of the calendar year 2021.	3 year
500,000	The holder achieving Transaction Volumes of A\$75 million in calendar year 2019. Where <b>Transaction Volumes</b> (for the milestones below) means the aggregate amount of funds a merchant, which is signed by the holder and/or his designated team, requests to be processed through the Splitit Payment Platform for the relevant period.	1 year
500,000	The holder achieving Transaction Volumes of A\$170 million in calendar year 2020.	2 year
500,000	The holder achieving Transaction Volumes of A\$400 million in calendar year 2021.	3 year

(b) **Change of Control**

Upon the occurrence of a Change of Control of the Company:

- (i) where, at the date of the Change of Control, the satisfaction of all Performance Rights will result in the issue of less than or equal to 10% of the total number of Shares on issue, each Performance Right will automatically entitle the holder to one Share; and
- (ii) where, at the date of the Change of Control, the satisfaction of all Performance Rights will result in the issue of greater than 10% of the total number of Shares on issue:
  - (A) the total number of Performance Rights to be satisfied through the issuance of Shares in exchange therefor must be equal to 10% of the total number of Shares on issue;

- (B) the number of Shares to be issued with respect to each class of Performance Rights shall be on an equal basis between each such class; and
- (C) any Performance Rights that are not satisfied through the issuance of Shares in accordance with paragraph (A) and (B) above will continue to be held by the holder on the same terms and conditions set out herein.

**'Change of Control' -**

- (i) the occurrence of:
  - (A) the offeror (or group of offerors acting together) under a tender offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
  - (B) that takeover bid has become unconditional; or
- (ii) the announcement by the Company that:
  - (A) shareholders of the Company have at a duly convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement or merger under which all Shares are to be either:
    - (1) cancelled; or
    - (2) transferred to a third party; and
  - (B) the proposed scheme of arrangement or merger is consummated.

(c) **Expiry Date**

If the Performance Rights have not been satisfied by 5.00pm (WST) by the relevant Performance Period, the Performance Rights shall not be capable of satisfaction and shall immediately lapse.

(d) **Shares issued on satisfaction of Performance Criteria**

Shares issued upon satisfaction of a Performance Criteria rank equally with the then Shares of the Company.

(e) **Ceasing to be an Employee**

All unvested Performance Rights will lapse upon the holder ceasing to be an employee of the Company.

(f) **Escrow Restrictions**

The holder of Performance Rights:

- (i) acknowledges that the Performance Rights and the Shares issued on satisfaction of Performance Rights may be escrowed or restricted for a period prescribed by ASX pursuant to the Listing Rules;
- (ii) agrees to be bound by any escrow period prescribed by ASX; and

(iii) agrees to enter into any agreement as may be required by the Company and ASX to give effect to any escrow prescribed by ASX pursuant to the Listing Rules.

(g) Reconstruction

In the event of any reconstruction, consolidation or division of the issued capital of the Company, the Performance Rights and their terms of satisfaction through the issuance of Shares in exchange therefor will be reconstructed, consolidated or divided in the same manner such that no additional benefits are conferred on the holder by virtue of such reconstruction, consolidation or division.

(h) Winding up

If the Company is wound up before satisfaction of all of the Performance Rights by the issuance of Shares in exchange therefor, the holders will have no right to participate in surplus assets or profits of the Company on winding up in respect of their Performance Rights.

(i) Dividends

Holders of Performance Rights are not entitled to receive any dividends on their Performance Rights.

(j) Non-Transferable and No Quotation

The Performance Rights are non-transferable and are unquoted securities.

(k) Voting Rights

Holders of the Performance Rights will have no right to vote in respect of their Performance Rights.

Yours faithfully



Gil Don  
CEO and Managing Director  
for and on behalf of  
Splitit Ltd