



NOTICE OF EXTRAORDINARY GENERAL MEETING SPLITIT PAYMENTS LTD ARBN 629 557 982

TIME: 9:00 am (AEDT)

DATE: Monday, 13 November 2023

Important notice

This Notice should be read in conjunction with the Explanatory Memorandum. The Explanatory Memorandum contains important information about the matters to be considered at the Extraordinary General Meeting of Splitit Payments Ltd (**Company**) to assist Shareholders to determine how to vote on the Resolutions set out in this Notice.

Splitit Shareholders can also call the Splitit Shareholder information line on 1300 290 691 (within Australia) or +61 2 9066 4081 (outside Australia) at any time from 9.00am to 5.00pm (Sydney time) Monday to Friday (excluding Public Holidays) if they have any questions.

Defined terms and abbreviations used in the Notice of Meeting and in the accompanying Explanatory Memorandum are defined in the Glossary of the Explanatory Memorandum, unless otherwise defined.

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Notice of Extraordinary General Meeting of Shareholders of Splitit Payments Ltd

Notice is given that the Extraordinary General Meeting of Shareholders of Splitit Payments Ltd (ARBN 629 557 982) (**Splitit** or the **Company**) will be held on **Monday 13 November 2023** at **9:00am AEDT**.

The Meeting will be streamed live for Shareholders to view and participate.

IMPORTANT INFORMATION

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Article 23 of the Company's Articles of Association that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEDT) on Wednesday, 8 November 2023.

With respect to Resolution 5, Shareholders may vote subject to any Personal Interest as declared by a Shareholder prior to the Meeting. Personal Interest means a personal interest of a Shareholder in an action or a transaction of the Company, excluding any interest arising solely from holding Shares, but including the personal interest of:

- (a) the Shareholder's spouse, siblings, parents, grandparents, descendants, spouse's descendants, siblings or parents or the spouse of any of such persons; and
- (b) any entity in which the Shareholder or one of the aforementioned relatives of the Shareholder:
 - (i) serves as a director or chief executive officer; (ii) owns 5% or more of such entity's outstanding shares or voting rights; or (iii) has the right to appoint one or more directors or the chief executive officer.

Under the Israeli Companies law, in the case of a person voting by proxy, "Personal Interest" includes personal interest of either the proxy holder or the Shareholder granting the proxy, whether or not the proxy holder has discretion on how to vote.

With respect to Resolution 5, Shareholders may vote subject to any Personal Interest as declared by a Shareholder prior to the Meeting. With respect to Resolution 3, Shareholders may vote subject to any "Affiliation" as declared by a Shareholder prior to the Meeting. Affiliation means a shareholder which is the other merging company or a person who holds 25% or more of the means of control of the other merging company.

Voting on Resolutions where the Shareholder has a Declarable Interest

If you have a Declarable Interest in the outcome of Resolution 5 or Affiliation with respect to Resolution 3, you are required under Israeli law to declare that matter on the Voting Form. A "Declarable Interest" is an

interest which results in the Shareholder being deemed to be an Excluded Shareholder in respect of a particular Resolution, and an “Excluded Shareholder” means:

- (a) a Controlling Party;¹ or
- (b) a Shareholder who has a Personal Interest in the relevant Resolution as a result of the Shareholder’s connection to a Controlling Party.

Shareholders are unable to make these declarations using the online functionality within the Investor Portal. Accordingly, if you have a Declarable Interest in Resolution 5, you may only vote by completing your Voting Form manually and delivering it to the Company in accordance with directions on the Voting Form. If you vote by completing a Voting Form manually and do not indicate whether you have a Declarable Interest, you will be deemed to have one, and therefore your vote will not be counted for the purpose of the Resolution.

If you submit a direct vote, or appoint a proxy to vote on your behalf, in respect of Resolution 3 or 5, via the online Investor Portal in breach of the requirements set out above, you will breach the Israeli Companies Law and may be liable for penalties or recourse under those laws.

By submitting a direct vote, or appointing a proxy, in respect of Resolution 3 or 5, via the online Investor Portal, you will be deemed to have represented to the Company that you are not an Excluded Shareholder in connection with Resolution 3 or 5.

Voting in person at the Meeting

Shareholders will not be able to attend or vote at the Meeting in person. The Meeting will be streamed live via webcast for Shareholders to view the Meeting.

The Company urges all Shareholders to please utilise the online facilities offered. Shareholders will be able to view the live webcast of the Meeting, vote online in real time and ask Directors questions online.

For further information, please see the section below titled ‘Direct voting during the Meeting’.

Voting by proxy or direct voting online prior to Meeting

To submit a direct vote prior to the Meeting, or to appoint a proxy online, please go to <https://investor.automic.com.aU/#/loginsah> and follow the instructions on your Voting Form.

You may also appoint a proxy by completing and signing the enclosed Voting Form and returning it by the time and in accordance with the instructions set out on the Voting Form. Proxies will be able to view the live webcast of the Meeting, vote online in real time in accordance with their proxy instructions and ask Directors questions online.

Voting by proxy

Shareholders are advised that:

- each Shareholder has a right to appoint a proxy; and
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder’s votes, then each proxy may exercise one-half of the votes.

Proxy vote if appointment directs a vote FOR, AGAINST or ABSTAIN on a particular Resolution:

An appointment of a proxy may direct the proxy to vote FOR, AGAINST or ABSTAIN on a particular Resolution and if it does:

¹ A “Controlling Party” means a person who has the ability to direct the Company’s activities (except such ability deriving solely from holding the office of director or officer of the Company) and any party who is able to control (including through a subsidiary and/or an affiliate) 50% or more of the voting rights to appoint directors or a CEO of the Company.

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands; and
- if the proxy is the Chair, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Proxy vote if appointment does not direct a vote

If a proxy is appointed and the Shareholder does **not** direct the proxy to vote FOR, AGAINST or ABSTAIN on a particular Resolution:

- where the proxy is not the Chair, the proxy need not vote on a show of hands, but if the proxy does so, the proxy may vote, subject to all relevant laws, as the proxy sees fit; and
- where the proxy is the Chair (including where the Chair is appointed as proxy by default), the Chair currently intends to vote FOR all the Resolutions contained in this Notice.

Transfer of non-chair proxy to Chair in certain circumstances

If:

- an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at the Meeting; and
- the appointed proxy is not the Chair; and
- at the Meeting, a poll is duly demanded on the Resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the Meeting; or
 - the proxy does not vote on the Resolution,
 the Chair is taken, before voting on the Resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the Meeting.

Direct voting

In accordance with Article 39.2 of the Company's Articles of Association and the Companies Law, the Directors have:

- determined that Shareholders may vote on the Resolutions set out in this Notice by written ballot or direct vote; and
- approved the process specified in this Meeting and the Online Shareholders' Meeting Guide as the means by which Shareholders may deliver a direct vote.

A Shareholder entitled to attend and vote at the Meeting may direct vote by:

- delivering prior to the Meeting a valid Voting Form to the Company in accordance with the instructions on the Voting Form; or
- delivering a direct vote during the Meeting if participating online.

How to participate in the Meeting online

Shareholders who wish to participate in the Meeting online may do so through an online meeting platform provided by the Share Registry:

If you choose to participate in the Meeting online, you can access the Meeting as follows:

- Open your internet browser and go to <https://investor.automic.com.au/>

- Login with your username and password or click “**register**” if you haven’t already created an account.
- **Shareholders are encouraged to create an account well in advance of the Meeting to ensure there is no delay in attending the virtual Meeting.**
- After logging in, a banner will be displayed at the bottom of the screen once the meeting is open for registration, click on “**Register**” when this appears.
- Click on “**Register**” on the next screen and follow the steps.
- Click on the URL to join the webcast where you can view and listen to the virtual meeting.
- Once the Chair of the Meeting has declared the poll open for voting click on “**Refresh**” to be taken to the voting screen.
- Select your voting direction and click “**confirm**” to submit your vote. **Note that you cannot amend your vote after it has been submitted.**

Attending the Meeting online enables Shareholders to view the Meeting live and to also ask questions and cast direct votes at the appropriate times whilst the Meeting is in progress.

A complete guide to registering your attendance and voting at the virtual Meeting is available to view and download from <https://www.automicgroup.com.au/virtual-agms/>.

Shareholders who submit direct votes prior to the Meeting will be deemed to have appointed the Chair as their proxy and representative for the purposes of determination of quorum.

BUSINESS OF THE EXTRAORDINARY GENERAL MEETING

1 The Transaction Proposal

An Explanatory Memorandum, which is annexed to this Notice, has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Transaction Proposal Resolutions.

The Transaction Proposal comprises the Delisting Proposal, the Placement Proposal, the Redomicile Proposal and the Ancillary Proposals, as described in the Explanatory Memorandum. Each Proposal is conditional on each other Proposal being approved by Shareholders, such that if a Resolution in respect of one Proposal is not passed by Shareholders with the requisite majority (the details of which are set out in section 4 of the Explanatory Memorandum), then the Transaction Proposal will not proceed.

Defined terms and abbreviations used in the Notice and in the accompanying Explanatory Memorandum are defined in the Glossary of the Explanatory Memorandum.

RESOLUTION 1 – APPROVAL TO ISSUE PREFERENCE SHARES TO MOTIVE (PLACEMENT PROPOSAL)

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

“That, subject to and conditional on the passing of Resolutions 2, 3, 4 and 5 and as of and subject to the receipt of the amounts referable to Tranche 1 and Tranche 2 of the Placement Proposal, (i.e., the Initial Closing and Subsequent Closing as defined in the Subscription Agreement), for the purposes of ASX Listing Rule 7.1, Section 328 of the Companies Law and for all other purposes, approval is given for the Company to issue 250,000,000 Preference Shares to MCF2 SPT Aggregator, LP to raise a total of US\$50,000,000, as a private placement on the terms and conditions of the Subscription Agreement, as further set out in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any person who is expected to participate in, or who will obtain 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) or an associate of that person (or those persons).

- (i) A person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (A) 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 the resolution; and
 - (B) The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair currently intends to vote all undirected proxies in favour of this Resolution.

RESOLUTION 2 – APPROVAL FOR THE REMOVAL OF THE COMPANY FROM THE OFFICIAL LIST OF ASX (DELISTING PROPOSAL)

To consider and, if thought fit, pass, with or without amendment, the following Resolution as a **special resolution**:

“That, subject to and conditional on the passing of Resolutions 1, 3, 4 and 5, and subject to and following the receipt of the amount referable to Tranche 1 of the Placement Proposal (i.e., the Initial Closing as defined in the Subscription Agreement), and subject to ASX granting all necessary approvals and, for the purposes of ASX Listing Rule 17.11 and for all other purposes, the Company be removed from the official list of ASX on a date to be determined by ASX (such removal to take place no earlier than one month after this Resolution is passed) and that the Directors of the Company be authorised to do all things reasonably necessary to give effect to the removal of the Company from the official list of ASX.”

The Chair currently intends to vote all undirected proxies in favour of this Resolution.

RESOLUTION 3 – APPROVAL FOR THE COMPANY TO BE REDOMICILED FROM ISRAEL TO THE CAYMAN ISLANDS (REDOMICILE PROPOSAL)

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

“That, subject to and conditional on the passing of Resolution 1, 2, 4 and 5, and subject to and following receipt of the amount referable to Tranche 1 of the Placement Proposal (i.e., the Initial Closing as defined in the Subscription Agreement), approval is given for the Company to do all things necessary to give effect to a redomicile of the Company from Israel to the Cayman Island’s by way of a “reverse triangular merger” under the laws of Israel (including pursuant to sections 314 to 328 of the Israeli Companies Law) and to otherwise give effect to the terms of and approve the Merger Agreement, as summarised in the Explanatory Memorandum.”

The Chair currently intends to vote all undirected proxies in favour of this Resolution.

RESOLUTION 4 – APPROVAL FOR AMENDMENT OF THE COMPANY’S ARTICLES OF ASSOCIATION

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

“That, subject to and conditional on the passing of Resolution 1, 2, 3 and 4, and subject to and upon receipt of the amount referable to Tranche 1 of the Placement Proposal (i.e., the Initial Closing as defined in the Subscription Agreement), and for the purposes of section 20 of the Israeli Companies Law and for all other purposes, approval is given to the Company to replace Splitit’s Articles of Association with the Amended Articles of Association in the form attached at Annexure B of the Explanatory Memorandum (such amendments include, among other matters, the creation of the Preference Shares and an increase in the authorised share capital of the Company). The amendments to Splitit’s Articles of Association are summarised in section 8.3 of the Explanatory Memorandum.”

The Chair currently intends to vote all undirected proxies in favour of this Resolution.

RESOLUTION 5 – APPROVAL OF DIRECTOR INDEMNIFICATION & EXEMPTION LETTERS

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

“That, subject to and upon receipt of the amount referable to Tranche 1 of the Placement Proposal (i.e., the Initial Closing as defined in the Subscription Agreement), approval is given to the Company to grant indemnification and exemption to directors appointed by Motive under indemnification and exemption letters, in the form attached at Annexure C of the Explanatory Memorandum.”

The Chair currently intends to vote all undirected proxies in favour of this Resolution.

2 Ordinary business

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Report of the Company for the financial year ended 31 December 2022 including the financial statements and the auditor's report.

RESOLUTION 6 – RE-APPOINTMENT OF AUDITOR

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

*“**THAT** pursuant to and in accordance with Article 82 of the Articles of Association and for all other purposes, Ernst & Young Australia, having consented in writing to act in the capacity of auditor, be re-appointed as auditor of the Company for an additional period of up to three fiscal years commencing on 25 June 2024 on the terms and conditions in the Explanatory Memorandum.”*

The Chair currently intends to vote all undirected proxies in favour of this Resolution.

Explanatory Notes:

Article 821.1 of the Articles of Association requires the Company to appoint an auditor and such appointment shall be in force until the end of the relevant fiscal year, or for a longer period if so resolved provided that such period is no more than three (3) fiscal years. On 25 June 2021, Ernst & Young Australia (**EY Australia**) was appointed as the Company's auditor for a period of up to three (3) years commencing on 25 June 2021.

In accordance with Article 821.1 of the Articles of Association, the Company is now seeking Shareholder approval to ratify the re-appointment of EY Australia as the Company's auditor for an additional period of up to three fiscal years commencing on 25 June 2024 and authorise the Board to determine the EY Australia's remuneration. In accordance with Article 821.3 of the Articles of Association, the Board shall determine the remuneration of the auditor and report to Shareholders at on the terms of such remuneration.

Accordingly, the estimated total remuneration payable to EY Australia in respect of audit services for 2023 is AUD\$241,500. The Board notes that EY Australia's fee estimate is materially less than the estimated fees quoted by Deloitte Israel for the same audit services for 2022.

3 Other business

To transact any other business which may legally be brought before the Meeting.

Dated: 9 October 2023

By order of the Board

Charly Duffy

Director of cdPlus Corporate Services Pty Ltd

Local Agent for Splitit Payments Ltd



SPLITIT PAYMENTS LIMITED
ARBN 629 557 982

EXPLANATORY MEMORANDUM FOR TRANSACTION PROPOSAL RESOLUTIONS

*This document is an explanatory memorandum for the Transaction Proposal Resolutions contained in the Notice of Meeting for the Splitit Payments Ltd ('**Splitit**') extraordinary general meeting in respect of a Transaction Proposal involving, among other matters, a placement of Preference Shares to MCF2 SPT Aggregator, L.P. ('**Motive**') and the delisting and redomicile of Splitit.*

*This document also constitutes a prospectus under Australian law in respect of the offer to Splitit Shareholders of securities in Divide Cayman Limited (Cayman Islands incorporation number 400757). ('**Splitit Cayman**'), which is domiciled in the Cayman Islands, and the proposed parent company of the Splitit Group if the Transaction Proposal Resolutions are approved.*

Details of Meeting

Time: Monday, 13 November 2023

Date: 9:00am (Sydney time)

This is an important document and requires your immediate attention. You should read this document in full before deciding how to vote on the Transaction Proposal Resolutions. If you have any doubt as to what you should do, you should consult an independent and appropriately licensed and authorised professional adviser without delay.

Splitit Shareholders can also call the Splitit Shareholder information line on 1300 290 691 (within Australia) or +61 2 9066 4081 (outside Australia) at any time from 9.00am to 5.00pm (Sydney time) Monday to Friday (excluding Public Holidays) if they have any questions.

Important notices

Purpose of this document

This document constitutes an explanatory memorandum, and contains the notice of meeting in respect of Splitit's extraordinary general meeting. In addition to the ordinary course matters to be voted on at the extraordinary general meeting, shareholder approval will also be sought in respect of a proposed transaction involving the placement of Preference Shares by Splitit and/or Splitit Cayman to Motive, a Cayman Islands exempted limited partnership controlled or under common control by funds advised by Motive Partners (the '**Placement Proposal**'), the delisting of Splitit from ASX (the '**Delisting Proposal**'), the redomiciling of Splitit to the Cayman Islands (the '**Redomicile Proposal**') and certain other ancillary steps (the '**Ancillary Proposals**') (each a '**Proposal**' and together, the '**Transaction Proposal**'). Each resolution in respect of the Transaction Proposal ('**Transaction Proposal Resolution**') is inter-conditional on the other, such that if the requisite shareholder approval is not achieved for each Transaction Proposal Resolution, the Transaction Proposal will not proceed.

This document is also a prospectus issued by Splitit Cayman for the purposes of Chapter 6D of the Corporations Act. The offer contained in this Explanatory Memorandum is an offer to acquire Splitit Cayman Securities in exchange for the corresponding securities in Splitit (on a one for one basis) as described in this Explanatory Memorandum. The purpose of the offer is to give effect to the Redomicile Proposal. The Redomicile Proposal will take place by way of a reverse triangular merger under the laws of Israel.

The purpose of this Explanatory Memorandum is to provide Splitit Shareholders with information relevant to their decision on whether to approve the Transaction Proposal.

You should read this Explanatory Memorandum in full before deciding how to vote on the Transaction Proposal. If you have any doubt as to what you should do, you should consult an independent and appropriately licensed and authorised professional adviser without delay.

Lodgement

This Explanatory Memorandum is dated 9 October 2023 ('**Explanatory Memorandum Date**') and was lodged with ASIC on that date.

Unless otherwise indicated, all information included in this Explanatory Memorandum (including views, recommendations and statements of intention) is current as at that date.

None of ASIC, ASX or their respective officers take any responsibility for the contents of this Explanatory Memorandum or the merits of the investment to which this Explanatory Memorandum relates.

Expiry Date

This Explanatory Memorandum expires on the date that is 13 months after the Explanatory Memorandum Date. No Splitit Cayman Securities will be issued or transferred on the

basis of this Explanatory Memorandum after the Expiry Date.

Responsibility for information

Splitit is responsible for the Explanatory Memorandum other than the Splitit Cayman Information and Independent Expert's Report.

The Motive Information concerning Motive and, in some cases, Splitit Cayman has been prepared by Motive and is the responsibility of Motive.

Ernst & Young ('EY') has prepared the Independent Limited Assurance Report set out in Annexure A and takes responsibility for that report.

Not investment advice

The information provided in this Explanatory Memorandum is not financial product advice and has been prepared without taking into account any Splitit Shareholder's individual investment objectives, financial circumstances or particular needs. Accordingly, nothing in this Explanatory Memorandum should be construed as a recommendation or statement of opinion by Splitit or Splitit Cayman or any other person concerning an investment in the Splitit Group. Splitit is not licensed to provide financial product advice in respect of its securities, Splitit Cayman Securities or financial products.

This Explanatory Memorandum is important and should be read in its entirety prior to deciding whether to take up the offer for Splitit Cayman Securities. There are risks associated with an investment in Splitit Cayman Securities and some of the key risks are set out in section 4.5. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Splitit Cayman Securities. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Explanatory Memorandum or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Splitit Cayman Securities.

Except as required by law and only to the extent so required, no person named in this Explanatory Memorandum warrants or guarantees Splitit's or Splitit Cayman's performance, the repayment of capital by Splitit or Splitit Cayman or any return on investment made pursuant to this Explanatory Memorandum.

No person is authorised to give any information or to make any representation in connection with the offer to acquire Splitit Cayman Securities, other than as is contained in this Explanatory Memorandum. Any information or representation not contained in this Explanatory Memorandum should not be relied on as having been made or authorised by Splitit, Splitit Cayman, the Splitit Directors,

the Proposed Splitit Directors, or any other person in connection with the offer of Splitit Cayman Securities. You should rely only on the information in this Explanatory Memorandum.

No independent third-party has evaluated the Transaction Proposal

No independent third-party valuation firm retained by Splitit or any of its advisors evaluated or rendered any formal written opinion with respect to the purchase price of the Preference Shares being offered by Splitit to Motive in the Transaction Proposal. The price offered in connection with the Transaction Proposal was reviewed by the board in good faith based upon Splitit's current valuation at the time it agreed to the offer. The board of directors of Splitit determined that the Transaction Proposal was made in the best interest of Splitit and its shareholders and represented a fair value given the growth capital potential associated with the investment. This determination was made based upon Splitit's operating results, its financial prospects, potential future product enhancements or new lines of business, as well as possible future strategic, financing or corporate transactions and alternative or future opportunities for liquidity. As a result of the foregoing, it is possible that each existing shareholder's investment in Splitit or Splitit Cayman may in fact be worth more, or less, as a result of the Transaction Proposal.

Speculative investment

The Splitit Cayman Securities offered under the Redomicile Proposal pursuant to this Explanatory Memorandum should be considered highly speculative. There is no guarantee that the Splitit Cayman Securities offered pursuant to this Explanatory Memorandum will make a return on the capital invested, that dividends will be paid on the Splitit Cayman Securities or that there will be an increase in the value of the Splitit Cayman Securities in the future.

Splitit Shareholders should carefully consider whether the Splitit Cayman Securities offered under the Redomicile Proposal pursuant to this Explanatory Memorandum are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to section 4.5 for details relating to the key risks applicable to the Splitit business.

Privacy and personal information

Splitit may collect personal information in the process of conducting the shareholder meeting, implementing the Transaction Proposal and administering shareholdings arising from the Transaction Proposal. That personal information may include the names, addresses, other contact details and details of the shareholdings of Splitit Shareholders, and the names of individuals appointed by Splitit Shareholders as proxies, corporate representatives or attorneys.

Splitit Shareholders who are individuals, and the other individuals who have their personal information collected as outlined above, have certain rights to access the personal information collected in relation to them. Those individuals should contact the Registry on 1300 288 664 (within

Australia) or on +61 2 9698 5414 (outside Australia) on Monday to Friday (excluding Public Holidays in Australia) from 8:00am to 8:00pm (Sydney time) in the first instance if they wish to request access to that personal information.

The personal information may be disclosed to the Registry, to securities brokers, to print and mail service providers and to any other service providers and advisers engaged by Splitit for the purposes described above.

The main consequence of not collecting the personal information outlined above would be that Splitit may be hindered in, or prevented from, taking the necessary steps to implement the Transaction Proposal. Splitit Shareholders who appoint an individual as their proxy, corporate representative or attorney should inform that individual of the matters outlined above.

Foreign jurisdictions

This Explanatory Memorandum does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Other than as set out in this Explanatory Memorandum, no action has been taken to register Splitit Shares or Splitit Cayman Shares or any other Splitit Cayman Securities or otherwise permit an offering of Splitit Cayman Securities in any jurisdiction outside of Australia.

The distribution of this Explanatory Memorandum (electronically or otherwise) outside Australia may be restricted by law. If you come into possession of this Explanatory Memorandum (electronically or otherwise), you should observe any such restrictions and you should seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

The Splitit Cayman Securities to be issued pursuant to the Redomicile Proposal have not been, and will not be, registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States. The Splitit Cayman Securities to be issued pursuant to the Redomicile Proposal are, accordingly, being issued within the United States pursuant to an available exemption from the registration requirements of the US Securities Act and outside the United States in compliance with Regulation S under the US Securities Act. There will be no public offering of the Splitit Cayman Securities in the United States. The Splitit Cayman Securities may not be resold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state or local securities laws.

None of the SEC, any United States state securities commission or any other United States regulatory authority has passed comment upon, approved or disapproved, or endorsed the merits of the Transaction Proposal, Splitit Cayman Securities or the accuracy, adequacy or completeness of this Explanatory Memorandum. Any representation to the contrary is a criminal offence in the United States.

No offer or invitation to subscribe for Splitit Cayman Securities may be made to the public in the Cayman Islands.

Refer to section 8.16 for information about selling restrictions in foreign jurisdictions and section 3.4.7 for the risk that the Redomicile Proposal may not comply with all applicable foreign securities laws.

Disclaimer

No person is authorised to give any information or make any representation in connection with the Transaction Proposal which is not contained in this Explanatory Memorandum. Any information or representation not contained in this Explanatory Memorandum may not be relied on as having been authorised by Splitit or Splitit Cayman in connection with the Transaction Proposal.

Contract summaries

Summaries of contracts detailed in this Explanatory Memorandum are included for the information of Splitit Shareholders but do not purport to be complete and are qualified by the text of the contracts themselves.

Forward-looking statements

This Explanatory Memorandum includes forward-looking statements.

The forward-looking statements are based on assumptions and information known by Splitit as at the date of this Explanatory Memorandum. The forward-looking statements are provided as a general guide only and are not guarantees or predictions of future performance. Splitit believes the expectations reflected in these statements are reasonable as at the date of this Explanatory Memorandum, but acknowledges they involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Splitit, which may cause Splitit's actual results, performance and achievements to differ materially from those expressed in, or implied by, the forward-looking statements. These factors include general economic conditions in the markets that Splitit operates in, such as interest rates, inflation and foreign exchange rates, competition and the inherent regulatory risks in the businesses of the Splitit Group.

Splitit Shareholders should not place undue reliance on the forward-looking statements. To the maximum extent permitted by law, Splitit gives no representation, warranty or other assurance in connection with the currency, accuracy, reliability and completeness of the forward-looking statements, whether as a result of new information, future events or otherwise.

Past performance information

This Explanatory Memorandum contains information relating to the past performance of the Splitit Group. Past performance information may not be a reliable indicator of the performance of the Splitit Group going forward.

Up to date information

In certain circumstances, Splitit and/or Splitit Cayman (as applicable) may provide other additional disclosure to Splitit

Shareholders after the date of this Explanatory Memorandum that may be relevant to their decision on how to vote on the Transaction Proposal Resolutions. Splitit and/or Splitit Cayman (as applicable) will also issue a supplementary document to this Explanatory Memorandum if they become aware of any of the following between the date of this Explanatory Memorandum and prior to the Meeting:

- a material statement in this Explanatory Memorandum that is misleading or deceptive;
- a material omission from this Explanatory Memorandum;
- a significant change affecting a matter included in this Explanatory Memorandum; or
- a significant new circumstance that has arisen that would have been required to be included in this Explanatory Memorandum.

To the extent applicable, Splitit Shareholders should have regard to any supplemental information or document in determining how to vote on the Transaction Proposal Resolutions.

Estimates and the effects of rounding

This Explanatory Memorandum contains various references to estimates. Those estimates are forward-looking statements where the actual outcomes may be different from the estimates and the differences may be material. Additionally, a number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Explanatory Memorandum are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Explanatory Memorandum. Any discrepancies between totals in tables or financial information, or in calculations, graphs or charts are due to rounding.

Financial information

Certain financial measures included in this Explanatory Memorandum are not recognised under AAS or IFRS. These measures are collectively referred to in this Explanatory Memorandum and under ASIC Regulatory Guide 230 Disclosing Non-IFRS Financial Information as non-IFRS financial measures.

These non-IFRS financial measures do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS.

Although Splitit believes these non-IFRS financial measures provide useful information for measuring the financial performance and condition of the business, they should be considered as supplementary totals in the income statements, statements of financial position and cash flows that have been presented in accordance with the AAS and

IFRS, not as a replacement for them. Splitit Shareholders are cautioned not to place undue reliance on any non-IFRS financial measures included in this Explanatory Memorandum. Non-IFRS measures are unaudited and not reviewed by EY.

Financial amounts and currency

Monetary amounts referred to in this Explanatory Memorandum are in United States dollars (US\$) which is Splitit's functional and presentation currency unless otherwise indicated.

Photographs and diagrams

Photographs used in this Explanatory Memorandum which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Explanatory Memorandum or its contents or that the assets shown in them are owned by Splitit or Splitit Cayman. Diagrams used in this Explanatory Memorandum are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Explanatory Memorandum.

Further information

Any Splitit Shareholder requiring assistance understanding the matters in this Explanatory Memorandum can call the Splitit Shareholder Information Line on 1300 290 691 (within Australia) or on+ 61 2 9066 4081 (outside Australia) at any time from 9:00am to 5:00pm (Sydney time) Monday to Friday (excluding Public Holidays).

However, for legal reasons, the Splitit Shareholder Information Line will not provide advice on the merits of the Transaction Proposal Resolutions or the Transaction Proposal or give any financial, legal or taxation advice. If you have any doubt as to what you should do, you should consult an independent and appropriately licensed and authorised professional adviser without delay.

Handling of mail

Following the Redomicile Proposal, mail addressed to Splitit Cayman and received at its registered office will be

forwarded unopened to a forwarding address. None of Splitit Cayman, its directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address.

Definitions and abbreviations

Defined terms and abbreviations used in this Explanatory Memorandum are explained in the Glossary at the end of this Explanatory Memorandum.

References to time

Unless otherwise specified, all dates and times in this Explanatory Memorandum refer to the time in Sydney, Australia.

Regulation of Splitit and Splitit Cayman

Splitit and Splitit Cayman are not established in Australia, their general corporate activities (apart from any offering of securities in Australia and the ASX Listing Rules) are not regulated by the Corporations Act or by ASIC but instead are:

- in the case of Splitit, mainly governed by the Israeli Companies Law, 5759-1999 (the "Companies Law" or the "Israeli Companies Law"), the Ministry of Justice – Corporations Authority of the State of Israel, and applicable Israeli law; and
- in the case of Splitit Cayman, mainly governed by Cayman Companies Act of the Cayman Islands, and applicable Cayman Islands law.

The legal capacity and powers of Splitit and Splitit Cayman, the duties of their directors and the rights and obligations of Splitit Shareholders and Splitit Cayman Shareholders may be different to those that would apply under Australian law.

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Key dates in respect of the Transaction Proposal

Key dates in respect of Shareholder vote on the Transaction Proposal

| Event | Date |
|--|--|
| Explanatory Memorandum lodgement date | Monday, 9 October 2023 |
| Voting eligibility | 7:00pm (Sydney time), Wednesday 8 November 2023 |
| Time and date by which Proxy Forms must be received | 9:00am (Sydney time), Saturday 11 November 2023 |
| Time and date of Extraordinary General Meeting | 9:00am (Sydney time) on Monday, 13 November 2023 |
| Confirmation of results of Extraordinary General Meeting | Monday, 13 November 2023 |

Key dates in respect of implementation of the Transaction Proposal, assuming all of the Transaction Proposal Resolutions are approved at the Extraordinary General Meeting

| Event | Indicative date |
|---|-----------------------------|
| One month “trade-out” period during which Shareholders and listed Optionholders trade Splitit Shares and Options on ASX commences | Monday, 13 November 2023 |
| Tranche 1 of Preference Shares under the Placement Proposal are issued | Tuesday, 14 November 2023 |
| Delisting Proposal takes effect with removal of Splitit from official list of ASX | Wednesday, 13 December 2023 |
| Redomicile Proposal takes effect with Splitit Shareholders becoming securityholders of Splitit Cayman, a Cayman Islands entity | First quarter 2024 |
| Tranche 2 of Preference Shares under the Placement Proposal are issued (subject to satisfaction of conditions) | First quarter 2024 |

The dates and times for the events in respect of the Transaction Proposal referred to above are indicative only and Splitit (subject to any required consent from Motive) reserves the right to vary them in its absolute discretion. Splitit will make an announcement to the ASX if that occurs. In particular, while it is intended that Tranche 2 will occur following completion of the Redomicile Proposal (and therefore will take the form of an investment into, and issuance of shares of, Splitit Cayman), the Tranche 2 placement of Preference Shares under the Placement Proposal may take place prior to the implementation of the Redomicile Proposal if there is delay to the satisfaction of the condition precedent to the Tranche 2 placement relating to completion of the Redomicile Proposal and Motive exercises its option to proceed with the Tranche 2 placement in the absence of satisfaction of this condition.

Letter to Splitit Shareholders

Dear Splitit Shareholders

On behalf of the Splitit Board, I am pleased to provide you with this Explanatory Memorandum that contains information that you will need to consider in relation to the Transaction Proposal.

The Transaction Proposal represents a game-changing opportunity, as it secures a substantial capital infusion from Motive Partners, a distinguished fintech private equity firm with over US\$4.8 billion in total assets under management. In a challenging fundraising climate, this capital injection fortifies our financial position, enhancing our ability to attract large and sophisticated clients. This infusion of capital does not merely offer financial stability, but rather it is the catalyst to propel Splitit into the next phase of growth including greater investment into our white-label instalment platform. Motive is the ideal partner to help Splitit drive this future value creation due to its extensive payments expertise, value-additive capabilities, and deep industry relationships.

As set out below, Motive's investment is conditional upon Splitit Shareholders approving the delisting of Splitit from the ASX (the Delisting Proposal) and the redomicile of Splitit from Israel to the Cayman Islands (the Redomicile Proposal), as well as other ancillary resolutions (the Ancillary Proposals).

This Explanatory Memorandum sets out the details of the Transaction Proposal and important matters relevant to your vote including the reasons why the Splitit Board has unanimously recommended that Splitit Shareholders vote in favour of the Transaction Proposal. This Explanatory Memorandum also sets out the reasons why you may wish to vote against the Transaction Proposal.

Overview of the Transaction Proposal

Placement Proposal

If the Transaction Proposal Resolutions are approved, Motive will invest up to US\$50 million from funds advised by Motive Partners to accelerate Splitit's growth, fortify the balance sheet and support the execution of its strategic plan. Motive will make its investment in 2 separate tranches of equal proportions in exchange for the issue of Preference Shares:

- a) Tranche 1 will be provided after (and subject to, among other things) Splitit Shareholder approval being granted for each of the Transaction Proposal Resolutions; and
- b) Tranche 2 will be provided after Splitit is delisted and subject to certain conditions, the details of which are set out in sections 5.1.1 and 5.5, including the implementation of the Redomicile Proposal.

Delisting Proposal & Redomicile Proposal

Motive's investment is conditional on Splitit Shareholder approval for the Delisting Proposal and the Redomicile Proposal. Both of the Delisting Proposal and the Redomicile Proposal will impact Splitit and your shareholdings in Splitit.

The Delisting Proposal will involve Splitit being removed from the official list of entities on the ASX. It is our strong belief that delisting will improve management focus and reduce our expense burden. The delisting of Splitit is anticipated to occur one month following Splitit Shareholder approval (as set out in the Key Dates section). If you wish to sell your Shares on ASX, you will need to do so before Splitit is delisted. Following the completion of the Delisting Proposal, Splitit will no longer be subject to the ASX Listing Rules.

If you maintain ownership in Splitit upon the completion of the Delisting Proposal, Splitit has appointed PrimaryMarkets, Australia's premier private share trading platform with a global investor network of over 110,000 investors across 119 countries, to facilitate the sale of Splitit Shares. For more detail in respect of this arrangement, including its risks and limitations, see section 3.1.2(b).

The Redomicile Proposal will involve Splitit being redomiciled from Israel to the Cayman Islands. This will simplify our corporate structure, improving our ability to attract further investment and large clients. The redomicile of Splitit will be implemented by way of a reverse triangular merger under the laws of Israel. As a part of this process, Splitit Cayman will issue new securities to existing Splitit Shareholders in exchange for all of the Splitit securities held (on a one for one basis). The effect of this is that existing Splitit Shareholders will become securityholders in Splitit Cayman, the new holding company of the group, and Splitit will become a wholly owned subsidiary of Splitit Cayman.

Splitit Directors' recommendation

After carefully considering the expected advantages and potential disadvantages if the Transaction Proposal is implemented, each Splitit Director considers the Transaction Proposal to be in the best interests of Splitit Shareholders and recommends that Splitit Shareholders vote in favour of the Transaction Proposal.

In forming the view that the Transaction Proposal is in the best interests of Splitit Shareholders, and in determining to unanimously recommend the Transaction Proposal to Splitit Shareholders, your Splitit Directors have considered a range of factors.

Reasons why Splitit Shareholders may consider voting for or against the Transaction Proposal are set out in detail in sections 3.2, 3.3 and 3.4.

The Splitit Directors unanimously believe that the advantages of the Transaction Proposal proceeding outweigh the disadvantages (and risks) and as such, each Splitit Director intends to vote (or provide the voting of any Splitit Shares held or controlled by them at the time of the Shareholder Meeting) in favour of the Transaction Proposal.

Shareholder Meeting

The Transaction Proposal is conditional on each of the Transaction Proposals (the Placement Proposal, the Delisting Proposal, the Redomicile Proposal and the Ancillary Proposals) being approved by the requisite majorities of Splitit Shareholders.

The Shareholder Meeting will be held on Monday, 13 November 2023 . Further detail on how to attend and vote at the Shareholder Meeting is set out in the Notice of Meeting that this Explanatory Memorandum is annexed to.

If you have any questions about the Explanatory Memorandum, please consult an independent and appropriately licensed and authorised professional adviser.

If you require any further information in relation to the Explanatory Memorandum, please call the Splitit Shareholder information line on 1300 290 691 (within Australia) or +61 2 9066 4081 (outside Australia) at any time between 9:00am to 5:00pm (Sydney time) Monday to Friday (excluding Public Holidays).

On behalf of the Splitit Board, I would like to take this opportunity to thank you in advance for your ongoing support of Splitit. The Splitit Board believes that the Transaction Proposal is in the best interests of Shareholders and encourages you to vote in favour of the Transaction Proposal.

Yours faithfully



Dawn Robertson
Chair
Splitit Payments Limited

1 Actions for Splitit Shareholders

1.1 Carefully read this Explanatory Memorandum

You should read this Explanatory Memorandum carefully in its entirety and decide whether you support or do not support the Transaction Proposal and whether you wish to vote for or against the Transaction Proposal Resolutions at the Shareholder Meeting.

The investment overview for the Transaction Proposal is set out in section 2. Reasons why Splitit Shareholders may consider voting for or against the Transaction Proposal are set out in detail in sections 3.2 and 3.3 and key risks of the Transaction Proposal are set out in section 3.4.

If you have any questions about the Explanatory Memorandum, please consult an independent and appropriately licensed and authorised professional adviser. If you require any further information in relation to the Explanatory Memorandum, please call the Splitit Shareholder information line on 1300 290 691 (within Australia) or +61 2 9066 4081 (outside Australia) at any time between 9:00am to 5:00pm (Sydney time) Monday to Friday (excluding Public Holidays).

1.2 What should you do if you support the Transaction Proposal

If you support the Transaction Proposal, you can vote in favour of the Transaction Proposal Resolutions by attending the Shareholder Meeting online or by appointing a proxy.

Details on how to vote, and voting eligibility, are set out in the Notice of Meeting.

If the Transaction Proposal Resolutions are approved, all other conditions to the Transaction Proposal are satisfied or waived, and you hold your Splitit Shares at the time that the Redomicile Proposal becomes Effective, then you will need to follow the process in section 1.4 to receive your Splitit Cayman Shares. You will not need to make any payment in exchange for your Splitit Cayman Shares (other than any applicable tax amount).

1.3 What should you do if you do not support the Transaction Proposal

If you do not support the Transaction Proposal, then you can:

- (a) sell your Splitit Shares on ASX at any time prior to the Shareholder Meeting;
- (b) vote against the Transaction Proposal Resolutions by attending the Shareholder Meeting online or by appointing a proxy. The Transaction Proposal is conditional on each of the Transaction Proposals (the Placement Proposal, the Delisting Proposal, the Redomicile Proposal and the Ancillary Proposal) being approved by the requisite majorities of Splitit Shareholders. This means that if one Transaction Proposal is not approved by Splitit Shareholders, no other Transaction Proposal will proceed. Details on how to vote, and voting eligibility, are set out in the Notice of Meeting.

PLEASE NOTE THAT IF THE TRANSACTION PROPOSAL RESOLUTIONS ARE APPROVED AND ALL OTHER CONDITIONS TO THE TRANSACTION PROPOSAL ARE SATISFIED OR WAIVED THEN THE TRANSACTION PROPOSAL WILL PROCEED REGARDLESS OF WHETHER YOU VOTED FOR OR AGAINST THE TRANSACTION PROPOSAL;

- (c) If the Transaction Proposal is approved by Splitit Shareholders (regardless of whether you voted against any Transaction Proposal Resolution), and you do not support the Transaction Proposal, then you may:
 - (i) sell your Splitit Shares on ASX in the period between the Shareholder approval date and delisting, anticipated to be approximately one month after the shareholder approval date; and

- (ii) once Splitit is delisted from the Official List of ASX, you may also be able to privately sell your Splitit Shares through a private share trading platform, PrimaryMarkets. There is no assurance or guarantee that there will be sufficient liquidity in the platform to facilitate Splitit Shareholders being able to sell their Splitit Shares. There is also no assurance or guarantee that Splitit Cayman will keep the arrangement with PrimaryMarkets in place after implementation of the Redomicile Proposal. For more detail in respect of this arrangement, including its risks and limitations, see section 3.1.2(b).
- (d) If the Transaction Proposal Resolutions are approved by Splitit Shareholders (regardless of whether you voted against any Transaction Proposal Resolution), all other conditions to the Transaction Proposal are satisfied or waived, and you hold your Splitit Shares at the time that the Redomicile Proposal becomes Effective, then you will need to follow the process in section 1.4 to receive your Splitit Cayman Shares. You will not need to make any payment in exchange for your Splitit Cayman Shares (other than any applicable tax amount).

1.4 If the Redomicile Proposal becomes Effective, what do you need to do to receive your Splitit Cayman Shares?

From the Effective Date of the Redomicile Proposal, your Splitit Cayman Shares will be issued to an Exchange Agent, who will hold the Splitit Cayman Shares on your behalf.

In order to receive your Splitit Cayman Shares, you will need to sign and return the Letter of Transmittal, which will be provided to Splitit Shareholders by the Exchange Agent (along with any other required materials that may be required under applicable law or the tax rulings in Israel (as further described in section 5.3.6)). The Exchange Agent may require a Medallion Signature Guarantee.

The Letter of Transmittal will specify each Splitit Shareholders' entitlement to Splitit Cayman Shares and will set out the terms on which the Splitit Cayman Shares will be transferred to the Splitit Shareholder including, for applicable holders, any lockup undertaking and trust arrangement that may apply.

Once Splitit Cayman and the Exchange Agent are satisfied that legal title to the Splitit Cayman Shares can be transferred (including the provision of the Letter of Transmittal), the applicable Splitit Cayman Shares will be transferred to and registered with the Transfer Agent under the name of the Shareholder (or nominated trustee) pursuant to the Merger Tax Ruling.

The Exchange Agent will be the registered holder of the Splitit Cayman Shares until transferred to the relevant Splitit Shareholders (or their nominated trustee). How (and to what extent) Splitit Shareholders will be able to vote the Splitit Cayman Shares or otherwise exercise the rights attaching to such Splitit Cayman Shares while they are held by: (i) the Exchange Agent will be determined pursuant to terms to be agreed with the Exchange Agent which will be provided to Splitit Shareholders by the Exchange Agent with the Letter of Transmittal; and (ii) any nominated trustee will be determined pursuant to terms agreed between the Splitit Shareholder and the relevant nominated trustee. Any dividends or other distributions that are paid on the Splitit Cayman Shares will be paid to the registered legal holder of those Splitit Cayman Shares. If this is the Exchange Agent, it is anticipated that these amounts will be paid to the relevant Splitit Shareholder (or their nominated trustee) when they become the registered holder of the Splitit Cayman Shares.

If you do not comply with the instructions on how to receive your Splitit Cayman Shares (including by providing the Letter of Transmittal) by the 360th day after the Effective Date of the Redomicile Proposal, and you have not been transferred the Splitit Cayman Shares that you are entitled to, Splitit Cayman may instruct the Exchange Agent to transfer the relevant Splitit Cayman Shares to Splitit Cayman. If the relevant Splitit Cayman Shares are transferred to Splitit Cayman, you will be required to claim your Splitit Cayman Shares from Splitit Cayman. You will not be entitled to exercise any rights that attach to your Splitit Cayman Shares, or receive any dividends or other distributions, whilst your Splitit Cayman Shares are held by Splitit Cayman.

2 Investment Overview

The information below is a selective overview only. Splitit Shareholders should read this Explanatory Memorandum in full before deciding how to vote.

| Topic | Summary | Reference |
|---|--|-------------------------------|
| A. Details of the Transaction Proposal | | |
| What is the Transaction Proposal? | <p>The Transaction Proposal involves three key components or proposals:</p> <ul style="list-style-type: none"> the Placement Proposal; the Delisting Proposal; and the Redomicile Proposal. <p>The Transaction Proposal also involves certain Ancillary Proposals, including proposed amendments to the Splitit Articles of Association. The Transaction Proposal is subject to the approval of the Transaction Proposal Resolutions by Splitit Shareholders. Each Transaction Proposal Resolution is conditional on all Transaction Proposal Resolutions being approved by Splitit Shareholders, such that if one Transaction Proposal Resolution is not passed by Splitit Shareholders with the requisite majority, the Transaction Proposal will not proceed.</p> | Sections 3 and 5 |
| What is the Placement Proposal? | <p>Under the Placement Proposal, Motive (through funds advised by Motive Partners) will invest up to US\$50 million in Splitit.</p> <p>Subject to certain conditions, including Splitit Shareholder approval of both the Delisting Proposal and the Redomicile Proposal, Motive will make its investment in two separate tranches of equal proportions in exchange for the issue of up to 250,000,000 Preference Shares.</p> | Section 3.1.1 and Section 5.1 |
| Who is Motive Partners? | <p>Motive Partners is a specialist private equity firm with US\$4.8 billion of total assets under management that combines investors, operators, and innovators, focused on growth equity and buyout investments in technology-enabled financial and business services companies.</p> <p>Motive Partners targets five primary subsectors: Banking & Payments, Capital Markets, Data & Analytics, Investment Management, and Insurance. Through its in-house combination of investors, operators, and innovators, Motive Partners brings differentiated expertise, connectivity, and capabilities to its investments to create long-term value. Today, Motive Partners employs over 220 professionals and maintains offices in New York City, London, and Berlin.</p> <p>For more information, please visit motivepartners.com.</p> <p>Motive, which will be issued the Preference Shares under the Placement Proposal, is a wholly owned affiliate of Motive Partners.</p> | Section 3.1.1(b) |
| What is the Delisting Proposal? | <p>The Delisting Proposal will involve Splitit being removed from the Official List of entities that ASX has admitted (and not removed) in accordance with ASX Listing Rule 17.11.</p> | Section 3.1.2 and Section 5.2 |

| Topic | Summary | Reference |
|---|---|-------------------------------|
| What is the Redomicile Proposal? | <p>The Redomicile Proposal will involve Splitit being redomiciled from Israel to the Cayman Islands, by way of a reverse triangular merger under the laws of Israel.</p> <p>Splitit Cayman will issue new securities to existing Splitit Shareholders in exchange for being transferred all of the Splitit securities held (on a one for one basis), as applicable, with existing Splitit Shareholders becoming securityholders in Splitit Cayman, the new holding company of the group, and Splitit becoming a wholly owned subsidiary of Splitit Cayman.</p> | Section 3.1.3 and Section 5.3 |
| What are the Ancillary Proposals? | <p>The Transaction Proposal also includes ancillary components, including:</p> <ul style="list-style-type: none"> ▪ amendments to the Splitit Articles of Association, including the creation of a new class of Preference Shares; and ▪ granting indemnification and exemption letters to new members of the Board of Directors of Splitit (or Splitit Cayman) appointed by Motive. | Section 3.1.4 |
| Why is a Shareholder vote required? | <p>Each of the 3 key components of the Transaction Proposal requires Splitit Shareholder approval:</p> <ul style="list-style-type: none"> ▪ the Placement Proposal requires an ordinary resolution to approve the issuance of Preference Shares in Splitit to Motive pursuant to ASX Listing Rule 7.1 and pursuant to section 328 of the Israeli Companies Law; ▪ the Delisting Proposal requires a special resolution to approve the removal of Splitit from the Official List; and ▪ the Redomicile Proposal requires an ordinary resolution to approve the redomicile of Splitit from Israel to the Cayman Islands by way of a “reverse triangular merger” under Israeli law. <p>In addition, there are ancillary components of the Transaction Proposal (the Ancillary Proposals), which include, among other things, amendments to the Splitit Articles of Association and grants of indemnification and exemption letters to new members of the Board of Directors of Splitit (or Splitit Cayman) appointed by Motive, which require ordinary resolutions of Splitit Shareholders.</p> | Section 5.1 to 5.3 |
| Why is Splitit undertaking the Transaction Proposal and what are the potential advantages of the Transaction Proposal? | <p>The rationale for the Transaction Proposal, and reasons why you might vote in favour of it include:</p> <ul style="list-style-type: none"> ▪ the Placement Proposal will give Splitit access to significant growth capital; ▪ Splitit will receive an investment from a top-tier financial sponsor, Motive Partners; ▪ Splitit will avert a funding shortfall in the short to medium term; ▪ Splitit will have greater flexibility as a private company; ▪ Splitit considers that the business is currently undervalued and the Splitit Board believes that it is more likely to be able to raise funds in the future at a | Section 3.2 |

| Topic | Summary | Reference |
|--|---|---------------------------|
| | <p>price that is closer to the value of Splitit if the Transaction Proposal is implemented; and</p> <ul style="list-style-type: none"> the Transaction Proposal will provide optionality for existing Splitit Shareholders. <p>A more detailed description of each of these advantages of the Transaction Proposal is set out in section 3.2 of this Explanatory Memorandum.</p> | |
| What are the potential disadvantages of the Transaction Proposal? | <p>The potential disadvantages of the Transaction Proposal and reasons why you might vote against it include:</p> <ul style="list-style-type: none"> following the Delisting Proposal, Splitit will no longer be regulated as an ASX entity and you may prefer to stay invested in a listed entity; following the Redomicile Proposal, Splitit will no longer be regulated as an Israeli public company and you may not wish to be a shareholder in a private Cayman Islands company; Splitit Shareholders' ability to sell Splitit Shares (or Splitit Cayman Shares) may be diminished and ASX-listed Options will no longer be traded on the ASX; the Placement Proposal will have a diluting effect and Motive will be in a position to appoint a majority of the board of directors of Splitit and influence key operational decisions of Splitit; the Placement Proposal involves the issue of Preference Shares which may impact the returns of Shareholders upon a distribution, or an exit or insolvency of Splitit; you may disagree with the conclusion of the Splitit Board; and you may believe one or more of the risks listed in section 3.4 will occur. <p>A more detailed description of each of these disadvantages is set out in section 3.3 of this Explanatory Memorandum.</p> | Section 3.3 |
| What are the key risks associated with the Transaction Proposal? | <p>The risks associated with the Transaction Proposal include:</p> <ul style="list-style-type: none"> the conditions precedent of Tranches 1 and/or 2 of the Placement Proposal may not be satisfied; there is counterparty risk associated with the Placement Proposal; there are possible adverse tax consequences of the Transaction Proposal for Splitit Shareholders; Splitit may not receive a favourable tax ruling in Israel and the Redomicile Proposal may not proceed or may proceed on less favourable terms; Splitit may not receive a favourable tax ruling in Australia in which case certain Splitit Shareholders may make a capital gain from participating in the Redomicile Proposal; the Transaction Proposal is conditional on certain contractual consents and may give other counterparties to the Splitit Group's material | Section 3.4 and Section 7 |

| Topic | Summary | Reference |
|--|--|--------------------|
| | <p>contracts the right to terminate or renegotiate those contracts;</p> <ul style="list-style-type: none"> ▪ there are risks in relation to compliance of Redomicile Proposal with foreign securities laws and potential forced disposal of your Splitit Shares; ▪ there is a risk of a creditor objection to the Redomicile Proposal; ▪ IFRS acquisition accounting principles may be required to be applied which would significantly increase the complexity associated with the Splitit Group's financial reports; ▪ there are conditions attached to the transfer of Splitit Cayman Shares and Shareholders may not be able to exercise all of the rights that attach to Splitit Cayman Shares until they become the registered holder; ▪ Splitit Shareholders may have more difficulty protecting their interests as shareholders under Cayman law; and ▪ the Cayman Islands Economic Substance Act may affect Splitit's operations. <p>A more detailed description of each of these risks is set out in section 3.4 of this Explanatory Memorandum (and the potential disadvantages of the Transaction Proposal are also set out in section 3.3).</p> <p>Splitit Shareholders should also review the tax implications of the Transaction Proposal set out in section 7.</p> | |
| <p>What are the implications if the Transaction Proposal is not approved?</p> | <p>The implications if the Transaction Proposal (including any of the individual Transaction Proposals) is not approved and implemented include:</p> <ul style="list-style-type: none"> ▪ Splitit will not receive the up to US\$50 million equity investment; ▪ Splitit is unlikely to be able to obtain other, alternative financing on similarly favourable terms, or potentially at all, within the timeframes required (as set forth in the next bullet); and ▪ if another significant funding source is not obtained in time, Splitit is projected to breach the net tangible assets and minimum liquidity covenants under the Goldman Sachs Facility during the 2023 financial year, which would adversely affect the ability of the Splitit to continue to operate and attract further funding. <p>Subject to obtaining requisite funding, Splitit will continue to:</p> <ul style="list-style-type: none"> ▪ conduct its business and Splitit Shareholders will continue to be exposed to the risks associated with that business (as described in section 4); ▪ be listed on the official list of the ASX; ▪ be domiciled in Israel (as a public company); and ▪ incur transaction costs of approximately US\$1,500,000, which relate primarily to advisor costs up to the date of the Meeting, filing fees and | <p>Section 3.9</p> |

| Topic | Summary | Reference |
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| | Meeting costs without realising any of the benefits garnered by the successful implementation of the Transaction Proposal. | |
| What are the alternatives to the Transaction Proposal? | <p>The Board considers that given the current difficulties in the market for raising capital, it would be difficult to obtain viable, alternative funding options. In addition, any such capital raisings would likely be at a substantial discount to Splitit's enterprise value and would have a greater dilutive impact on the value of the current Splitit Shares on issue. Likely alternatives such as a complete takeover or remaining listed on the ASX while attempting to obtain funding through on-market capital raisings or private placements do not present the same holistic value to Splitit as the contemplated transaction.</p> <p>As at the date of this Explanatory Memorandum, no alternative transaction or proposal to the Transaction Proposal exists or appears likely to emerge that the Splitit Board considers to be superior to the Transaction Proposal.</p> | Section 3.5 |
| If the Placement Proposal proceeds, what rights will attach to the Preference Shares that are proposed to be issued to Motive? | A summary of the rights and liabilities attaching to the Preference Shares is set out at section 8.6.2 of this Explanatory Memorandum. | Section 8.6.2 |
| What effect will the Placement Proposal have on the control of Splitit? | <p>Motive will have the right to appoint a majority of the directors of Splitit, or Splitit Cayman upon completion of Tranche 2 of the Placement Proposal. Along with its other rights under the Subscription Agreement and Splitit (and Splitit Cayman's) Articles of Association (summarised in sections 8.3 and 8.4), this will give Motive significant influence over key operational decisions of Splitit, and Splitit Cayman (if the Redomicile Proposal is implemented).</p> <p>The existing Splitit Shares on issue will also be diluted. This is as a result of both the placement to Motive itself, as well as the issues of Preference Shares to Thorney and Perea upon conversion of the Convertible Notes as described in section 5.1.6. Motive will have voting power of approximately 29.3% as detailed in section 8.6.5.¹ Therefore, the issuance of Preference Shares will proportionately reduce the voting percentage level of each holder of ordinary Splitit Shares.</p> | Section 3.3.4(b) |
| What impact will the Placement Proposal have on the returns of Shareholders upon a distribution, or an exit or | The terms of the Preference Shares that are proposed to be issued to Motive (and which are set out in detail in section 8.6.2) would mean that, if Splitit or Splitit Cayman (if the Redomicile Proposal is implemented) declares the payment of dividends or distributions, or if Splitit Group were to become subject to an exit event (for example a public offering of Splitit or Splitit Cayman Shares or a | Section 3.3.5 |

¹ At the date of this Explanatory Memorandum, Motive does not hold any ordinary Shares. Motive remains free to trade in ordinary Shares and, if Motive were to acquire ordinary Shares via the ASX, the platform provided by PrimaryMarkets or otherwise by acquisition from another Shareholder, this would not have an additional dilutionary impact on existing Shareholders as Motive would purchase existing, already issued and outstanding Shares as opposed to purchasing newly issued ordinary Shares.

| Topic | Summary | Reference |
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| insolvency of Splitit? | <p>trade sale) or become insolvent, those Preference Shares would receive preferential treatment over ordinary Shares in Splitit or Splitit Cayman.</p> <p>This may impact the amount that Shareholders who hold ordinary Shares in Splitit may recover if a dividend or distribution is declared, or an exit were to be achieved or Splitit were to become insolvent.</p> <p>Upon the declaration of a dividend or distribution, or an exit or insolvency event, holders of Preference Shares will receive proceeds before any holders of ordinary Splitit Shares until the holders of Preference Shares achieve a liquidation preference equal to the product of two (2) multiplied by the original issuance price of such Preference Shares plus any accrued but unpaid dividends. For more detail in respect to the impact that this may have on the returns of shareholders, see section 3.3.5.</p> | |
| What impact will the Delisting Proposal have on my Splitit Shares? | <p>Following completion of the Delisting Proposal, you will no longer be able to sell your Shares in Splitit on ASX and Splitit will no longer be subject to the ASX Listing Rules. The delisting of Splitit is anticipated to occur one month following Splitit Shareholder approval (as set out in the Key Dates section). If you wish to sell your Shares on ASX, you will need to do so before Splitit is delisted.</p> <p>If you elect to retain ownership in Splitit upon completion of the Delisting Proposal or are unable to sell your shares prior to the Delisting Proposal, Splitit has appointed PrimaryMarkets, Australia's premier private share trading platform with a global investor network of over 110,000 investors across 119 countries, to facilitate the sale of Splitit Shares. There is no assurance or guarantee that there will be sufficient liquidity in the platform to facilitate Shareholders being able to sell their shares, and there is also no assurance or guarantee that Splitit Cayman will keep the arrangement with PrimaryMarkets in place after implementation of the Redomicile Proposal.</p> | Section 3.1.2 |
| What impact will the Redomicile Proposal have on my Splitit Shares? | <p>If Shareholders approve the Redomicile Proposal, and it becomes Effective, Splitit Shareholders on the Register immediately prior to the Effective Date will receive one Splitit Cayman Share or where applicable one other equivalent Splitit Cayman Security for each Splitit Share or other security they hold on the Record Date.</p> | Section 5.3.1 |
| What tax implications will the Transaction Proposal have on my investment? | <p>A high-level summary of some of the expected tax consequences for you as a result of the implementation of the Redomicile Proposal in each of the following jurisdictions is set out in section 7:</p> <ul style="list-style-type: none"> ▪ Australia ▪ Israel; and ▪ the United States. <p>Section 7 addresses the tax implications of the Redomicile Proposal only.</p> <p>Shareholders should consult their own tax advisor regarding the tax consequences to them of the transactions detailed in this Explanatory Memorandum.</p> | Section 7 |

| Topic | Summary | Reference |
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| How will the Transaction Proposal impact the way in which the Splitit Group is regulated? | <p>If the Delisting Proposal is implemented, Splitit will be removed from the Official List of entities on the ASX and Splitit will no longer be subject to the ASX Listing Rules. This means that Shareholders will not have the benefit of the protections provided by the Listing Rule requirements.</p> <p>Currently, because Splitit is incorporated in Israel, its general corporate activities (apart from any offering of securities in Australia and the ASX Listing Rules) are regulated by the Israeli Companies Law and the Ministry of Justice of the State of Israel as applicable to an Israeli public company. If the Redomicile Proposal becomes Effective, the general corporate activities of the parent company of the Splitit Group (Splitit Cayman) will be regulated by Cayman Islands law.</p> <p>A description of the principal differences between the laws and regulations concerning shares in a company incorporated in the Cayman Islands as opposed to Israel is contained in section 8.1.</p> | Sections 8.1, 5.2.2 and 5.3.7 |
| Will the Transaction Proposal cause a material change in Splitit's underlying business? | <p>If the Transaction Proposal is implemented, Splitit Shareholders will continue to invest in the same underlying business. The only material change to the business will be that the Splitit Group will no longer be listed on ASX and the domicile of Shareholders' interest in the Splitit Group will be changed from Israel to the Cayman Islands. The consequences of this change are primarily legal (as opposed to operational or financial). These legal consequences are outlined in section 5.2 and 8.1.</p> | Sections 4, 5.1.3, 5.2.2 and 8.1 |
| What are the key dates for the Transaction Proposal? | <p>It is anticipated that if the Transaction Proposal Resolutions are approved by Splitit Shareholders (and subject to the satisfaction of certain other conditions):</p> <ul style="list-style-type: none"> ▪ Tranche 1 of Preference Shares under the Placement Proposal will be issued on Tuesday, 14 November 2023 ▪ The Delisting Proposal will take effect with removal of Splitit from official list of ASX on Wednesday, 13 December 2023 ▪ The Redomicile Proposal is expected to take effect with Splitit Shareholders becoming securityholders of Splitit Cayman, a Cayman Islands entity in the first quarter of 2024 ▪ Tranche 2 of Preference Shares under the Placement Proposal is expected to be issued in the first quarter of 2024 <p>The dates and times for the events in respect of the Transaction Proposal referred to above are indicative only. For more detail in respect of the key dates, see the Key Dates section.</p> | Key Dates Section |
| What should you do next? | <p>You should read this Explanatory Memorandum carefully in its entirety and then vote by attending the Shareholder Meeting online or by appointing a proxy. Details on how to vote, and voting eligibility, are set out in the Notice of Meeting. If you have any questions about the Explanatory Memorandum, please consult an independent and appropriately licensed and authorised</p> | Section 1 |

| Topic | Summary | Reference |
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| | <p>professional adviser. If you require any further information in relation to the Explanatory Memorandum, please call the Splitit Shareholder information line on 1300 290 691 (within Australia) or +61 2 9066 4081 (outside Australia) at any time between 9:00am to 5:00pm (Sydney time) Monday to Friday (excluding Public Holidays).</p> <p>If you support the Transaction Proposal, you can vote in favour of the Transaction Proposal Resolutions by attending the Shareholder Meeting online or by appointing a proxy.</p> <p>If you do not support the Transaction Proposal, then you can sell your shares on the ASX at any time prior to the Shareholder Meeting or vote against the Transactional Proposal Resolutions by attending the Shareholder Meeting online or by appointing a proxy.</p> <p>If the Transaction Proposal is approved by Splitit Shareholders, and you do not support the Transaction Proposal, then you may sell your Splitit Shares on ASX in the period between the Shareholder approval date and one month after that date. Once Splitit is delisted from the Official List of ASX, you may also be able to sell your Splitit Shares through a private share trading platform, PrimaryMarkets. More detail in relation to this facility is set out at section 3.1.2(b).</p> | |
| B. About the Splitit Group | | |
| Who is the Splitit Group? | <p>The Splitit Group commenced operations in 2012 following the grant of patents in the United States. Splitit was established on the premise that customers prefer to “buy now and pay later” however do not want to apply for additional lines of credit, fill out lengthy application forms or undertake further credit checks in order to do so.</p> <p>If the Redomicile Proposal is implemented, Splitit Cayman will become the parent company of the Splitit Group.</p> | Section 4.1.1 |
| What does the Splitit Group do? | <p>Splitit provides a credit card based instalment solution to merchants, acquirers and issuers that can be fully integrated into a merchant’s payment system.</p> <p>As at the date of this Explanatory Memorandum Splitit has a global footprint of more than 1,000 merchants in 25 countries. For the 2022 financial year Splitit delivered Merchant Sales Volume (MSV) of US\$431 million, and revenues of US\$10.6 million. In Splitit’s most recent reporting period, for the six months ended 30 June 2023, MSV grew by 27%, and revenue grew by 15%.</p> | Section 4.1.1 |
| How does the Splitit Group generate revenue? | <p>The Splitit Group’s main source of revenue is derived from transaction fees paid by its merchant clients in relation to customers who utilise the Splitit Payment Platform on their website or in-store.</p> | Section 4.1.5 |
| What are the key strengths and prospects of the Splitit Business? | <p>Key strengths of the Splitit Business include:</p> <ul style="list-style-type: none"> ▪ the benefits it provides both merchants and end-customers; ▪ the scalability of Splitit’s business model; | Section 4.2 |

| Topic | Summary | Reference |
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| | <ul style="list-style-type: none"> ▪ the risk conscious approach taken by the Splitit Business; ▪ Splitit does not focus on providing its services to the end-customer – it focuses on merchant clients; ▪ Splitit has a strong marketing position, growth and momentum; ▪ Splitit's commitment to preserving its distinctive offering, which is a non-lending instalment technology that refrains from imposing late fees, interest, or any other charges on end-customers; and ▪ Splitit's management team, led by Managing Director and CEO, Nandan Sheth, has significant experience in the payments, technology, e-commerce and financial services sector. <p>Assuming that the Transaction Proposal is approved, Splitit's outlook for growth and profitability remains strong. The continuous addition of new large merchants and strategic partnerships is significantly contributing to the MSV, which is expected to lead to continued YOY topline growth, as more partnerships and merchants expand their operations.</p> | |
| What are the key risks to the Splitit Business? | <p>The specific risks which currently apply to the Splitit Business include:</p> <ul style="list-style-type: none"> ▪ failure to scale the business and gain market share; ▪ liquidity and funding risks; ▪ laws and regulations may adversely affect the Splitit Group's business and operations; ▪ failures or disruptions to the Splitit Platform, banking systems and technology may adversely impact Splitit's operations, financial performance and reputation; ▪ unprecedented transaction volumes may cause interruptions to Splitit's systems and technology and these factors may potentially adversely impact Splitit's financial performance; ▪ potential inability of the Splitit technology to integrate with various merchant platforms; ▪ Splitit technology may be superseded by other technology; ▪ measures taken by Splitit may not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information which could materially adversely impact the Splitit's financial performance and reputation; ▪ unauthorised use or copying of Splitit's software, data, technology or platforms may adversely impact Splitit's financial position and performance; ▪ the loss of key management personnel, or any delay in their replacement, may adversely affect Splitit's future financial performance; ▪ new entrants may enter the market, which may disrupt Splitit's business and existing market share; | <p>Section 4.5</p> |

| Topic | Summary | Reference |
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| | <ul style="list-style-type: none"> ▪ material transactions may not be consummated or, if consummated, may have a material adverse effect on the Splitit Business; ▪ the value of a shareholder's investment in Splitit may not reflect Splitit's operating performance; ▪ exposure to credit risk, including merchant default risk and shopper default risk; ▪ changes in the exchange rate between the US dollar and any other currencies would be expected to have a direct effect on the performance of Splitit; ▪ macroeconomic factors may impact Splitit's ability to generate revenue; ▪ Splitit may be subject to litigation and other claims and disputes in the ordinary course of business, including contractual disputes, employment disputes, indemnity claims, and occupational and personal claims as well as fraud related litigation; and ▪ unforeseen issues or events may adversely impact Splitit's reputation. <p>A more detailed description of these specific risks, as well as a description of general risks, is set out in section 4.5 of this Explanatory Memorandum.</p> <p>These specific and general risks will continue to apply to the Splitit Group after the Transaction Proposal is implemented.</p> <p>For risks in respect of the Transaction Proposal specifically, see section 3.4.</p> | |
| Who are the Splitit Directors and Proposed Splitit Directors? | <p>As at the date of this Explanatory Memorandum, Dawn Robertson, Thierry Denis, Jan Koelble, Vanessa LeFebvre, Scott Mahoney, Nandan Sheth and Dan Charron are the directors of Splitit.</p> <p>Following the time that Tranche 1 of the Placement Proposal becomes effective, Motive will be entitled to appoint three (3) out of the seven (7) total directors of Splitit. The board of directors will be comprised of the following individuals:</p> <ul style="list-style-type: none"> ▪ Nandan Sheth (non-Motive director); ▪ Dawn Robertson (non-Motive director); ▪ Thierry Denis (non-Motive director and external director); ▪ Scott Mahoney (non-Motive director and external director); ▪ Blythe Masters (Motive director); and ▪ two Motive directors to be appointed by Motive in its sole discretion. Motive has yet to determine its second and third nominees to the Splitit Board. <p>Biographical information as to these proposed new board members is set out in section 4.6.2 of this Explanatory Memorandum.</p> <p>If the Transaction Proposal is approved, and Tranche 2 of the Placement Proposal becomes effective prior to the Redomicile Proposal becoming effective, Motive will be</p> | <p>Section 4.6.1</p> |

| Topic | Summary | Reference |
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| | <p>entitled to appoint at least a majority of the directors of the board of Splitit.</p> <p>If Tranche 2 of the Placement Proposal becomes effective following the Redomicile Proposal becoming effective, Motive will be entitled to appoint at least a majority of the directors of the board of Splitit Cayman.</p> <p>The composition of the board of Splitit or Splitit Cayman, as applicable, remains subject to the continued review and analysis by Motive and Splitit, and may change in accordance with the Splitit Articles of Association or the Splitit Cayman Articles of Association, as applicable.</p> <p>As at the date of this Explanatory Memorandum no decision has been made as to which non-Motive appointed Splitit Director will be replaced by a Motive appointed Proposed Splitit Director following completion of Tranche 2 of the Placement Proposal.</p> | |
| Who are the Splitit Cayman Directors and Proposed Splitit Cayman Directors? | <p>As at the date of this Explanatory Memorandum, Splitit Cayman has two directors, being Nandan Sheth and Dawn Robertson.</p> <p>Under the Redomicile Proposal, all Splitit Directors immediately prior to the Redomicile Implementation Date will become directors of Splitit Cayman.</p> <p>Following implementation of the Redomicile Proposal, Motive shall have the right to appoint a majority of the board of directors of Splitit Cayman. The composition of the board of Splitit Cayman will remain subject to the continued review and analysis by Motive and Splitit Cayman.</p> | Section 4.6.2 |
| Who are the key management personnel of Splitit and Splitit Cayman? | <p>As at the date of this Explanatory Memorandum, the senior management team of Splitit is as follows:</p> <ul style="list-style-type: none"> ▪ Nandan Sheth, Chief Executive Officer; ▪ Ben Malone, Chief Financial Officer;² ▪ Omri Flicker, Chief Legal & Risk Officer; ▪ Collin Flotta, Head of Product; ▪ Ran Landau, Chief Technology Officer; ▪ Colin Mellon, Head of Sales; and ▪ Lyndal Newman, Head of Marketing. <p>There may be changes to the senior management team of Splitit from the time that the Placement Proposal becomes effective and prior to the Redomicile Proposal taking effect. Any changes to senior management remain subject to the ongoing review and analysis of the directors.</p> <p>Under the Redomicile Proposal, other than Ben Malone, all Splitit senior management immediately prior to the Redomicile Implementation Date are expected to serve as senior management of Splitit Cayman.</p> | Section 4.6.1(c) and 4.6.2 |

² Ben Malone has resigned from his position as CFO and will depart in January 2024. This is, in part, because Ben is located in Australia and Splitit primarily operates in the United States and is expected to be delisted and redomiciled to the Cayman Islands if the Transaction Proposal proceeds, so jurisdictional expertise in Australia is no longer necessary. A new, non-Australian based CFO is expected to be appointed in due course.

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| | However, following the implementation of the Redomicile Proposal, any changes to senior management will remain subject to the ongoing review and analysis of Splitit Cayman. | | | | | |
| What interests do Splitit Directors and Proposed Splitit Directors have in Splitit and the Transaction Proposal? | The number of Splitit Shares, Performance Rights and Options held (directly or indirectly) by each Splitit Director or Proposed Splitit Director as at the date of this Explanatory Memorandum is set out in the following table: | Section 8.7 | | | | |
| | <table><tr><th>Director</th><th>Number of Splitit Shares held³</th><th>Number of Performance Rights held</th><th>Number of Options held</th></tr></table> | | Director | Number of Splitit Shares held ³ | Number of Performance Rights held | Number of Options held |
| | Director | | Number of Splitit Shares held ³ | Number of Performance Rights held | Number of Options held | |
| | Splitit Directors as at the date of this Explanatory Memorandum | | | | | |
| | Nandan Sheth | | 9,571,469 | 26,247,037 | 900,000 | |
| | Dawn Robertson | | 1,200,000 | 0 | 754,480 | |
| | Thierry Denis | | 1,509,890 | 0 | 337,954 | |
| | Jan Koelble | | 499,000 | 0 | 281,818 | |
| | Vanessa LeFebvre | | 400,000 | 0 | 1,290,909 | |
| | Scott Mahoney | | 0 | 0 | 1,090,909 | |
| | Dan Charron | | 1,000,000 | 0 | 1,500,000 | |
| | Proposed Splitit Directors as at the date of this Explanatory Memorandum | | | | | |
| | Blythe Masters | | 0 | 0 | 0 | |
| | Total | | 14,180,359 of 553,284,030 (2.6%) | 26,247,037 of 49,693,905 (52.8%) | 6,156,070 of 49,693,905 (12.4%) | |
| | No Splitit Director or Proposed Splitit Director holds any other securities of Splitit or has an interest in the Transaction Proposal other than as a Splitit Shareholder as set out above. Each Splitit Director and Proposed Splitit Director will be entitled to vote on the Transaction Proposal Resolutions and participate in the Redomicile Proposal in respect of the Splitit Shares referred to above. Each Splitit Director and Proposed Splitit Director | | | | | |

³ Splitit Shares in which the Splitit Directors or Proposed Splitit Cayman Directors do not have a relevant interest, including Splitit Shares held by the Splitit Directors' or Proposed Splitit Cayman Directors' related parties (including relatives), are excluded.

| Topic | Summary | Reference |
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| | <p>intends to vote any Splitit Shares held or controlled by them in favour of the Transaction Proposal Resolutions. As at the date of this Explanatory Memorandum, the Splitit Directors and Proposed Splitit Directors own or control in aggregate 2.6% of the Splitit Shares on issue.</p> <p>On implementation of the Redomicile Proposal, the Shares held by Splitit Directors will become shares in Splitit Cayman, and it is not expected that the interests of any Splitit Directors or Proposed Splitit Directors in Splitit (or Splitit Cayman, as appropriate) will change from those set out above as a result of the Redomicile Proposal (or the Transaction Proposal as a whole).</p> | |
| C. Meeting details, voting and approval thresholds | | |
| When and where will the Meeting be held? | The Shareholder Meeting will be held on Monday 13 November at 9:00am (Sydney time). The Meeting will be streamed live via webcast for Splitit Shareholders to view and participate. | See Notice of Meeting |
| Who is eligible to vote at the Meeting? | The Directors have determined pursuant to Article 23 of the Splitit Articles of Association that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm on Wednesday, 8 November 2023. | See Notice of Meeting |
| What voting majority is required for the Transaction Proposal Resolutions? | <p>Each of the Placement Proposal, the Redomicile Proposal and the Ancillary Proposals will require Splitit Shareholder approval by way of ordinary resolutions (a simple majority of votes cast in favour of each of these resolutions).</p> <p>The Delisting Proposal will require Shareholder approval by way of a special resolution (75% of votes cast in favour of the Delisting Proposal resolution).</p> <p>Each Transaction Proposal Resolution is conditional on all Transaction Proposal Resolutions being approved by Splitit Shareholders.</p> | Section 5 |
| How do I vote? | <p>Shareholders will not be able to attend or vote at the Meeting in person. The Meeting will be streamed live via webcast for Shareholders and Shareholders will be able to vote online in real time.</p> <p>Shareholders are also entitled to appoint a proxy to vote on their behalf.</p> | See Notice of Meeting |
| What happens if any of the Transaction Proposal Resolutions are not approved? | <p>Each Transaction Proposal Resolution is conditional on all Transaction Proposal Resolutions being approved by Splitit Shareholders, such that if one Transaction Proposal Resolution is not passed by Splitit Shareholders with the requisite majority (the details of which are set out in section 5), then the Transaction Proposal will not proceed.</p> <p>Shareholders will vote on each of the Transaction Proposal Resolutions at the Meeting or by proxy, as set out in the Notice of Meeting (to which this Explanatory Memorandum is annexed).</p> | Section 5 |

| Topic | Summary | Reference |
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| D. Implementation of the Transaction Proposal and other matters | | |
| What conditions need to be satisfied for the Transaction Proposal to be implemented? | The Transaction Proposal is subject to various conditions precedent. A summary of the conditions to each of the Transaction Proposals is set out at section 5.5. | Section 5.5 |
| When will the Placement Proposal be implemented? | <p>Tranche 1 of the Placement Proposal will be implemented after (and subject to, among other things) Splitit Shareholder approval being granted for the Transaction Proposal.</p> <p>In addition to the conditions precedent set out in the Subscription Agreement (and summarised in section 5.5), Tranche 2 of the Placement Proposal becoming effective is subject to either of Motive exercising its “put” option (in its sole discretion) or Splitit delivering a notice pursuant to the Subscription Agreement evidencing satisfaction of certain performance targets for the calendar year of 2023. As at the date of this Explanatory Memorandum, it is intended that Tranche 2 will occur following completion of the Redomicile Proposal.</p> | Section 5.5 and section 8.2.1 |
| What will happen if the Placement Proposal does not proceed? | If the Placement Proposal does not proceed, then the Transaction Proposal will not proceed. This is because both the Delisting Proposal and the Redomicile Proposal are conditional on Tranche 1 of the Placement Proposal having occurred. | Section 5.5 |
| When will the Delisting Proposal be implemented? | If the Transaction Proposal is approved, Delisting Conditions are satisfied, and Tranche 1 of the Placement Proposal has occurred, the Delisting Date will be no earlier than one month after the date Shareholder approval is obtained. The Key Dates section sets out the indicative dates on which Splitit expects to be suspended from trading and delisted from the official list of ASX. These dates are indicative only and may change. After the Meeting, an announcement will be made to ASX confirming the applicable dates for the delisting process. | Section 5.2.1 |
| Can I trade my shares after the Delisting Proposal is implemented? | <p>Following completion of the Delisting Proposal, you will no longer be able to sell your Shares in Splitit on ASX and Splitit will no longer be subject to the ASX Listing Rules.</p> <p>Once Splitit is delisted from the Official List of ASX, you may also be able to sell your Splitit Shares through a private share trading platform, PrimaryMarkets. There is no assurance or guarantee that there will be sufficient liquidity in the platform to facilitate Shareholders being able to sell their shares. There is also no assurance or guarantee that Splitit Cayman will keep the arrangement with PrimaryMarkets in place after implementation of the Redomicile Proposal.</p> <p>More detail in relation to this facility is set out at section 3.1.3(b).</p> | Sections 3.1.2, 3.1.3(b) and 5.2.2 |
| What happens if the Delisting Proposal does not proceed? | If the Delisting Proposal does not occur, Tranche 2 of the Placement Proposal will not occur, the Redomicile Proposal will not occur and Splitit will continue to be listed on ASX. | Section 3.9 |

| Topic | Summary | Reference |
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| How and when is the Redomicile Proposal being implemented? | <p>The Redomicile Proposal will be implemented by way of a reverse triangular merger under Israeli law.</p> <p>Subject to certain conditions, including the approval of the reverse triangular merger in accordance with the laws of Israel, each Splitit Shareholder will receive, on the Effective Date, one Splitit Cayman Security for each Splitit Security.</p> <p>The implementation of the Redomicile Proposal is also conditional on and will not occur until Splitit receives certain tax ruling(s) in Israel (unless waived by the Splitit Cayman), which may not be received for several months post the Shareholder approval and implementation of the Delisting Proposal.</p> | Section 5.3 |
| Who is eligible to participate in the Redomicile Proposal? | <p>Shareholders of Splitit whose addresses are shown in the register on the Record Date for the Redomicile Proposal are eligible to participate in the Redomicile Proposal.</p> <p>Although Splitit and Motive have no current intention to do so, they reserve the right in connection with the Redomicile Proposal to cash out, at fair market value as determined by the Splitit Directors, Splitit Shares held by Splitit Shareholders in any jurisdiction in which it is determined to be unlawful to offer Splitit Cayman Shares. In that case, these Splitit Shareholders would cease to hold any interest in the Splitit Group.</p> <p>For more detail in respect of the risk in relation to compliance of the Redomicile Proposal with foreign securities law, see section 3.4.7.</p> | Section 8.16(a) |
| What are the terms on which the Exchange Agent holds my Splitit Shares following the implementation of the Redomicile Proposal? | <p>From the Effective Date of the Redomicile Proposal, your Splitit Cayman Shares will be issued to an Exchange Agent, who will hold the Splitit Cayman Shares on your behalf. The Exchange Agent will be the registered holder of the Splitit Cayman Shares until transferred to the relevant Shareholders (or their nominated trustee). Once Splitit Cayman and the Exchange Agent are satisfied that legal title to the Splitit Cayman Shares can be transferred, the applicable Splitit Cayman Shares will be transferred to and registered with the transfer agent under the name of the Shareholder (or nominated trustee) pursuant to the Merger Tax Ruling.</p> <p>How (and to what extent) Splitit Shareholders will be able to vote the Splitit Cayman Shares or otherwise exercise the rights attaching to Splitit Cayman Shares while they are held by: (i) the Exchange Agent will be determined pursuant to terms to be agreed with the Exchange Agent which will be provided to Splitit Shareholders by the Exchange Agent with the Letter of Transmittal; and (ii) any nominated trustee will be determined pursuant to terms agreed between the Splitit Shareholder and the relevant nominated trustee.</p> <p>Any dividends or other distributions that are paid on the Splitit Cayman Shares will be paid to the registered legal holder of those Splitit Cayman Shares. If this is the Exchange Agent, it is anticipated that these amounts will be paid to the relevant Splitit Shareholder (or their nominated trustee) when they become the registered holder of the Splitit Cayman Shares.</p> | Section 1.4 and 5.3.1 |

| Topic | Summary | Reference |
|---|--|----------------------|
| <p>What do I need to do to receive Splitit Cayman Shares?</p> | <p>In order receive your Splitit Cayman Shares, you will need to sign and return the Letter of Transmittal, which will be provided to Shareholders by the Exchange Agent (along with any other required materials that may be required under applicable law or the tax rulings in Israel (as further described in section 5.3.6)). The Exchange Agent may require a Medallion Signature Guarantee.</p> <p>The Letter of Transmittal will specify each Splitit Shareholders' entitlement to Splitit Cayman Shares and will set out the terms on which the Splitit Cayman Shares will be transferred to the Splitit Shareholder including, for applicable holders, any lockup undertaking and trust arrangement that may apply.</p> <p>Once Splitit Cayman and the Exchange Agent are satisfied that legal title to the Splitit Cayman Shares can be transferred (including that the Letter of Transmittal has been provided), the applicable Splitit Cayman Shares will be transferred to and registered with the transfer agent under the name of the Shareholder (or nominated trustee) pursuant to the Merger Tax Ruling.</p> <p>The Exchange Agent will be the registered holder of the Splitit Cayman Shares until transferred to the relevant Splitit Shareholders (or their nominated trustee). How (and to what extent) Splitit Shareholders will be able to vote the Splitit Cayman Shares or otherwise exercise the rights attaching to such Splitit Cayman Shares while they are held by: (i) the Exchange Agent will be determined pursuant to terms to be agreed with the Exchange Agent which will be provided to Splitit Shareholders by the Exchange Agent with the Letter of Transmittal; and (ii) any nominated trustee will be determined pursuant to terms agreed between the Splitit Shareholder and the relevant nominated trustee.. Any dividends or other distributions that are paid on the Splitit Cayman Shares will be paid to the registered legal holder of those Splitit Cayman Shares. If this is the Exchange Agent, it is anticipated that these amounts will be paid to the relevant Splitit Shareholder (or their nominated trustee) when they become the registered holder of the Splitit Cayman Shares.</p> <p>If you do not comply with the instructions on how to receive your Splitit Cayman Shares (including by providing the Letter of Transmittal) by the 360th day after the Effective Date of the Redomicile Proposal, and you have not been transferred the Splitit Cayman Shares that you are entitled to, Splitit Cayman may instruct the Exchange Agent to transfer the relevant Splitit Cayman Shares to Splitit Cayman. Splitit Cayman will hold such Splitit Cayman Shares on your behalf (on the substantially the same terms as your Splitit Cayman Shares were held by the Exchange Agent) and you will be entitled to claim your Splitit Cayman Shares from Splitit Cayman (in place of the Exchange Agent), subject to satisfying the conditions described above.</p> | <p>Section 1</p> |
| <p>What happens if the Redomicile Proposal does not proceed?</p> | <p>If the Redomicile Proposal does not proceed, Splitit will continue to be domiciled in Israel and you will continue to hold your Splitit Shares.</p> | <p>Section 5.3.1</p> |

| Topic | Summary | Reference |
|-------|---|-----------|
| | Both the Delisting Proposal and the Placement Proposal are capable of proceeding in the event that the Redomicile Proposal is not implemented (such as if certain conditions of the Redomicile Proposal are not met). | |

3 Overview of the Transaction Proposal

3.1 Overview of the Transaction Proposal

The Transaction Proposal involves three key components or proposals:

- (a) the Placement Proposal;
- (b) the Delisting Proposal; and
- (c) the Redomicile Proposal.

The Transaction Proposal also involves certain ancillary components or proposals (Ancillary Proposals), including proposed amendments to the Splitit Articles of Association. Each Transaction Proposal Resolution is conditional on all Transaction Proposal Resolutions being approved by Splitit Shareholders, such that if one Transaction Proposal Resolution is not passed by Splitit Shareholders with the requisite majority (the details of which are set out in section 5), then the Transaction Proposal will not proceed. Shareholders will vote on each of the Transaction Proposal Resolutions at the Meeting or by proxy, as set out in the Notice of Meeting (to which this Explanatory Memorandum is annexed).

As announced to ASX on 16 August 2023, the key driver of the Transaction Proposal is the substantial equity injection that will be provided by Motive into the Splitit Business by way of a placement of Preference Shares (the Placement Proposal). The Placement Proposal is conditional on, and subject to, Shareholders approving the Delisting Proposal, the Redomicile Proposal and the Ancillary Proposals (further details of the terms of the Subscription Agreement governing the Placement Proposal are set out at section 8.2.1).

As described in section 5, the Delisting Proposal will take place in accordance with processes prescribed by Australian law and regulations, and the Placement Proposal and Redomicile Proposal will take place in accordance with the processes that are prescribed by Israeli law and regulations (the jurisdiction that Splitit is currently governed by) and in compliance with any Australian and Cayman Islands legal requirements that apply to those processes.

3.1.1 Placement Proposal

(a) Placement of Preference Shares

Under the Placement Proposal, Motive, through funds advised by Motive Partners, will invest up to US\$50 million to accelerate Splitit's growth and support the execution of its strategic plan. Subject to certain conditions, including Splitit shareholder approval of both the Delisting Proposal and the Redomicile Proposal, Motive will make its investment in 2 separate tranches of equal proportions in exchange for the issue of Preference Shares:

- (i) Tranche 1 will be provided after (and subject to, among other things) Splitit Shareholder approval being granted for the Transaction Proposal, including for the issue of Preference Shares to Motive pursuant to ASX Listing Rule 7.1 and pursuant to section 328 of the Israeli Companies Law; and
- (ii) Tranche 2 will be provided after Splitit is delisted and subject to certain conditions, the details of which are set out in section 5.1.1.

If Tranche 1 of Preference Shares is issued, Motive will have the right to appoint 3 of 7 directors, and if both tranches of Preference Shares are issued, Motive will have the right to appoint a majority of directors, in each case, to the board of directors of Splitit or Splitit Cayman (after the Redomicile Proposal is implemented).

More details of the terms of the Placement, including the Preference Shares which will be issued to Motive, and the process by which the Placement Proposal will occur, are set out in sections 5.1, 5.5 and 8.2.1.

(b) Who is Motive Partners?

Motive Partners is a specialist private equity firm with US\$4.8 billion of total assets under management that combines investors, operators, and innovators, focused on growth equity and buyout investments in technology-enabled financial and business services companies. Motive Partners targets five primary subsectors: Banking & Payments, Capital Markets, Data & Analytics, Investment Management, and Insurance. Through its in-house combination of investors, operators, and innovators, Motive Partners brings differentiated expertise, connectivity, and capabilities to its investments to create long-term value. Today, Motive Partners employs over 220 professionals and maintains offices in New York City, London, and Berlin.

For more information, please visit motivepartners.com.

Motive, which will be issued the Preference Shares under the Placement Proposal, is a wholly owned affiliate of Motive Partners.

3.1.2 Delisting Proposal

(a) Removal from official list of ASX

The Delisting Proposal will involve Splitit being removed from the official list of entities that ASX has admitted (and not removed) in accordance with ASX Listing Rule 17.11. Splitit has received confirmation from ASX that it will delist Splitit, subject to compliance with the conditions set out in section 5.2. If the Transaction Proposal Resolutions are approved by Splitit Shareholders, the delisting of Splitit will occur one month following that approval (as set out in the Key Dates section). If you wish to sell your Shares on ASX, you will need to do so before Splitit is delisted. Following the completion of the Delisting Proposal, you will no longer be able to sell your Shares in Splitit on ASX and Splitit will no longer be subject to the ASX Listing Rules.

More details of the process by which the Delisting Proposal will occur are set out in section 5.2.

(b) Ability to sell Splitit Shares after Delisting Proposal

To the extent Splitit Shareholders elect to retain ownership in Splitit as a private company upon the completion of the Delisting or are unable to sell their shares prior to the Delisting, Splitit has appointed PrimaryMarkets, Australia's premier private share trading platform with a global investor network of over 110,000 investors across 119 countries, to facilitate the sale of Splitit Shares. Under this arrangement, Splitit Shareholders may be able to sell their shares on PrimaryMarkets' trading platform following Delisting. Nonetheless, there is no assurance or guarantee that there will be sufficient liquidity in the platform to facilitate Shareholders being able to sell their shares. There is also no assurance or guarantee that Splitit Cayman will keep the arrangement with PrimaryMarkets in place after implementation of the Redomicile Proposal. Further details on the PrimaryMarkets platform, including a product demonstration session, will be provided upon the receipt of requisite shareholder approvals at the Meeting via Splitit's website.

Splitit has also appointed PrimaryMarkets to provide registry services following implementation of the Delisting Proposal.

3.1.3 Redomicile Proposal

(a) Redomicile to Cayman Islands

The Redomicile Proposal will involve Splitit being redomiciled from Israel to the Cayman Islands. The Redomicile Proposal will be implemented by way of a reverse triangular merger under the laws of Israel, whereby an Israeli subsidiary of a newly formed entity incorporated in the Cayman Islands, being Splitit Cayman will merge with and into Splitit, with Splitit surviving as a wholly-owned subsidiary of Splitit Cayman. Splitit Cayman will issue new securities to existing Splitit Shareholders in exchange for being transferred all of their Splitit securities (on a one for one basis) with existing Shareholders becoming securityholders in Splitit Cayman. This requires an ordinary resolution of Splitit Shareholders under the laws of Israel.

The Redomicile Proposal constitutes an offer of securities in Splitit Cayman under Australian law, and for this reason, Splitit Cayman and Splitit have set out the disclosures that are relevant for Australian law purposes in respect of that offer in this Explanatory Memorandum.

More details of the process by which the Redomicile Proposal will occur are set out in section 5.3.

(b) Who is Splitit Cayman?

Splitit Cayman is an exempted company incorporated under the laws of the Cayman Islands, and incorporated solely for the purposes of undertaking the Redomicile Proposal. As at the date of this Explanatory Memorandum, it has no assets or liabilities other than immaterial obligations or liabilities that are incidental to its formation. As at the date of this Explanatory Memorandum, Splitit Cayman has not conducted any business or engaged in any activities other than in connection with the Redomicile Proposal.

At the date of this Explanatory Memorandum, the nominal shareholding of Splitit Cayman is held by Motive. At completion of the Redomicile Proposal, this outstanding share capital of Splitit Cayman, as held premerger, will be cancelled, so that the ownership of Splitit Cayman will reflect the ownership of Splitit immediately prior to the Redomicile Proposal becoming Effective.

The Proposed Splitit Directors which are proposed to sit on the Board of Splitit Cayman are set out in section 4.6.2.

3.1.4 Ancillary Proposals

The Transaction Proposal also includes various ancillary components that are proposed to occur as a part of the delisting and redomiciling of Splitit and the substantial equity placement of Motive. These Ancillary Proposals include:

- (a) amendments to the Splitit Articles of Association, including the creation of a new class of Preference Shares; and
- (b) granting indemnification and exemption letters to new members of the Board of Directors of Splitit (or Splitit Cayman) appointed by Motive.

3.2 Advantages and reasons why you might vote for the Transaction Proposal

3.2.1 Access to significant growth capital

Amidst a difficult fundraising environment and after considering strategic alternatives, Splitit has secured a substantial investment of up to US\$50 million that (if the relevant conditions precedent are satisfied or waived) will significantly strengthen Splitit's capital position and

accelerate its ability to attract large and sophisticated clients, develop strategic partnerships, and invest behind its innovative white-label technology platform.

3.2.2 Investment from a top-tier financial sponsor

Motive Partners, a global specialist private equity firm exclusively focused on financial technology, has a strong history of investing in market leading companies and accelerating value creation through its unique in-house technology innovation capabilities, roster of accomplished industry talent, and deep network across the global financial services industry. It is expected that an investment from Motive Partners will drive future value creation and support Splitit Group's growth in the point of sale financing market.

3.2.3 Aversion of funding shortfall in the short to medium term

Splitit is a capital-intensive business and, as an ASX-listed company, Splitit has had difficulty raising the funds required to support its business needs.

Splitit has come close to breaching its debt covenants in the past and, if the Transaction Proposal is not implemented and another significant funding source is not obtained in time, Splitit is projected to breach the net tangible assets and minimum liquidity covenants under the Goldman Sachs Facility during the 2023 financial year. Should the Splitit Group not be able to continue as a going concern due to non-compliance with one or both credit facility covenants, the lender may decide to accelerate the maturity date of the Goldman Sachs Facility and enforce control rights over the eligible receivables secured under the debt. This would adversely affect the ability of Splitit to continue to operate and further diminish its ability to obtain and attract further funding. See further section 3.9 for implications if the Transaction Proposal is not approved. In this regard, Splitit received a waiver from Goldman Sachs on 7 June 2023 pursuant to the existing Goldman Sachs Facility with respect to the projected breach of its existing debt covenants. On 11 September 2023 an additional amendment was agreed to reduce the net tangible assets covenant to \$17 million until 30 November 2023 or the date of completion of Tranche 1 of the Placement Proposal. There are no assurances that it would be able to obtain an additional waiver in respect of any potential future defaults.

The Transaction Proposal provides an immediate and sustainable funding solution for Splitit's capital requirements.

3.2.4 Greater flexibility as a private company

If redomiciled, as a private, Cayman Islands company Splitit Cayman is expected to benefit from significantly lower administrative costs, a more flexible operating environment, a superior ability to attract and retain talent, and improved prospects of accessing future growth capital at an attractive valuation.

3.2.5 The Splitit Board considers that Splitit is currently undervalued

The Splitit Board considers that the ASX-listed enterprise value of Splitit undervalues the business. This is primarily due to a lack of liquidity and because Splitit's differentiated value proposition and prospects seem to be underappreciated.

If the Delisting Proposal is implemented, the Splitit Board believes that it is more likely to be able to raise funds at a price that is closer to the perceived value of Splitit Group, rather than the ASX market value currently associated with the shares.

3.2.6 Provides optionality for existing shareholders

Existing shareholders will have the flexibility to choose to participate in Splitit's value creation by retaining ownership in Splitit (and, after the Redomicile Proposal is implemented, Splitit Cayman) as a private company or to decrease ownership through trading on ASX prior to the completion of the Delisting.

As a private company, Splitit has appointed PrimaryMarkets, a private share trading platform, to facilitate the sale of Splitit Shares during the period subsequent to the completion of the Delisting Proposal (see section 3.1.2 for more detail). Nonetheless, there is no assurance or guarantee that there will be sufficient liquidity in the PrimaryMarkets platform to facilitate shareholders being able to sell their shares and no assurance that Splitit Cayman will continue the arrangement after implementation of the Redomicile Proposal. Further details on the PrimaryMarkets platform, including a product demonstration session, will be provided upon the receipt of requisite shareholder approvals at the Meeting via Splitit's website.

3.3 Disadvantages of the Transaction Proposal and reasons why you might vote against the Transaction Proposal

3.3.1 Splitit will no longer be a regulated as an ASX entity and you may prefer to stay invested in a listed entity

If the Delisting Proposal is implemented, the ASX Listing Rules will, from the time of delisting, no longer apply to Splitit or any member in the Splitit Group (including, after the Redomicile Proposal becomes Effective, Splitit Cayman). This includes certain restrictions on the issue of Shares by Splitit, certain restrictions in relation to the Transaction Proposal with persons in a position of influence and certain continuous disclosure obligations. Accordingly, Splitit Shareholders may prefer that Splitit remains a listed entity.

A description of the key obligations of Splitit under the ASX Listing Rules that will not apply to Splitit following delisting is set out at section 5.2.2.

3.3.2 Splitit will no longer be regulated as an Israeli public company and you may not wish to be a shareholder in a Cayman Islands company

If the Redomicile Proposal becomes Effective, Splitit Cayman, the new parent entity of the Splitit Group, will be domiciled in the Cayman Islands and, as such, subject to provisions of Cayman Islands law. This will mean that the general corporate activities of Splitit Cayman will be regulated by Cayman Islands law (instead of the laws of Israel). Accordingly, Splitit Shareholders may prefer that Splitit remains an Israeli entity.

A description of the principal differences the laws and regulations concerning shares in a private company incorporated in the Cayman Islands as opposed to an Israeli public company is contained in section 8.1, and specific key risks regarding an investment in a Cayman company are set out in section 3.4.9 to 3.4.12.

3.3.3 Shareholders' ability to sell Splitit Shares (or Splitit Cayman Shares) may be diminished and ASX-listed Options will no longer be traded on the ASX

If the Delisting Proposal is implemented, Shares in Splitit will no longer be traded on ASX and any holder thereof may therefore be required to bear the economic risk of his, her or its investment in the Splitit Shares for an indefinite period of time.

To the extent Splitit Shareholders elect to retain ownership in Splitit as a private company upon the completion of the Delisting or are unable to sell their shares prior to the Delisting, Splitit has appointed PrimaryMarkets to facilitate the sale of Splitit Shares. Under this arrangement, Splitit Shareholders may be able to sell their shares on PrimaryMarkets' trading platform following Delisting. Nonetheless, there is no assurance or guarantee that there will be sufficient liquidity in the PrimaryMarkets platform to facilitate Shareholders being able to sell their shares. There is also no assurance or guarantee that Splitit Cayman will keep the arrangement with PrimaryMarkets in place.

Following the consummation of the Transaction Proposal, any transfers of Splitit Shares (or Splitit Cayman Shares) will be subject to the terms of the Splitit Articles of Association (and, if the Redomicile Proposal is implemented, the Splitit Cayman Articles of Association), and Splitit Shares will not be able to be sold unless such a transfer is permitted under those documents. A summary of the terms of the Splitit Articles of Association and Splitit Cayman

Articles of Association, including applicable transfer restrictions is set out at sections 8.3 and 8.4.

If you hold ASX-listed Options, you will no longer be able to sell your ASX-listed Options on ASX (except as otherwise detailed in section 3.1.2 above) and as of the effective date of the Redomicile Proposal (the “Effective Date”), your Options will be rolled over into and assumed by Splitit Cayman (an unlisted Cayman Islands entity) such that each Option will automatically convert into an option to purchase the same number of ordinary shares of Splitit Cayman at the same per share exercise price and will have the same terms and conditions as applied to the Options immediately prior to the Effective Date.

However, you will still be able to exercise your Options in accordance with the same terms and conditions as were applicable thereto prior to the Effective Date, except that each Option will be (or will become, as applicable in accordance with its terms) exercisable for Splitit Cayman Shares instead of Splitit Shares.

3.3.4 The Placement Proposal will have a diluting effect and Motive will be in a position to appoint a majority of Splitit’s board of directors and will have significant influence over key operational decisions of Splitit and Splitit Cayman (if the Redomicile Proposal is implemented)

If the Transaction Proposal is implemented:

- (a) the existing Splitit Shares on issue will be diluted. This is as a result of both the placement to Motive itself, as well as the issues of Preference Shares to Thorney and Perea upon conversion of the Convertible Notes as described in section 5.1.6. All matters entitled to be voted on by Shareholders of any equity interests in Splitit (either ordinary Splitit Shares or Preference Shares) shall vote as a single class. If the Transaction Proposal is implemented, all shareholders entitled to vote on all matters that require a shareholder vote will include the vote of all of the issued and outstanding Preference Shares held by Motive, as well as the issues of Preference Shares to Thorney and Perea upon conversion of the Convertible Notes as described in section 5.1.6. As a result of the issuance of Preference Shares, there will be a dilutive effect on the ordinary Splitit Shares because the Preference Shares are a convertible equity and will participate in shareholder votes on an “as-converted” basis. Meaning, for purposes of voting on all shareholder matters, the rights of the Preference Shares with respect to conversion will increase the number of all Splitit Shares entitled to vote on certain matters that are brought before shareholders, with Motive having voting power of approximately 29.3% as detailed in section 8.6.5.⁴ Therefore, the issuance of Preference Shares will proportionately reduce the voting percentage level of each holder of ordinary Splitit Shares; and
- (b) Motive will have the right to appoint a majority of the directors of Splitit, or Splitit Cayman upon completion of Tranche 2 of the Placement Proposal. Along with its other rights under the Subscription Agreement and Splitit (and Splitit Cayman’s) Articles of Association (summarised in sections 8.3 and 8.4), Motive will have significant influence over key operational decisions of Splitit, and Splitit Cayman (if the Redomicile Proposal is implemented).

In addition, in accordance with the basis of preparation of the Financial Information (which is set out in detail in section 6.2), accounting standards may deem Motive to gain control of Splitit through the Transaction Proposal. This may require acquisition accounting principles to be applied to Splitit Cayman upon the Transaction Proposals taking effect. For more detail in respect of the consequences of this accounting treatment, see section 3.4.9.

⁴ At the date of this Explanatory Memorandum, Motive does not hold any ordinary Shares. Motive remains free to trade in ordinary Shares and, if Motive were to acquire ordinary Shares via the ASX, the platform provided by PrimaryMarkets or otherwise by acquisition from another Shareholder, this would have an additional dilutive impact on existing Shareholders.

3.3.5 The Placement Proposal involves the issue of Preference Shares which may impact the returns of Shareholders upon a distribution, an exit or insolvency of Splitit

The terms of the Preference Shares that are proposed to be issued to Motive (and which are set out in detail in section 8.6.2) would mean that, if Splitit or Splitit Cayman (if the Redomicile Proposal is implemented) declares the payment of dividends or distributions, or if the Splitit Group were to become subject to an exit event (for example a public offering of Splitit or Splitit Cayman Shares or a trade sale) or become insolvent, those Preference Shares would receive preferential treatment over ordinary Shares in Splitit or Splitit Cayman.

This may impact the amount that Shareholders who hold ordinary Shares in Splitit may recover if an exit were to be achieved or Splitit were to become insolvent.

Upon the declaration of a dividend or distribution, or an exit or insolvency event, holders of Preference Shares will receive proceeds before any holders of ordinary Splitit Shares until the holders of Preference Shares achieve a liquidation preference equal to the product of two (2) multiplied by the original issuance price of such Preference Shares plus any accrued but unpaid dividends. The original issue price of the Preference Shares purchased by Motive equals an aggregate purchase price of US\$50,000,000, assuming that both Tranche 1 and Tranche 2 issuances have occurred. Assuming that the Placement Proposal is successful, then the Convertible Notes held (or anticipated to be held) by Thorney and Perea will convert up to a further 50,560,000 Preference Shares. Based upon this example, ordinary shares would not receive payment of any dividends or distributions, or receive proceeds from an exit or insolvency, until Motive has received at least US\$100,000,000 and until Thorney and Perea combined have received US\$20,000,000, in each case, plus any accrued but unpaid dividends owed to those shareholders.

3.3.6 You may disagree with the conclusion of the Splitit Board

You may disagree with the conclusion of the Splitit Directors that the Transaction Proposal is in the best interests of the Splitit Shareholders, including because you believe that there is a more favourable alternative option to achieve the advantages listed in section 3.1.4.

3.3.7 You may believe one or more of the risks listed in section 3.4 will occur

You may believe that one or more of the risks associated with the Transaction Proposal and listed in section 3.4 will occur, and that the impact of these risks is of sufficient materiality to warrant voting against the Transaction Proposal.

3.4 Risks associated with the implementation of the Transaction Proposal

This section sets out potential risks associated with the implementation of the Transaction Proposal. However, it does not purport to list every risk associated with the implementation of the Transaction Proposal nor the risks associated with the Splitit Business (which are set out in section 4.5). The selection of risks below has been based on an assessment of a combination of the potential impact of the risk on the Splitit Group or Shareholders if the risk did materialise and the probability of that impact materialising, having regard to the knowledge of the Splitit Directors as at the date of this Explanatory Memorandum.

In addition, risks and uncertainties that are not presently known to Splitit or that it currently believes are immaterial may also impair Splitit's business, financial condition and results of operations. The occurrence of any of these risks could affect the business, financial condition, results of operations and prospects of Splitit.

The existing risks which relate to the Splitit Group's business, which Splitit Shareholders are already exposed to through their investment in Splitit and are set out in section 4.5, will continue to apply immediately following the implementation of the Transaction Proposal.

3.4.1 The conditions precedent of Tranches 1 and/or 2 of the Placement Proposal may not be satisfied

There is a risk that the conditions precedent that attach to Tranches 1 and/or 2 of the Placement, which are described at section 5.5 above, will not be satisfied and the Placement Proposal may not be implemented in full. This would mean that Splitit would not receive the amount referable to the Tranche 1 and/or 2 Placement, which would have a material effect on Splitit's business and its financial position and performance. However, Motive may waive any conditions precedent imposed on Splitit in its sole discretion.

3.4.2 Counterparty risk associated with Placement Proposal

There is a risk that Motive may not be able to satisfy its obligations under the Subscription Agreement and that the Placement Proposal will not proceed. If Splitit does not receive some or all of the funds from Motive, this would have a material effect on Splitit's business and its financial position and performance.

3.4.3 Possible adverse tax consequences of the Transaction proposal for Splitit Shareholders

The Transaction Proposal will likely have potential tax implications for Splitit Shareholders, some of which may be adverse tax implications. Further information regarding these implications in Australia, Israel and the United States is set out in section 7 below.

While specific tax risks pertaining to Israel and Australia are described in sections 3.4.4 and 3.4.5 below, the tax implications of the Transaction Proposal will differ depending on the individual circumstances of Splitit Shareholders (including applicable tax consequences in jurisdictions other than Australia and Israel).

3.4.4 Splitit may not receive a favourable tax ruling in Israel and the Redomicile Proposal may not proceed or may proceed on less favourable terms

The implementation of the Redomicile Proposal and the Tranche 2 placement is subject to receipt of certain tax rulings in Israel (described in section 5.3.6), which may not be received for several months post the Shareholder approval and implementation of the Delisting Proposal. There is a risk that if Splitit does not receive these tax rulings, the Redomicile Proposal and the Tranche 2 placement will not proceed. However, Motive may waive the tax rulings as a condition precedent at its sole discretion.

If the Merger Tax Ruling is not obtained, the Redomicile Proposal will be treated as a taxable transaction under Israeli law. In this case, Splitit will apply for the Withholding Tax Ruling, which (if received) may impose withholding obligations with respect to the Splitit Cayman Shares and certain Splitit Shareholders may be required to pay amounts in respect of any tax liability that arises as a consequence of receiving Splitit Cayman Shares. If the Withholding Tax Ruling is not obtained, the position in respect of the tax liability that may arise as a result of receiving Splitit Cayman Shares will be uncertain. For more detail in respect of the Withholding Tax Ruling, see section 5.3.6(b).

If the Redomicile Proposal does not proceed, this may have a material effect on Splitit's business and its financial position and performance. Among other implications, Splitit will continue to be a public company under applicable Israeli law and reporting, governance and other requirements applicable to Israeli public companies (as further set forth in section 8.1) will continue to apply to Splitit.

3.4.5 Risk that rollover relief is not available in Australia in relation to Redomicile Proposal

Splitit's anticipation is that most Australian resident Splitit Shareholders are likely to make a capital loss for Australian tax purposes if they participate in the Redomicile Proposal. This is on the basis that the market value of the shares in Splitit Cayman that Splitit Shareholders will

receive may be less than the cost base of the Splitit Shares they transfer to Splitit Cayman under the Redomicile Proposal at the recorded time of redomiciliation.

In the event that there are Australian resident Splitit Shareholders that participate in the Redomicile Proposal and make a capital gain, there are certain novel aspects of the Redomicile Proposal that mean that there is some uncertainty regarding whether such shareholders are eligible to elect for scrip-for-scrip rollover relief to apply to the Redomicile Proposal.

If rollover relief is available, then Australian resident Splitit Shareholders will not make any capital gain or loss on their participation in the Redomicile Proposal, and may be eligible to defer this capital gain or loss until they dispose of their Splitit Cayman Shares.

However, if rollover relief is not available, then these Australian resident Splitit Shareholders should make a capital gain or loss on the disposal of their shares in Splitit under the Redomicile Proposal. These shareholders may need to fund any Australian tax liability arising from the realisation of this capital gain from their own funds, or by selling some of their Splitit Cayman Shares after the Redomicile Proposal is implemented.

Splitit intends to seek a tax ruling from the ATO (described in section 7.1) regarding the availability of rollover relief for Australian resident shareholders that participate in the Redomicile Proposal. While there is a risk that the ATO may determine that rollover relief is not available, this process should provide relevant shareholders with certainty regarding the tax outcome of the disposal of their Splitit shares under the Redomicile Proposal.

3.4.6 The Transaction Proposal is conditional on certain contractual consents and may give other counterparties to the Splitit Group's material contracts the right to terminate or renegotiate those contracts

The implementation of the Placement Proposal is subject to satisfaction of a condition precedent requiring receipt of certain waivers and/or consents from certain key contractual counterparties of Splitit. If these consents and waivers are not obtained, then the Placement Proposal, and therefore the Delisting Proposal and the Redomicile Proposal, may not proceed.

In addition, there is a risk that the Transaction Proposal may trigger rights for counterparties to terminate or renegotiate other material contracts to which Splitit is a party. Loss or adverse renegotiation of these contracts may have a material adverse effect on Splitit's business and its financial performance.

3.4.7 Risk in relation to compliance of Redomicile Proposal with foreign securities laws and potential forced disposal of Splitit Shares

The Redomicile Proposal involves the mandatory exchange of securities in Splitit for securities in Splitit Cayman. This step will be considered an offer of Splitit Cayman securities in many jurisdictions in which Splitit Shareholders or other securityholders are located and subject to any restrictions on offer of securities into those jurisdictions.

Splitit and Splitit Cayman have reviewed the laws of the key jurisdictions in which Shareholdings are held outside Australia as at the last practicable date prior to this Explanatory Memorandum, and expect that, subject to any assumptions and qualifications set out in section 8.16 in relation to each key jurisdiction, the issue of Splitit Cayman securities under the Redomicile Proposal will comply with the laws of those jurisdictions.

Splitit and Splitit Cayman have not reviewed the laws of jurisdictions where, to the knowledge of Splitit as at the last practicable date prior to this Explanatory Memorandum, no Splitit Shares or other securities were held, or where, individually and in aggregate, holdings of Splitit Shares were very small in both percentage and value terms. There is therefore a risk that, as a result of these smaller shareholdings or movements in the holding of shares prior to the implementation of the Redomicile Proposal, the issuance of Splitit Cayman Securities

pursuant to the Redomicile Proposal may not be strictly compliant with securities laws in every jurisdiction in which the Redomicile Proposal is implemented, Splitit Cayman could be subject to potential enforcement action in relevant jurisdictions which may adversely impact the Splitit Group.

Although Splitit and Motive have no current intention to do so, they reserve the right in connection with the Redomicile Proposal to provide cash rather than Splitit Cayman Shares to any Splitit Shareholder if they believe it is in the best interests of Splitit Shareholders to do so because it has been determined to be unlawful to offer Splitit Cayman Securities in the jurisdiction in which the Splitit Shareholder resides. Any cash out would be at fair market value as determined by the Splitit Directors, for each Splitit Share held by the relevant Splitit Shareholder. In that case, that Splitit Shareholder would cease to hold any interest in the Splitit Group.

3.4.8 Risk of creditor objection to the Redomicile Proposal

A creditor of Splitit (no matter the size of its debt) may file an objection to the Redomicile Proposal to Israeli courts and if the creditor proves that Splitit (as the surviving entity in the Redomicile Proposal under the Israeli Companies Law) will not be able to satisfy its obligations towards it as a result of the Redomicile Proposal becoming Effective, the court has the authority to prevent or delay the Redomicile Proposal or give certain instructions that will guarantee the rights of the creditor(s) in the context of the Redomicile Proposal proceeding but which may adversely impact the Splitit Group. As at the date of this Explanatory Memorandum, Splitit does not have any basis for believing that the Redomicile Proposal would affect its obligations towards any creditor of Splitit.

3.4.9 Acquisition accounting principles may be required to be applied which would significantly increase the complexity of the Splitit Group's financial reports

For accounting purposes, Motive may be deemed to gain control of Splitit through the Transaction Proposal. This will require acquisition accounting principles to be applied to Splitit Cayman upon the Transaction Proposals taking effect. This outcome may arise as entities associated with Motive own and determine key business decisions impacting Splitit Cayman prior to the Transaction Proposal occurring (as detailed in section 3.1.3(b)), together with and separately, the rights attached to the Preference Shares to be held by Motive (as detailed in section 8.6.2) and the right to appoint a majority of the directors to the board of Splitit Cayman. As the Redomicile Proposal and Tranche 2 is subject to a number of conditions (as detailed in section 5.5), this outcome is uncertain and has not been considered within the transaction pro forma adjustments outlined in section 6.4. If acquisition accounting principles are required to be applied, this will result in a significant increase in complexity for the end of financial year reporting process through the recognition of acquired assets and liabilities, including identifiable intangible assets, at fair value, with any residual premium over fair value recognized as goodwill. Such items would then require an annual impairment assessment.

3.4.10 Conditions attach to the transfer of your Splitit Cayman Shares and you may not be able to exercise all of the rights that attach to your Splitit Cayman Shares until you become the registered holder

From the Effective Date of the Redomicile Proposal, an Exchange Agent will hold each Splitit Cayman Share on behalf of Splitit Shareholders.

As at the date of this Explanatory Memorandum, the arrangements under which the Exchange Agent or any nominated trustee will hold your Splitit Cayman Shares remain to be finalised. However, for the period that your Splitit Cayman Shares are held by the Exchange Agent, your rights to freely exercise all or any of the rights that attach to that those shares may be practically restricted. It may be more difficult to sell or otherwise dispose of your Splitit Cayman Shares or to exercise voting rights that attach to your Splitit Cayman Shares. Further, while you will be entitled to receive any dividends or distributions on your Splitit Cayman Shares, it is not anticipated that these will be paid to you until you (or your nominated trustee) become the registered holder of your Splitit Cayman Shares.

In order to receive your Splitit Cayman Shares, you will need to sign and return the Letter of Transmittal, which will be provided to Shareholders by the Exchange Agent. The Letter of Transmittal will specify each Splitit Shareholders' entitlement to Splitit Cayman Shares and may impose certain conditions including, for applicable holders, a lockup undertaking and trust arrangement that are pursuant to Israeli tax rulings. The Exchange Agent may require a Medallion Signature Guarantee in connection with the signature of the Letter of Transmittal.

3.4.11 Shareholders may have more difficulty protecting their interests as shareholders under Cayman Islands law

Splitit Cayman's corporate affairs are governed by its amended and restated memorandum and articles of association, the Cayman Companies Act and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of Splitit Cayman's directors to Splitit Cayman under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of shareholders and the fiduciary responsibilities of directors under Cayman Islands law may not be as clearly established as they would be under statutes or judicial precedent in some jurisdictions, including in Australia and Israel. In particular, the Cayman Islands has a less exhaustive body of securities laws than some jurisdictions, which jurisdictions may have more fulsome and judicially interpreted bodies of corporate law than the Cayman Islands.

Splitit Cayman has been advised by its Cayman Islands legal counsel, Maples and Calder (Cayman) LLP, that the courts of the Cayman Islands are unlikely:

- (a) to recognise or enforce against Splitit Cayman judgments of courts of other jurisdictions predicated upon the civil liability provisions of the securities laws of other jurisdictions; and
- (b) in original actions brought in the Cayman Islands, to impose liabilities against Splitit Cayman predicated upon the civil liability provisions of the securities laws of other jurisdictions, so far as the liabilities imposed by those provisions are penal in nature.

In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in other jurisdictions, the courts of the Cayman Islands will recognise and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits.

This is based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in such a manner, and/or be of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

As a result of all of the above, shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as shareholders of a corporation incorporated in other jurisdictions.

3.4.12 Cayman Islands Economic Substance Act may affect our operations

The Cayman Islands has recently enacted the International Tax Co-operation (Economic Substance) Act (As Revised) ('**Cayman Economic Substance Act**'). Splitit Cayman is

required to comply with the Cayman Economic Substance Act. As Splitit Cayman is a Cayman Islands company, compliance obligations include filing annual notifications, which need to state whether Splitit Cayman is carrying out any relevant activities and if so, whether Splitit Cayman has satisfied economic substance tests to the extent required under the Cayman Economic Substance Act. Splitit may need to allocate additional resources, and may have to make changes to our operations, in order to comply with all requirements under the Cayman Economic Substance Act. Failure to satisfy these requirements may subject Splitit Cayman to penalties under the Cayman Economic Substance Act.

3.5 Alternatives to the Transaction Proposal

Splitit and its Board of Directors actively explored a range of alternatives before deciding to recommend the Transaction Proposal. To achieve growth while ensuring solvency given its capital-intensive nature, the business requires primary investment first and foremost. Therefore, Splitit is accomplishing this growth equity initiative by means of the Transaction Proposal, on terms unanimously acceptable to Splitit's Board of Directors and Motive.

The Board also considers that given the current difficulties in the market for raising capital, there is a risk that Splitit will not be able to obtain viable funding options if the Placement Proposal is not implemented. In addition, any such capital raisings would likely be at a substantial discount to Splitit's enterprise value and would likely have a greater dilutive impact on the value of the current Splitit Shares on issue. Likely alternatives such as a complete takeover or remaining listed on the ASX while attempting to obtain funding through on-market capital raisings or private placements do not present the same holistic value to Splitit as the contemplated transaction.

As at the date of this Explanatory Memorandum, no alternative transaction or proposal to the Transaction Proposal exists or appears likely to emerge that the Splitit Board considers to be superior to the Transaction Proposal.

After careful consideration, Splitit believes the Transaction Proposal best meets Splitit's objectives whilst also progressing Splitit's strategy, and therefore is in the best interests of Splitit Shareholders.

3.6 Recommendations of the Splitit Directors and voting intentions

The Directors of Splitit unanimously believe for the reasons set out in section 3.2 that the benefits of the Transaction Proposal outweigh the disadvantages and risks set out in sections 3.3 and 3.4.

The Directors of Splitit unanimously recommend that Shareholders vote in favour of the Transaction Proposal Resolutions considered at the Meeting.

Each Director of Splitit eligible to vote intends to vote all of the Splitit Shares they own or control in favour of the Transaction Proposal Resolutions proposed. As at the date of this Explanatory Memorandum, the Splitit Directors own or control in aggregate 2.6% of the Splitit Shares on issue.

3.7 Conditions Precedent

Each Proposal is subject to Conditions Precedent. Please refer to section 5.5 for a description of the conditions that apply to each of the Proposals.

3.8 Tax implications

Please refer to section 7 for more detail in respect of the tax implications for Splitit Shareholders.

3.9 Implications if the Transaction Proposal is not approved

If any of the individual Transaction Proposal Resolutions are not approved by the requisite majority of Shareholders, then:

- (a) the Transaction Proposal (including any of the individual Transaction Proposal Resolutions) as a whole will not be approved or implemented;
- (b) Splitit will not receive the up to US\$50 million equity investment from Motive (and the associated benefits of that equity investment);
- (c) Splitit is unlikely to be able to obtain other alternative financing on similarly favourable terms, or potentially at all, within the timeframes required (as set forth in the following clause (d));
- (d) If the Transaction Proposal is not implemented, and another significant funding source is not obtained in time, Splitit is projected to breach the net tangible assets and minimum liquidity covenants under the Goldman Sachs Facility during the 2023 financial year, which would adversely affect the ability of Splitit to continue to operate and attract further funding. Should the Splitit Group not be able to continue as a going concern due to non-compliance with one or both credit facility covenants, the lender may decide to accelerate the maturity date of the Goldman Sachs Facility and enforce control rights over the eligible receivables secured under the debt;
- (e) Subject to obtaining requisite funding, Splitit will continue to:
 - (i) conduct its business and Splitit Shareholders will continue to be exposed to the risks associated with that business (as described in section 4);
 - (ii) be listed on the official list of the ASX;
 - (iii) be domiciled in Israel (as a public company); and
 - (iv) incur transaction costs of approximately US\$1,500,000, which relate primarily to advisor costs up to the date of the Meeting, filing fees and Meeting costs without realising any of the benefits garnered by the successful implementation of the Transaction Proposal.

4 Description of the Splitit Group

The Transaction Proposal will involve Splitit being removed from the Official List of ASX and will result in Splitit being a wholly-owned direct subsidiary of Splitit Cayman, a Cayman Islands entity. Splitit Cayman currently has no material business operations.

Therefore, if the Transaction Proposal becomes Effective, Shareholders will continue to invest in the same underlying business. The only material change to the business will be that the Splitit Group will no longer be listed on ASX and the domicile of Shareholders' interest in the Splitit Group will be changed from Israel to the Cayman Islands. The consequences of this change are primarily legal (as opposed to operational or financial). These legal consequences are outlined in section 5.2 and 8.1.

This section contains disclosures in respect of the Splitit Business which will be the business that will be carried on by Splitit Cayman if the Transaction Proposal becomes effective.

The disclosures in this section are in addition to the disclosures that Splitit has made to ASX to date.

4.1 Overview of the Splitit Group and business

4.1.1 Overview of the Splitit Payments Platform

Splitit (formerly known as Pay It Simple Ltd.) was incorporated in 2008 but only commenced operations in 2012 following the grant of patents in the United States. The Splitit Group was established on the premise that customers prefer to “buy now and pay later” however do not want to apply for additional lines of credit, fill out lengthy application forms or undertake further credit checks in order to do so.

The Splitit Group provides a credit card based instalment solution to merchants, acquirers and issuers that can be fully integrated into a merchant's checkout and incorporated into the end to end payment system. The Splitit Payment Platform was launched in 2016 and seeks to:

- (a) make pay later card-attached instalments simple for merchants and shoppers, while unlocking new fee income for acquirers and issuers;
- (b) target worldwide retail and merchant markets with an initial focus on online purchases with future aspiration of becoming a full service omnichannel provider where the Splitit solution is embedded in point of sale payment terminals;
- (c) enable merchants to offer end-customers instalments without requiring customers to complete a credit application or qualify for a new credit line;
- (d) provide merchants with a tool to increase sales, increase average order values and reduce cart/checkout abandonment;
- (e) provide customers with a frictionless “buy now and pay later” ability by utilising their existing credit card, without incurring interest, late fees or other fees; and
- (f) provide merchants access to a premium customer segment that prefers to consolidate spending on their bank issued credit cards.

As at the date of this Explanatory Memorandum, the Splitit Group has a global footprint of more than 1,000 merchants in 25 countries. For the 2022 financial year, the Splitit Group delivered Merchant Sales Volume ('MSV') of US\$431 million, and revenues of US\$10.6 million. In the Splitit Group's most recent reporting period, for the six months ended 30 June 2023, MSV grew by 27%, and revenue grew by 15%.

In addition to being a global solution, the Splitit Payment Platform is:

- (a) an omni-channel solution – enabling monthly payments online, on mobile and in-store;
- (b) a cloud-based solution that is pre-integrated with all major credit card processors and ecommerce platforms; and
- (c) designed to promote repeat purchases driving consumer loyalty at their favourite merchants.

4.1.2 How it works

The Splitit Payment Platform operates as an intermediate technology orchestration layer between a merchant's commerce platform and its existing payment gateway, being an e-service that runs instalment based payment transactions for a merchant. The Splitit Group operates within the existing payments framework which is established by banks, credit card networks (such as, Visa and Mastercard) and Payment Processors (refer below).

A customer of merchants offering the Splitit Payment Platform can, at checkout (online or in-store), elect to split the purchase amount of a product(s) or services into monthly or bi-monthly instalments. If a customer selects such an option, the merchant will utilise the Splitit Payment Platform to secure a direct authorisation of the full amount of the purchase price on the customer's pre-existing credit card with Visa or Mastercard ("**Card Networks**") and, following a payment by the customer via the Splitit payment platform, the Splitit Payment Platform will automatically issue a new authorisation and capture to the Card Networks for the remaining balance of the purchase amount based on the plan selected by the shoppers.

By way of example, a typical transaction utilising the Splitit Payment Platform comprises the following steps:

- (a) a customer is purchasing a product online;
- (b) the customer selects the product(s) or service(s) and proceeds to check out to make a payment;
- (c) the customer is provided with an option to split the purchase amount into regular instalments utilising the Splitit Payment Platform which is integrated with the merchant's website;
- (d) the customer selects an instalment plan on the Splitit Payment Platform;
- (e) the customer completes the transaction and accepts the "customer terms and conditions", following which:
 - (i) the Splitit Payment Platform will secure the full purchase amount on the credit card of the customer; and
 - (ii) charge the first instalment to the customer's credit card upon the shipment of the goods or provision of services;
- (f) the remaining payments will be deducted from the customer's credit card on a frequency in accordance with the instalment plan; and
- (g) the customer may track his or her instalment payments by logging on to the Splitit customer account online at customer.splitit.com.

In addition to having an online presence, the Splitit Payment Platform is also a solution for brick and mortar retail stores. By way of example, a typical in store transaction utilising the Splitit Payment Platform comprises the following steps:

- (a) a customer is purchasing a product in store;

- (b) at checkout, the customer is provided with an option to split payment into monthly instalments utilising the Splitit Payment Platform by an in store sales representative;
- (c) if an instalment option is selected, the customer will provide their details to the Splitit Payment Platform in store by entering such details via a point of sale, computer, mobile phone or tablet;
- (d) the customer selects a monthly instalment plan on the Splitit Payment Platform;
- (e) the customer completes the transaction and accepts the “customer terms and conditions”, following which the Splitit Payment Platform will secure the full purchase amount on the credit card of the customer and charge the first instalment to the customer’s credit card upon the shipment of the goods or provision of services;
- (f) the remaining payments will be deducted from the customer’s credit card in accordance with the instalment plan; and
- (g) the customer may track his or her instalment payments on the credit card by logging on to the Splitit customer account online at customer.splitit.com.

4.1.3 Splitit Group’s Distribution Channels

The Splitit Group currently utilises the following distribution channels to increase the reach, adoption and use of the Splitit Payment Platform with merchants:

(a) Payment Processors

Payment Processors are third party entities engaged by merchants to handle transactions from various channels (such as credit cards and debit cards) for merchant’s acquiring bank. Splitit has, via its wholly owned subsidiary Splitit USA, entered into agreements with various payment processors, pursuant to which these payment processors have agreed to:

- (i) refer and promote the Splitit Payment Platform to their customers and will, following the successful engagement of a merchant Splitit (or its subsidiary), receive a fee in respect of their services; and/or
- (ii) integrate the Splitit Payment Platform with its existing systems so that merchants utilising the Splitit Payment Platform will be able to process transactions via its existing, payment processing system.

(b) Direct Sales

The Splitit Group sells the Splitit Payment Platform through a direct sales force that secures leads, makes the pitch, and secures a contractual commitment from the merchant. Sales team is supported by various digital marketing and lead generation activities to drive the sales pipeline.

(c) Independent Sales Organisations

An independent sales organisation (‘ISO’) is a third party entity that is contracted by a credit card member bank to procure new merchant relationships and is essentially a formal designation that an entity must have in order to sell credit card processing services under its own name. Splitit and Splitit USA have entered into marketing agreements and/or referral agreements with ISOs pursuant to which the ISOs have agreed to market and sell the Splitit Payment Platform to their customers and will, following the successful engagement of a merchant, be entitled to receive compensation in respect of their services.

In addition to the above distribution channels, the Splitit Group has integrated the Splitit Payment Platform with point of sale (POS) devices utilised in physical retail stores and is developing an application to facilitate this integration to POS terminals. Additionally, Splitit Group partners with ISV's (Independent Software Vendors), eCommerce platforms and SaaS platforms that target commerce use cases.

4.1.4 Merchant Application

In order to utilise the Splitit Payment Platform, merchants must complete an application form either online, via Splitit's website, or through a Splitit sales and marketing representative, such as an ISO.

The application form includes the type of business, the merchant's contact information and bank account details and each merchant agrees to be bound by the Splitit Merchant Agreement. Below are typical terms under a Splitit Merchant Agreement:

- (a) the merchant will accept instalment payments for any sales transaction for goods or services ('**Sale Transaction**') processed through merchant's existing processor on the Splitit Payment Platform, which will secure the balance of each Sale Transaction with a direct authorisation of the outstanding balance of the sale price on the Card Network;
- (b) Splitit will authorise the Sale Transaction at the time of purchase and will capture the customer's first instalment when Splitit receives notification from the merchant that the goods or services purchased by the customer were taken or received by the customer upon completion of a physical Sale Transaction, or shipped in the case of an e-commerce Sale Transactions completed online;
- (c) unless Splitit determines otherwise (in its discretion), the merchant agrees that Splitit will be the sole and exclusive provider of any instalment processing services to the merchant during the term of the agreement;
- (d) the merchant will pay Splitit fees as detailed in the fee schedule (refer to section 4.1.5 for further details on how the Splitit Group derives its revenue);
- (e) the merchant may terminate its use of the Splitit Payment Platform by giving 90 days written notice;
- (f) the merchant understands that obtaining an authorisation for any Sale Transaction utilising the Splitit Payment Platform shall not constitute a guarantee of payment and such Sale Transaction can be returned or charged back to the merchant like any other card based transaction;
- (g) in the event of a chargeback, the merchant shall exercise commercially reasonable efforts to promptly resolve the chargeback with the merchant's Payment Processor and shall be solely liable for any chargeback initiated by the merchant's customer;
- (h) if a customer disputes any Sale Transaction processed by Splitit, where the Sale Transaction is charged back for any reason by the card issuing institution, or if Splitit has any reason to believe an instalment previously issued is not valid or otherwise deemed to be improper by Splitit in its sole discretion, any outstanding fees owed to the merchant may be deducted from any payment due to the merchant or may be charged against any of the merchant's accounts. The merchant acknowledges and agrees that it is bound by the rules of the Card Networks with respect to any chargeback;
- (i) upon Splitit's receipt of any notice of chargeback for a Sale Transaction, Splitit shall provide such notice to the merchant and may immediately terminate all activities regarding the Sale Transaction;

- (j) in the event of a chargeback, Splitit will be unable to maintain securitisation of the Sale Transaction during chargeback processing and the merchant acknowledges that the merchant was informed of and understands the forgoing and, therefore, even if the merchant is successful in opposing the chargeback, Splitit cannot assure processing of the remaining instalments; and
- (k) if Splitit determines, in its sole discretion, that a merchant's account is receiving a disproportionately high number of customer complaints, reversals, chargebacks, disputes, claims, fees, fines, penalties or other liability, Splitit may take certain actions in connection with the merchant's account with Splitit and/or the merchant's use of the Splitit Payment Platform in order to secure the performance of the merchant's obligations under the Splitit Merchant Agreement.

4.1.5 How does the Splitit Group generate revenue

The Splitit Group's main source of revenue is derived from transaction fees paid by its merchant clients in relation to customers who utilise the Splitit Payment Platform on their website or in-store ('**Merchant Fees**').

Merchant Fees are generated on each discrete, approved order placed by the end-customer via the Splitit Payment Platform and are predominantly based on a percentage of the end-customer order value plus a fixed fee per instalment.

The Splitit Group derives its revenue from merchants via the following business models:

- (a) **Funded model** – whereby a merchant will receive the full purchase price within three business days from the first instalment charge date less the total service fee payable to Splitit plus a revenue share from the factoring fee calculated based on the sum of the purchase; and
- (b) **Non-funded model** – merchants will receive payment for the purchase based on the instalment schedule and Splitit will provide the merchant with a monthly invoice for the amounts paid for the previous month. In addition to Merchant Fees, Splitit and Splitit USA have also entered into various referral agreements with Payment Processors and ISOs pursuant to which Splitit will be entitled to receive a commission upon the successful referral of a merchant.

4.2 Key strengths of the Splitit Group

The Splitit Group considers its key strengths to be as follows:

4.2.1 Benefits for both merchants and end-customers

The Splitit Payment Platform provides end-customers with a seamless instalment option at check-out (online and in-store) and provides retailer merchants with a tool that can increase sales/order values and reduce cart/checkout abandonment.

From an end-customer's perspective, the value proposition includes the following key attributes:

- (a) the Splitit Payment Platform provides flexible payment options for customers;
- (b) utilising the Splitit Payment Platform instalment option does not require additional application or registration online or in-store and utilises a customer's existing credit card. Customers utilising the Splitit Payment Platform select an instalment plan and do not need to undergo an incremental credit approval process. Instead, they can utilise the existing credit line that they have on their existing credit card. This provides for a quick and seamless process at checkout;

- (c) the Splitit Payment Platform allows customers to continue to enjoy their respective credit card benefits, such as air miles or points and provides customers with an option which could assist in managing their monthly cashflow;
- (d) the Splitit Group is not a lender and customers utilising the Splitit Payment Platform will not incur any late fees or interest; and
- (e) the Splitit Payment Platform is a cross-border and omni-channel payments solution, allowing customers anywhere in the world to make instalment payments online, with their mobile device or in-store.

From a merchant's perspective, the value proposition includes the following key attributes:

- (a) if a customer has the option to split payments before making an online purchase:
 - (i) the customer is more likely to increase their average order value; and
 - (ii) cart abandonment rates will likely decrease,
 thereby increasing sales revenue;
- (b) the Splitit Payment Platform seeks to assist merchants to increase sales revenue by providing flexible payment options for customers;
- (c) merchants utilising the Splitit Payment Platform are guaranteed to receive payments, save for in respect of certain circumstances including, where a Sale Transaction is returned or charged back to the merchant (refer to section 4.1.4);
- (d) the Splitit Payment Platform provides merchants with a customer-orientated solution that can be used to enable seamless in market and cross-border instalment payments – the Splitit Payment Platform offers instalments across the globe, no matter where customers are located with the Splitit Payment Platform being integrated into a merchant's checkout platform;
- (e) the Splitit Payment Platform offers merchants flexible solutions including in respect of:
 - (i) the length of instalment plans (up to 12 months or, at Splitit's discretion and depending on the merchant's local regulatory regime, Splitit may offer an instalment plan of more than 12 months); and
 - (ii) whether the entire payment (less Splitit's fees) is received upfront or paid in instalments (refer to section 4.1.5 for further details);
- (f) the Splitit Payment Platform is a cloud-based solution that is pre-integrated with all major credit card processors and can be integrated with a merchant's existing website;
- (g) the Splitit Group offers multilingual customer support 24/7 worldwide;
- (h) the Splitit Payment Platform presently supports the following leading e-commerce platforms, such as Google, AliExpress, Canyon Bikes, James Allen, Braun, Oral-B, Nectar Mattresses and Blue Nile and can quickly and efficiently develop a solution to support other platforms as required by merchants;
- (i) the Splitit Payment Platform is complementary with customer financing solutions, in addition to store credit cards, enabling merchants to offer both the Splitit Payment Platform instalment option and their own payment options (noting that when offering more payment options at checkout, merchants typically achieve better conversion rates);

- (j) transactions utilising the Splitit Payment Platform are processed through the Card Networks; and
- (k) the Splitit Payment Platform seeks to eliminate customer financial risk for merchants (noting that the Splitit Group does not collect any collection fee).

4.2.2 Scalable model

The Splitit Group derives revenue primarily from Merchant Fees for each transaction transacted via the Splitit Payments Platform based on a percentage of the end-customer order value plus a fixed fee per instalment (refer to section 4.1.5).

4.2.3 Risk conscious approach

The Splitit Payment Platform will authorise a customer's credit card for the full amount of the purchase at the beginning of the transaction and then reauthorise the customer's credit card for the outstanding balance. The Splitit Payment Platform will charge the instalment amount from the customer's credit card on a monthly basis according to the instalment plan conditions.

If the Splitit payments solution receives a decline when it attempts to charge or authorise one of the instalment payments, Splitit will send the customer an automatic email to request that the customer rectify the decline (either by increasing their credit limit with their card issuer or by switching their card on file to another card). If the customer does not respond within seven days from the date of the email, Splitit will utilise its previous authorisation on the credit card and will charge the entire outstanding amount of the instalment plan in full.

If Splitit or the merchant is contacted by a customer in respect of the customer's inability to make their monthly instalment payments, Splitit will work with the merchant and undertake an assessment of the customer's instalment plan, history with the merchant and circumstances and may, at its discretion:

- (a) place the customer's instalment plan on hold for a short period (typically 7 days); or
- (b) place the customer's instalment plan on hold until such time as the customer is able to continue with their payments, prior to utilising the previous authorisation on the credit card and charging the entire outstanding amount of the instalment plan in full.

4.2.4 No end customer acquisition or direct marketing cost requirement

The Splitit Group does not focus on promoting its services to the end-customer. Instead, the Splitit Payment Platform is utilised by merchant clients on their website as a service and sales incentive to end-customers. Splitit is a B2B business. Once the end-customer utilises the Splitit Payment Platform for the first time, they become a registered member. Thereafter, registered Splitit members can continue to utilise the Splitit Payment Platform service on the same merchant website or any other website that features Splitit's service. However, Splitit does not conduct any active or passive data harvesting as a means to incentivise the end-consumer to buy from another merchant. Nor does Splitit have an online mall changing the end-customer's shopping journey.

4.2.5 Strong market positioning, growth and momentum

Splitit's most recent reporting period, for the six months ended 30 June 2023, delivered:

- (a) MSV year-over-year (YoY) growth of 27%;
- (b) Revenue YoY growth of 15%;
- (c) 1% net transaction margin;

- (d) 14% YoY reduction in operating expenses (Non IFRS); and
- (e) \$1.48 million YoY reduction in EBITDA (Non IFRS) losses, a 17% year-on-year improvement.

4.2.6 Maintain unique offering

The online customer payment solutions market is evolving quickly in response to shifting preferences among merchants and customers. Splitit aims to keep pace with this dynamic landscape by continuously developing and adjusting its services to stay relevant and attractive in the face of competition. Splitit's core technology is protected by patents in key regions like the United States, Japan and Singapore (among others). Additionally, it has pending patents in several other places, including Australia and China. Splitit is committed to preserving its distinctive offering, which is a non-lending instalment technology that refrains from imposing late fees, interest, or any other charges on end-customers.

4.2.7 Experienced management team and board of directors

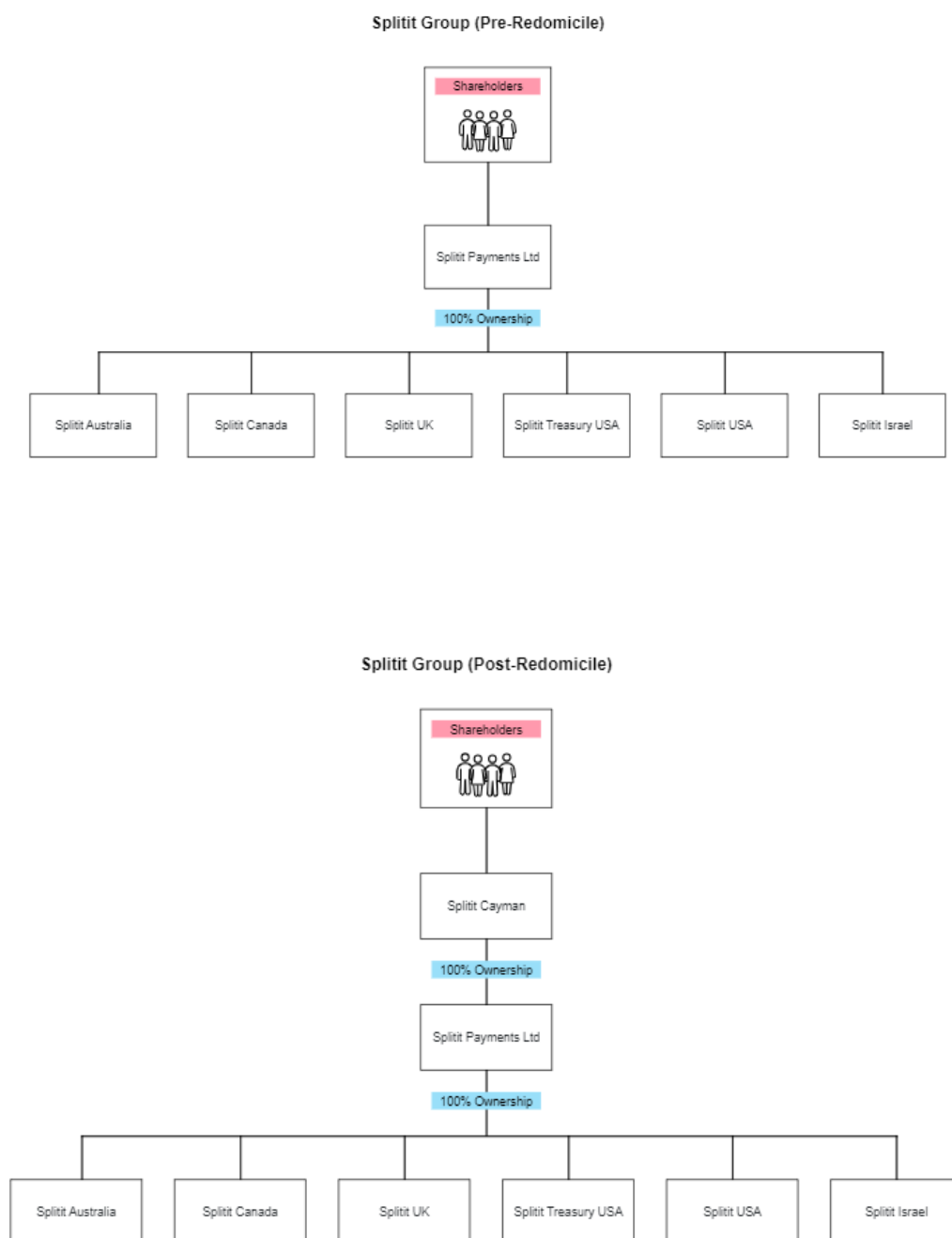
Splitit's management team, led by Managing Director and CEO, Nandan Sheth, has significant experience in the payments, technology, e-commerce and financial services sector. Refer to section 4.6.1 for more details.

4.3 Corporate structure of Splitit Group

Splitit Cayman is a private company which is incorporated in, and registered under the laws of, the Cayman Islands. The Redomicile Proposal will be implemented by way of a reverse triangular merger under Israeli law whereby Splitit, an Israeli subsidiary of a newly formed entity in the Cayman Islands, Splitit Cayman, will merge with and into Splitit, with Splitit surviving as a wholly owned subsidiary of Splitit Cayman. If the Redomicile Proposal becomes Effective, Splitit Cayman will be the holding company of the following wholly owned subsidiaries as set out in the corporate structure chart in Figure 3.3:

- (a) Splitit Australia Pty Ltd, a company incorporated in Australia ("**Splitit Australia**");
 - (b) Splitit Operations CA Ltd., a company incorporated in British Columbia, Canada ("**Splitit Canada**");
 - (c) Splitit Treasury USA LLC, a limited liability company, organized in Delaware, United States ("**Splitit Treasury USA**");
 - (d) Splitit USA Inc., a company incorporated in Delaware, United States ('**Splitit USA**');
 - (e) Splitit UK Limited, a company incorporated in England and Wales ('**Splitit UK**'); and
 - (f) Splitit Ltd., a company incorporated in Israel ("**Splitit Israel**")
- (together, the '**Splitit Group**').

Figure 3.3 Corporate Structure Chart⁵



⁵ The corporate structure chart does not include:

- Splitit Treasury Europe Designated Activity Company, an Irish section 110 Special Purpose Vehicle (Orphan Entity). Although the results from this entity are included in Splitit Group's consolidated financial statements due to deemed control for accounting purposes, it is not a subsidiary of Splitit and not part of the corporate group.
- Splitit Capital Inc, Splitit Capital USA Inc and Splitit Capital USA GCI LLC which were formerly members of the Splitit Group but were deregistered in the 2023 financial year.

The Splitit Group incorporated:

- (a) Splitit Australia on 1 May 2019 to focus on its sales and marketing operations in Australia;
- (b) Splitit Canada on 27 January 2020, to focus on its sales and marketing operations in Canada;
- (c) Splitit Treasury USA on 6 November 2020, in connection with the Goldman Sachs Facility;
- (d) Splitit USA on 21 August 2013 and Splitit UK on 23 September 2015 to focus on its sales and marketing operations in the United States and back office operations; and
- (e) Splitit Israel on 6 October 2008, as a result of the merger, to focus on product, research and development.

Splitit USA is responsible for sales and marketing activities in the United States of America, Splitit Canada is responsible for sales and marketing activities in Canada, Splitit Australia is responsible for sales and marketing activities in the Asia Pacific region, and Splitit UK is responsible for sales and marketing activities in the United Kingdom, Europe, Middle East and Africa regions. These activities include partnerships with acquirers, issuers and ISOs, direct sales to merchants, organising and participating in industry leading events and building partnership networks to scale the sales of the Splitit Group.

4.4 Financing arrangements

Given its business model, financing arrangements are of key importance to Splitit.

On 5 February 2021 Splitit Treasury and Splitit Treasury Europe DAC ("**Splitit Treasury Europe**") entered into a loan agreement with Goldman Sachs Bank USA ("**GS**") pursuant to which GS has provided a US\$150,000,000 three-year revolving funding facility (the "**Goldman Sachs Facility**").

The Goldman Sachs Facility is used to fund merchant receivables at a rate of 95% of the gross receivable (less merchant fees), based on geographic and other eligibility criteria. Under the terms of the Goldman Sachs Facility, certain affiliates of Splitit can assign eligible receivables to the borrowers under the Facility as collateral for loans provided by Goldman Sachs under the Goldman Sachs Facility.

On 29 July 2022, Splitit entered into a loan amendment and restatement agreement with GS. The key changes are changing the revolving period from three years to four years and the interest rate from 6.85% plus a benchmark rate p.a. to 3.05%-5.85% (based on merchant) plus a benchmark rate p.a.

GS was issued 13 million Warrants with an initial strike price of A\$1.30 per share, issued in three equal tranches depending on utilisation (vesting upon issue). Each tranche of Warrants will expire 5 years after their respective issue date. On 29 July 2022, Splitit amended the Goldman Sachs Facility with GS so that the exercise price of 6.5 million Warrants granted to GS has been reduced from A\$1.30 to A\$0.18 and the exercise price of the remaining 6.5 million Warrants granted to GS will be reduced from A\$1.30 to A\$0.18 upon Splitit drawing down funds from the Goldman Sachs Facility for funding plans pursuant to the global merchant expansion, of a specific agreed merchant under the Goldman Sachs Facility in connection with launch of specified merchants.

The Splitit Group signed amendments with GS on 29 December 2022 to further expand the receivables eligibility criteria of the Goldman Sachs Facility, and therefore reduce the cash outflow requirements of forecast receivables origination, which has improved the 2023 ratio of merchant funding that is funded directly by Splitit rather than via the Goldman Sachs Facility. Furthermore, the Splitit Group remains in a growth phase and believes that external equity

and/or additional debt funding will be required to support the Splitit Group's growth aspirations, and ensure that all associated credit facility covenants, including maintaining both a minimum unencumbered cash balance of \$10 million and a minimum net tangible assets of at least \$22.5 million at all times, remain in compliance. In addition, the credit facility covenants may be renegotiated with GS as required, and on 26 May 2023 an amendment was agreed to provide a further temporary waiver to reduce the net tangible assets covenant to \$13 million and reduce the minimum liquidity covenant to \$5 million until 1 September 2023. Splitit received a waiver from GS on 11 September 2023 pursuant to the Goldman Sachs Facility with respect to the projected breach of its existing net tangible assets covenant.

Should Splitit fail to comply with one or both credit facility covenants, the lender may decide to accelerate the maturity date of the Goldman Sachs Facility and enforce control rights over eligible receivables secured under the debt.

The Goldman Sachs Facility also contains other covenants, representations & warranties, and reporting obligations typical of similar revolving funding facilities.

4.5 Risks to the Splitit Business

Each Proposal of the Transaction Proposal, and the Transaction Proposal as a whole, is not expected to materially impact the general and specific risks to the Splitit Business.

However, there are continuing specific risks which relate directly to Splitit's business, which Splitit Cayman will be subject to following the implementation of the Redomicile Proposal. In addition, there are other general risks, many of which are largely beyond the control of Splitit and the Directors. The risks identified in this section (many of which have been disclosed to ASX as a part of Splitit's continuous disclosure obligations), or other risk factors, may have a material impact on the financial performance of Splitit and Splitit Cayman (following implementation of the Redomicile Proposal) and the market price Shares in Splitit and Splitit Cayman Shares.

This section discloses risks to Splitit's underlying business only. Risk factors in relation to the implementation of the Transaction Proposal are set out separately in section 3.4 of this document,

4.5.1 Specific risks

The following is not intended to be an exhaustive list of the risk factors to which Splitit is exposed.

(a) Failure to scale the business and gain market share

Splitit's ability to increase transaction volumes, merchants, revenue, and ultimately achieve profitability, is dependent on its ability to attract new merchants and partners, as well as continued relationships with current merchants. There can be no guarantee that these existing relationships will continue or, if they do continue, that these relationships will continue to be successful. Furthermore, the failure to successfully attract new merchants and partners at sufficient scale, or to successfully implement and integrate new merchants and partners to the platform, may adversely impact Splitit's ability to achieve future profitability.

(b) Liquidity and funding risk

Splitit's current funded business model is reliant on the ability to pay merchants upfront, before collecting payment back in instalments over time. Whilst Splitit currently has access to a US\$150 million Goldman Sachs Facility, of which US\$60.2 million was drawn as of 30 June 2023, should future liquidity be required to fund merchants in excess of what is available to Splitit at the time. There is a risk that merchants may be dissatisfied and unwilling to continue transacting on Splitit's non-

funded business model. This could have an adverse impact on Splitit's financial performance.

The Goldman Sachs Facility has a number of customary financial and performance covenants, including minimum liquidity and net tangible assets requirements. Should Splitit be unable to maintain compliance with all covenants, there is a risk of an event of default under the Goldman Sachs Facility and GS as lender may decide to accelerate the maturity date of the facility and enforce control rights over the eligible receivables secured under the debt. In this regard, Splitit received a waiver from GS on 7 June 2023 pursuant to the existing Warehouse Facility with respect to the projected breach of its existing debt covenants. In September 2023 an additional amendment was agreed to reduce the net tangible assets covenant to \$17 million until 30 November 2023 or the date of completion of Tranche 1 of the Placement Proposal. There are no assurances that it would be able to obtain an additional waiver in respect of any potential future defaults. In addition, Splitit may be required to raise additional equity or debt funding in the future to support continued growth in merchant funding and general working capital. An inability to secure required equity and/or debt funding when required may impact both the pursuit of new business opportunities and also Splitit's ability to continue as a going concern.

Should the Splitit Group not be able to continue as a going concern due to non-compliance with one or both credit facility covenants, the lender may decide to accelerate the maturity date of the Goldman Sachs Facility and enforce control rights over the eligible receivables secured under the debt.

(c) Laws and regulations

Splitit is subject to a range of legal and industry compliance requirements in the jurisdictions in which it conducts business and particularly with enhanced focus in several jurisdictions with respect to the buy now pay later industry.

Regulators across the globe have been showing a growing interest in the buy now pay later industry and there has been increased scrutiny of industry participants' compliance with regulatory requirements. Consequently, there is a risk that new or modified laws or regulations or regulatory guidance will be introduced which may impose significant compliance costs, or even make it uneconomic for the Splitit Group to continue to operate in its current markets. Any regulatory changes may adversely affect the Splitit Group's business and operations by negatively impacting its operations, financial performance and/or financial position. Additionally, the imposition of new compliance obligations that the Splitit Group fails to comply with may result in administrative or enforcement action. In addition, existing laws or regulations may be subject to differing or new interpretations by regulators and others over time. Furthermore, changes in the various regulatory regimes in the future may also impact the Splitit Group's ability to effectively manage growth, sustain its current growth rate and maintain its market share.

Other key areas of in which Splitit is subject to legal and industry compliance requirements include privacy laws, consumer protection laws, credit laws, contractual conditions, card network rules, Anti-Money Laundering and Counter Terrorism Financing Act in relation to merchant customers, AAS, ASX Listing Rules, and relevant local corporate and securities laws. Failure to comply with these obligations, or to appropriately respond to changes in obligations, may result in significantly increased compliance costs, cessation of certain business activities or the ability to conduct business, litigation or regulatory enquiry or investigation and significant reputational damage.

(d) Failures or disruptions to the Splitit Platform, banking systems and technology

Splitit depends on the constant real-time performance, reliability and availability of its technology system and third-party communication networks. There is a risk that these

systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside the control of Splitit, including damage, equipment faults, power failure, fire, natural disasters, computer viruses and external malicious interventions such as hacking or denial-of-service attacks. Events of that nature may cause part or all of Splitit's technology system and/or the communication networks used by Splitit to become unavailable. Splitit's operational processes and contingency plans may not adequately address every potential event. This may disrupt transaction flow, customer acquisition, payment processing and adversely impact Splitit's operations, financial performance and reputation.

Splitit relies on online payment gateways, banking and financial institutions for the validation of bank cards, settlement and collection of payments. Any failures or disruptions to such platforms and technology may impact the financial performance of Splitit.

(e) Capacity constraints

Continued increases in transaction volumes may require Splitit to expand and adapt its network infrastructure to avoid interruptions to Splitit's systems and technology. Any unprecedented transaction volumes may cause interruptions to Splitit's systems and technology, reduce the number of completed transactions, increase expenses, and reduce the level of customer service, and these factors may potentially adversely impact Splitit's financial performance.

(f) Ability of the Splitit technology to integrate with various merchant platforms

Splitit uses and relies on integration with third party systems and platforms, particularly websites and other merchant systems. The success of Splitit's services, and its ability to attract additional end-customers and merchant clients, depends on the ability of its technology and systems to integrate into and operate with various third party systems and platforms. In addition, as these systems and platforms are regularly updated, it is possible that when such updates occur it could cause Splitit's services to not operate as efficiently as previously. This will require Splitit to change the way its system operates which may take time and expense to remedy.

(g) Splitit technology may be superseded by other technology

Splitit participates in a competitive environment. IT systems are continuing to develop and are subject to rapid change, while business practices continue to evolve. Splitit's success will in part depend on its ability to offer services and systems that remain current with the continuing changes in technology, evolving industry standards and changing customer preferences. There is a risk that Splitit will not be successful in addressing these developments in a timely manner, or that expenses will be greater than expected. In addition, there is a risk that new products or technologies (or alternative systems) developed by third parties will supersede Splitit's technology. This may materially and adversely impact Splitit's revenue and profitability.

(h) Security breaches and data protection

Through the ordinary course of business, Splitit collects a wide range of confidential information. Cyber-attacks may compromise or breach the technology platform used by Splitit to protect confidential information. There is a risk that the measures taken by Splitit may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such confidential information. Any data security breaches or Splitit's failure to protect confidential information could result in the loss of information integrity, or breaches of Splitit's obligations under applicable laws or agreements, each of which may materially adversely impact Splitit's financial performance and reputation.

(i) **Intellectual Property Protection**

Splitit relies on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. Although Splitit presently has a number of registered patents and trademarks, there is a risk that unauthorised use or copying of Splitit's software, data, technology or platforms will occur. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to Splitit's business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property in question, and if an alternative cost-effective solution were not available, it may materially adversely impact Splitit's financial position and performance.

(j) **Loss of key management personnel**

Splitit's ability to effectively execute its growth strategy depends upon the performance and expertise of its key management personnel. The loss of key management personnel, or any delay in their replacement, may adversely affect Splitit's future financial performance.

(k) **Competitors and new market entrants**

There is a risk that new entrants enter the market, which may disrupt Splitit's business and existing market share. Existing competitors, as well as new competitors entering the industry, may engage in aggressive customer acquisition campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially erode Splitit's market share and revenue and may materially and adversely impact Splitit's revenue and profitability. The financial services business is highly competitive and there are many financial services organizations as well as individuals on a global basis who actively compete against Splitit. Losing business to competitors offering similar products and services at lower prices or having other competitive advantages would adversely affect Splitit's business.

(l) **Risk in relation to material transactions**

Following the Transaction Proposal and the Redomicile Proposal, Splitit or Splitit Cayman, as applicable, may from time to time enter into material transactions, including, but not limited to, the acquisition of additional businesses or assets, and private capital-raising transactions through the offering of equity or debt securities in Splitit or Splitit Cayman. Splitit cannot provide determinative assurances that such transactions will be consummated successfully or that, if consummated, such transactions will not have a material adverse effect on the financial results of Splitit and on the value of each existing shareholder's investment in Splitit.

(m) **The value of a shareholder's investment in Splitit may not reflect Splitit's operating performance**

The value of a shareholder's investment in Splitit may increase or decrease significantly in response to numerous factors, many of which are beyond Splitit's control, including: actual or anticipated fluctuations in revenue and other operating results; announcements by Splitit's competitors of significant products or features, technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments; changes in product offerings, operating performance and stock market valuations of other companies in Splitit's industry; price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole; lawsuits threatened or filed against Splitit; developments in new legislation or regulatory actions; and other events or factors, including pandemics and COVID-19. If not sold pursuant to the Transaction Proposal, the value of a shareholder's investment in Splitit may significantly appreciate or depreciate over time.

(n) **Receivables Impairment Expenses**

Splitit's business model exposes the Splitit Group to two areas of credit risk:

- (i) merchant default risk, due to shopper collections that are passed to a merchant prior to being collected by Splitit; and
- (ii) shopper default risk on a limited amount of payment gateways where a secured pre-authorisation is not possible, or on legacy debit card transactions (i.e. non-secured authorisation model). This risk is now heavily mitigated due to the fact that internal policy and lender covenants restrict non-secured receivables to 10% of the portfolio, larger and/or higher risk merchants have been migrated to secured gateways after going live, and debit card Transaction Proposals were disabled as an offering after 31 December 2020.

(o) **Currency risk**

Whilst Splitit expects to continue to derive a majority of its revenue from the United States in US dollars, it also derives revenue in GBP, Euro, Yen, AUD and CAD. It is also required to make payments in all of the aforementioned currencies, as well as the Israel New Shekel ('NIS'). Accordingly, changes in the exchange rate between the US dollar and any other currencies would be expected to have a direct effect on the performance of Splitit.

(p) **Macroeconomic factors**

Splitit's business depends on end-customers transacting with merchants, which in turn is affected by macroeconomic conditions that impact consumer spending power. These factors include unemployment, interest rates, customer confidence, inflation, cost of living, economic recessions, downturns or extended periods of uncertainty or volatility. Unforeseen global events such as pandemics, war, and natural disasters may also impact macroeconomic conditions and consumer spending. This may subsequently impact Splitit's ability to generate revenue.

Additionally, Splitit is exposed to interest rate movements through its debt facilities. An inability to pass on increased costs to merchants may impact Splitit's profitability.

(q) **Litigation, claims and disputes**

Splitit may be subject to litigation and other claims and disputes in the ordinary course of business, including contractual disputes, employment disputes, indemnity claims, and occupational and personal claims. Even if Splitit is ultimately successful, there is a risk that such litigation, claims and disputes could materially and adversely impact Splitit's operating and financial performance due to the time and cost of settling such claims, and also affect Splitit's reputation.

In particular, although Splitit is not directly exposed to risks imposed by fraudulent conduct and fraud detection and fraud prevention are the sole responsibility of the merchant, an increase in fraudulent activities on the Splitit Payment Platform may result in Splitit suffering losses due to fraud and related litigation. This could result in a materially adverse impact to Splitit's reputation and Splitit bearing certain costs to rectify and safeguard business operations and the Splitit Payment Platform against fraudulent activity.

(r) **Reputational damage**

Maintaining the strength of Splitit's reputation is important to retaining and increasing its end customer base and its merchant client base, maintaining its relationships with its partners and other service providers and successfully implementing Splitit's

business strategy. There is a risk that unforeseen issues or events may adversely impact Splitit's reputation. This may adversely impact the future growth and profitability of Splitit.

Splitit's reputation is also closely linked to the timely and accurate provision of services to end-customers. There is a risk that Splitit's actions and the actions of Splitit's suppliers and merchants may adversely impact Splitit's reputation. Any factors that diminish Splitit's reputation could result in customers, customers or other parties ceasing to do business with Splitit, impede its ability to successfully provide the Splitit service, negatively affect its future business strategy and materially and adversely impact Splitit's financial position and performance.

4.5.2 General risks

The following general risks may significantly impact Splitit, its performance and the price of Splitit Shares.

(a) General investment risk

There are risks associated with any listed company investment. The price at which Shares are quoted on ASX may be subject to fluctuations in response to various factors, many of which are outside Splitit's control, such as general movements in stock markets, changes to government fiscal, monetary or regulatory policy, changes in legislation or the regulatory environment, recommendations by brokers and analysts, changes in the market valuation of other comparable companies, changes in general domestic and global economic conditions including interest rates and exchange rates, and general macroeconomic conditions.

(b) Liquidity risk

If the Delisting Proposal is not approved and Splitit is not removed from the Official List of the ASX, there can be no guarantee of an active market for Splitit Shares on the ASX or that the price of Splitit Shares will increase.

If the Delisting Proposal is approved, and Splitit is removed from the ASX, Shares in Splitit will no longer be traded on ASX. To the extent Splitit Shareholders elect to retain ownership in Splitit as a private company upon the completion of the Delisting or are unable to sell their shares prior to the Delisting, Splitit has appointed PrimaryMarkets to facilitate the sale of Splitit Shares. Under this arrangement, Splitit Shareholders may be able to sell their shares on PrimaryMarkets' trading platform following Delisting. Nonetheless, there is no assurance or guarantee that there will be sufficient liquidity in the PrimaryMarkets platform to facilitate Shareholders being able to sell their shares. There is also no assurance or guarantee that Splitit Cayman will keep the arrangement with PrimaryMarkets in place.

Any transfers of Splitit Shares (or Splitit Cayman Shares) will be subject to the terms of the Splitit Articles of Association (and, if the Redomicile Proposal is implemented, the Splitit Cayman Articles of Association).

(c) Dividends

Any future determination as to the payment of dividends by Splitit will be at the discretion of the Directors and pursuant to the terms of the Splitit Articles of Association (and, if the Redomicile Proposal is implemented, the Splitit Cayman Articles of Association) and will depend on the financial condition of Splitit, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by Splitit.

(d) **Taxation**

The acquisition and disposal of Splitit Shares and Splitit Cayman Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor, including which jurisdiction the Shareholders are resident in for tax purposes. How a Shareholder is taxed on the Splitit Cayman Shares they receive under the Redomicile Proposal may be different and more adverse to how a Shareholder was taxed on the Splitit Shares they disposed of under the Redomicile Proposal. While some taxation information is provided below, Splitit Shareholders and potential investors in Splitit are urged to obtain independent professional tax advice about the consequences of acquiring Splitit Cayman Shares from a taxation viewpoint.

To the maximum extent permitted by law, Splitit and its officers, Splitit Cayman and its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of receiving Splitit Cayman Shares or other securities under this Redomicile Proposal.

(e) **Operation in a Highly Regulated Environment**

Changes in legislation, regulation or government policy may have an adverse impact on Splitit's operational and financial performance. Uncertainty and conflict between the laws of different jurisdictions that apply to Splitit may also have an adverse effect on the operation of Splitit. Court decisions concerning the interpretation of legislation, regulations or government policy may also have an adverse effect on the operational and financial performance of Splitit.

(f) **Equity Market Conditions**

General factors that may affect the market price of the Shares include economic conditions internationally, particularly in Australia, Israel, the US, the UK, Europe, Canada and Japan; investor sentiment; local and international share market conditions; changes in interest rates and the rate of inflation; variations in commodity prices; the global security situation and the possibility of terrorist disturbances; changes to government regulation, policy or legislation; changes which may occur to the taxation of companies and shares in companies as a result of changes in taxation laws around the world; and changes in exchange rates.

(g) **Investment speculative**

The above list of risk factors should not be taken as exhaustive of the risks faced by Splitit or by investors in Splitit. The above factors and others not specifically referred to above, may in the future materially affect the financial performance of Splitit and the value of the Splitit Cayman Shares offered under this Explanatory Memorandum. Therefore, the Splitit Cayman Shares to be issued pursuant to this Explanatory Memorandum carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Splitit Cayman Shares.

Existing Shareholders and potential investors should consider that the investment in Splitit and Splitit Cayman is speculative and should consult their professional advisers before deciding whether to vote in favour of the Transaction Proposal Resolutions and continue to hold Splitit Shares (which may be exchanged for Splitit Cayman Shares if the Redomicile Proposal is implemented).

4.6 Board and executive leadership team

4.6.1 Splitit Board and senior management team

(a) Composition of Board

As at the date of this Explanatory Memorandum, Dawn Robertson, Thierry Denis, Jan Koelble, Vanessa LeFebvre, Scott Mahoney, Nandan Sheth and Dan Charron are the directors of Splitit.

If the Transaction Proposal is approved, then from the time that Tranche 1 of the Placement Proposal becomes effective, the following changes will be made to the composition of the Splitit Board prior to the Redomicile Proposal taking effect (or Tranche 2 of the Placement Proposal becoming effective):

Following the time that Tranche 1 of the Placement Proposal becomes effective, Motive will be entitled to appoint three (3) out of the seven (7) total directors of Splitit. The board of directors will be comprised of the following individuals:

- Nandan Sheth (non-Motive director);
- Dawn Robertson (non-Motive director);
- Thierry Denis (non-Motive director and external director);
- Scott Mahoney (non-Motive director and external director);
- Blythe Masters (Motive director); and
- Two Motive directors to be appointed by Motive in its sole discretion. Motive has yet to determine these two nominees to the Splitit Board.

If the Transaction Proposal is approved, and Tranche 2 of the Placement Proposal becomes effective prior to the Redomicile Proposal becoming effective, then from the time that Tranche 2 of the Placement Proposal becomes effective, the following changes will be made to the composition of the Splitit board prior to the Redomicile Proposal taking effect:

- Motive will be entitled to appoint at least a majority of the directors of the board of Splitit; and
- if Tranche 2 of the Placement Proposal becomes effective following the Redomicile Proposal becoming effective, then from the time that Tranche 2 of the Placement Proposal becomes effective, Motive will be entitled to appoint at least a majority of the directors of the board of Splitit Cayman.

The composition of the board of Splitit or Splitit Cayman, as applicable, remains subject to the continued review and analysis by Motive and Splitit, and may change in accordance with the Splitit Articles of Association or the Splitit Cayman Articles of Association, as applicable. As at the date of this Explanatory Memorandum no decision has been made as to which non-Motive appointed Splitit Director will be replaced by a Motive appointed Proposed Splitit Director following completion of Tranche 2 of the Placement Proposal.

Biographical information as to the currently proposed board members following Tranche 1 of the Placement Proposal is set out in section 4.6.2 below.

(b) **Biographical Information**

Dawn Robertson

Ms Dawn Robertson is a Non-Executive Director and Chair of the Board.

Dawn has been a global business leader for major retailers, department stores, startups and wholesale companies for over 30 years, developing and executing new strategies with extensive experience, including Myer, Old Navy, Macys and OCM. Dawn has frequently worked directly with boards of Private or Public companies domestically and internationally in order to drive growth, improve weak revenue and scale startups for consumer brands. Dawn currently holds board seats on four global organisations including; The Apparel Group in Dubai UAE, Careste- a luxury women's sustainable brand, Women in Retail Leadership in New York City and Runway of Dreams in New York City in addition to serving as a guest professor and strategic advisor for emerging brands on best practices in Retail and Ecommerce.

Dawn was also chosen as one of the top 20 Inspirational Women leaders by Women's Wear Daily in 2022 and a top 2022 women in retail leaders by the Women in Retail Leadership Committee.

Ms Robertson holds a B.A. Fashion Merchandising from Auburn University, Auburn, AL.

Ms Robertson is a Fellow of the Australian Institute of Company Directors, a Fellow of the National Association of Corporate Directors, USA, a Fellow of DealmakeHers, a Fellow of C200, and a Fellow of Extraordinary Women on Boards.

Nandan Sheth

Nandan Sheth is the CEO and Managing Director of Splitit. He was appointed as Splitit CEO effective 28 February 2022 and has been a director since July 2022.

Nandan Sheth brings domain expertise through his work at large payment companies, major banks, Fortune 100 companies and disruptive technology startups across North America and Europe. Prior to joining Splitit, he served as Fiserv's Head of Global Digital Commerce as well as Head of Fiserv's Carat business, an ecosystem of omnichannel commerce solutions for large multinational merchants. Prior to that, Nandan was President of Acculynk, the business he co-founded in 2008 and sold to First Data in 2017. His earlier experience includes serving as GM at American Express and co-founding and scaling Harbor Payments (sold to American Express) and e-Debt.

Mr Sheth holds an MBA from the Cass Business School and a Bachelor of Sciences with Honours from City, University of London.

Thierry Denis

Mr Thierry Denis is a Non-Executive External Director and Chair of the Remuneration and Nomination Committee. He has been a Director of Splitit since 2019.

With over 20 years of senior management experience building market leading IT solutions at global electronic payments technology leader, Ingenico, Thierry brings with him a broad executive skill set that spans M&A, product diversification, business development and marketing, as well as his strong sales and technical background. He was most recently President/Managing Director of Ingenico North America and then CEO Advisor & Consultant. Thierry was also previously a director of TZ Limited.

Mr Denis is a Graduate from the Australian Institute of Company Directors and holds a Diploma in Engineering from ENSEA (Ecole Nationale de l'Electronique et de ses Applications).

Scott Mahoney

Scott Mahoney has 20 years of investment experience across asset classes in executive leadership roles at global alternative asset management firms. He is currently an Executive Council Member for alternative investment advisory firm, Aviditi Advisors and a Partner with the FinTech venture capital firm, Tribeca Early-Stage Partners. Scott was previously Deputy Chief Trading Officer at Millennium Management and a Managing Director of Alternative Investments at Credit Suisse Asset Management.

Mr Mahoney holds a Bachelor of Science in Economics from The Wharton School, University of Pennsylvania.

Blythe Masters

Blythe Masters joined Motive Partners in 2019 and is a Founding Partner and Chair of Motive Ventures, the early-stage investment capability at Motive Partners.

Blythe has extensive experience as a financial services and technology executive. Prior to joining Motive, Blythe was the former CEO of Digital Asset, the leading enterprise blockchain fintech company responsible for the Australian Securities Exchange's ground-breaking post-trade infrastructure replacement project. Previously, Blythe was a member of the Corporate and Investment Bank Operating Committee and firmwide Executive Committee at J.P. Morgan. Her J.P. Morgan career spanned 27 years, fulfilling several roles including head of global commodities, head of corporate and investment bank regulatory affairs, CFO of the investment bank, head of global credit portfolio and credit policy and strategy, and head of structured credit. In parallel, Blythe is a Board member of GCM Grosvenor and Forge Global as well as an Advisory Board member for the US Chamber of Digital Commerce, Figure Technologies, Sandbox AQ, and Maxex. She is also Chair of Wilshire's Digital Assets Advisory Group and a member of P.R.I.M.E. Finance (the Hague-based Panel of Recognized International Market Experts in Finance). Blythe previously served on the board of directors of Credit Suisse Group including as chair of its Digital Transformation and Technology Committee and as member of its Governance and Nominations Committee, Compensation Committee and Risk Committee.

(c) Senior management

As at the date of this Explanatory Memorandum, the senior management team of Splitit is as follows:

- (i) Nandan Sheth, Chief Executive Officer;
- (ii) Ben Malone, Chief Financial Officer;⁶
- (iii) Omri Flicker, Chief Legal & Risk Officer;
- (iv) Collin Flotta, Head of Product;

⁶ Ben Malone has resigned from his position as CFO and will depart in January 2024. This is, in part, because Ben is located in Australia and Splitit primarily operates in the United States and is expected to be delisted and redomiciled to the Cayman Islands if the Transaction Proposal proceeds, so jurisdictional expertise in Australia is no longer necessary. A new, non-Australian based CFO is expected to be appointed in due course.

- (v) Ran Landau, Chief Technology Officer;
- (vi) Colin Mellon, Head of Sales; and
- (vii) Lyndal Newman, Head of Marketing.

There may be changes to the senior management team of Splitit from the time that the Placement Proposal becomes effective and prior to the Redomicile Proposal taking effect. Any changes to senior management remain subject to the ongoing review and analysis of the Splitit Directors.

4.6.2 Proposed Splitit Cayman Board and senior management team

(a) Composition of Board

As at the date of this Explanatory Memorandum, Splitit Cayman has two directors, being Nandan Sheth and Dawn Robertson.

Under the Redomicile Proposal, all Splitit Directors immediately prior to the Redomicile Implementation Date will become directors of Splitit Cayman.

Following the implementation of the Redomicile Proposal, the composition of the board of Splitit Cayman will remain subject to the continued review and analysis by Motive and Splitit Cayman.

(b) Senior management

Under the Redomicile Proposal, other than Ben Malone, all Splitit senior management immediately prior to the Redomicile Implementation Date are expected to serve as senior management of Splitit Cayman.

However, following the implementation of the Redomicile Proposal, any changes to senior management will remain subject to the ongoing review and analysis of Splitit Cayman.

(c) Director disclosures

No Splitit Director or Proposed Splitit Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

Other than as disclosed below, no Splitit Director or Proposed Splitit Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a six month period after they ceased to be an officer.

4.6.3 Interests of directors in Splitit Cayman

No Splitit Director or Proposed Splitit Director (or entity in which they are a director and/or a shareholder) has, or has had in the two years before the date of this Explanatory Memorandum, any interests in:

- (a) the formation or promotion of Splitit Cayman; or
- (b) property acquired or proposed to be acquired by Splitit Cayman in connection with its formation or promotion, other than in respect of interests that it already holds in Splitit (detailed in section 8.7); and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (c) any Proposed Splitit Director to induce them to become, or to qualify as, a Director of Splitit Cayman; or
- (d) any Proposed Splitit Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of Splitit (other than any remuneration received by a Proposed Splitit Director in their capacity as Splitit Directors),

except as disclosed in this Explanatory Memorandum.

4.6.4 Proposed Splitit Directors' interests and remuneration following implementation of the Redomicile Proposal

(a) Executive Directors' remuneration

The only executive director of Splitit Cayman following the Transaction Proposal is CEO and Managing Director, Nandan Sheth.

Mr Sheth's base salary is US\$600,000 per annum and is not anticipated to change as a result of implementation of the Transaction Proposal.⁷ In addition, any rights that Mr Sheth's has under the Splitit's Equity Plans will continue (as described in section 5.3.3).

(b) Non-executive Directors' remuneration

The existing fees for non-executive directors of Splitit are set out below.

| Non-Executive Director | Director fees⁸ |
|-------------------------------|----------------------------------|
| Chairman | US\$100,000 |
| Other non-executive directors | US\$50,000 |

The full board of Splitit Cayman remains subject to the continued review and analysis by Motive and Splitit, and any non-executive director remuneration and other compensation arrangements post the Redomicile Proposal have yet to be determined, but Motive and Splitit believe that the compensation arrangements of non-executive directors will likely change. Nonetheless, any remuneration of any non-executive director will be approved solely by a majority of the board of directors. For further information, see section 8.1.4 below.

⁷ Nandan Sheth is also eligible for an annual incentive cash bonus of up to 33.3% of the base salary, subject to meeting certain key performance indicators during the applicable calendar year.

⁸ Fees current as at the date of this Explanatory Memorandum. Thierry Denis and Jan Koelble each currently receive an additional fee of US\$16,500 for chairing the Remuneration and Nomination Committee and the Risk, Audit and Governance Committee, respectively. Following implementation of the Transaction Proposal, Mr Denis will continue in his role as chair of the Remuneration and Nomination Committee and Scott Mahoney will be appointed as chair of the Risk, Audit and Governance Committee. Mr Denis will continue to receive the fee of US\$16,500 for maintaining his role as chair of the Remuneration and Nomination Committee, and Mr Mahoney will receive an additional fee of US\$16,500 for taking on the role of chair of the Risk, Audit and Governance Committee.

(c) **Deeds of access, exculpation, indemnity and insurance for Directors and Officers**

Splitit Cayman will obtain directors' and officers' liability insurance for the benefit of its office holders and intends to continue to maintain such coverage and pay all premiums thereunder to the fullest extent permitted by the Cayman Islands law.

In addition, Splitit Cayman will enter into standard deeds of access, exculpation, indemnity and insurance agreements with each of the Proposed Splitit Directors. Pursuant to those deeds, Splitit Cayman will undertake, to the fullest extent permitted by the Cayman Islands law and Splitit Cayman's Articles of Association, to indemnify each Proposed Splitit Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Proposed Splitit Director during the period of their appointment and for seven years after the Proposed Splitit Director has ceased to be a director of Splitit Cayman. Splitit Cayman will further undertake with each Proposed Splitit Director to maintain a complete set of Splitit's board papers and to make them available to the Proposed Splitit Director for seven years after the Proposed Splitit Director has ceased to be a director of Splitit Cayman.

(d) **Other information and interests**

Proposed Splitit Directors may also be reimbursed for travel and other expenses reasonably incurred in connection with the performance of their duties as directors.

(e) **Directors' interests in Shares and other securities**

Splitit directors currently hold shares and other securities in Splitit and, if the Redomicile Proposal becomes Effective, Proposed Splitit Directors will hold interests in Splitit Cayman Shares and other securities.

Section 8.7 sets out details of the shares and securities held by Splitit Directors and Proposed Splitit Directors in Splitit and Splitit Cayman respectively prior to and following the date on which the Redomicile Proposal becomes Effective.

4.7 Related party transactions

(a) **Splitit related parties and Directors**

As at the date of this Explanatory Memorandum, no material transactions with related parties and Directors' interests of Splitit exist other than those disclosed in this Explanatory Memorandum.

(b) **Splitit Cayman related parties and Directors**

As at the date of this Explanatory Memorandum, no material transactions with related parties and Directors' of Splitit Cayman exist other than those disclosed in this Explanatory Memorandum.

4.8 Corporate governance arrangements

(a) **Corporate governance arrangements of Splitit following Placement Proposal and Delisting Proposal**

Until the completion of the Delisting Proposal, corporate governance arrangements applicable to an ASX-listed entity will continue to apply to Splitit.

After completion of the Delisting Proposal, Splitit will no longer be subject to the corporate governance requirements required by the ASX, but will remain subject to governance requirements applicable to an Israeli company.

The composition of the Audit, Risk and Governance Committee and of the Nomination & Remuneration Committee, shall change to consist, in the case of both committees, of Thierry Denis (Non-Executive External Director), Scott Mahoney (Non-Executive External Director) and one Non-Executive Director to be appointed by Motive. Mr Denis will continue in his role as chair of the Remuneration and Nomination Committee and Scott Mahoney will be appointed as chair of the Risk, Audit and Governance Committee.

In addition, following implementation of the Placement Proposal, a range of new arrangements will apply in relation to the Preference Shares. Holders of Preference Shares will be entitled to receive annual and quarterly financial information of Splitit or Splitit Cayman (as applicable), as well as the right to a quarterly call and additional updates as required from time to time with Splitit's senior management to discuss the performance of Splitit's business. In addition, Motive will be entitled to additional information rights, including monthly financial information and monthly management calls, as well as general access and inspection rights into Splitit or Splitit Cayman (as applicable). The financial information rights of holders of Preference Shares are subject to customary limitations and will expire upon certain events.

All holders of Preference Shares will also be entitled to receive registration rights upon the consummation of a future equity financing transaction in which registration rights are granted. This means that each holder of Preference Shares will be entitled to receive certain demand and piggyback registration rights and such other registration rights that are customarily included on the National Venture Capital Association standard form.

Lastly, all holders of Preference Shares are entitled to rescue financing rights, meaning that if Splitit or Splitit Cayman (as applicable) commits an "event of noncompliance" (defined as a breach of any representations, warranties or covenants under the Goldman Sachs Facility) or fails to maintain certain liquidity thresholds prescribed in the Goldman Sachs Facility, each holder of Preference Shares has the right to provide rescue financing on a pro rata basis in exchange for the issuance of additional Preference Shares, on the same economic terms as the Preference Shares contemplated to be issued to Motive, Thorney and Perea in connection with the Transaction Proposal, equal to the value of the rescue financing provided by such holder of Preference Shares. Splitit or Splitit Cayman (as applicable) will have the right to redeem in full at any time any such Preference Shares issued as part of a rescue financing provided that the Preference Shares are redeemed in full and the event of noncompliance has been cured and remains cured following such redemption. If Motive decides to participate in the rescue financing, it will have the right to control the process.

(b) Corporate governance arrangements of Splitit Cayman following Redomicile Proposal

To the extent that the Transaction Proposal and the Redomicile Proposal are consummated, Splitit and Motive expect that Splitit Cayman will implement committees and corporate governance arrangements in the ordinary course of business appropriate to its new corporate structure. These corporate governance arrangements remain subject to the continued review and analysis by Motive and Splitit. In addition, it is noted that although there is no explicit right for shareholders to receive information under Splitit Cayman Articles of Association or under Cayman law, it is the intention of Motive and Splitit to provide holders of Ordinary Shares with certain concise annual reporting, in form and substance to be further agreed by Motive and Splitit.

4.9 Public information available for inspection

As an ASX-listed company, Splitit is, until completion of the Delisting Proposal, subject to periodic reporting and disclosure obligations under the Listing Rules. These obligations

require Splitit to notify ASX of information about specified matters and events as they arise for the purpose of ASX making that information available to participants in the market.

While it remains an ASX-listed entity, once Splitit becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of a Splitit Share, Splitit must (subject to limited exceptions) immediately notify the ASX of that information.

Publicly disclosed information about all ASX-listed entities, including Splitit, is available on the ASX website at <https://www.asx.com.au>. Splitit's annual and interim reports and public announcements are also available on the Splitit website at <https://www.splitit.com/investors/asx-announcements/>.

5 Details about the Transaction Proposal

The Transaction Proposal comprises the Delisting Proposal, the Placement Proposal, the Redomicile Proposal and the Ancillary Proposals, details of which are set out below.

5.1 Placement Proposal

5.1.1 Terms of placement

Subject to, and under the terms of the Subscription Agreement between Splitit and Motive, Motive, through funds advised by Motive Partners, will invest up to US\$50 million in Splitit in exchange for the issue of up to 250,000,000 Preference Shares in Splitit. This investment will occur in two tranches:

- (a) ('**Tranche 1**'): Tranche 1 of US\$25 million will be provided by Motive, and 50% of the Preference Shares will be issued to Motive, subject to satisfaction of certain conditions set out in section 8.2.1 and after receiving shareholder approval for:

- (i) the Delisting Proposal (described at section 5.2 below);
- (ii) the Redomicile Proposal (described at section 5.3 below); and
- (iii) the issue of the Tranche 1 of the Preference Shares to Motive pursuant to ASX Listing Rule 7.1 and section 328 of the Israeli Companies Law (described at section 5.1.1 below).

('**Tranche 2**'): Tranche 2 of US\$25 million will be provided by Motive, and the other 50% of the Motive Preference Shares will, subject to satisfaction of certain conditions set out in section 8.2.1, be issued to Motive if:

- (i) Motive exercises its "put" option in respect of Tranche 2. Motive may exercise its put option in its sole discretion until 30 June 2025; or
- (ii) Splitit delivers a notice pursuant to the Subscription Agreement evidencing satisfaction of the conditions to the Tranche 2 issuance, being Splitit achieving 70% of its 2023 calendar year target for:
 - (A) merchant sales volume;
 - (B) net transaction margin; and
 - (C) adjusted EBITDA.

As at the date of this Explanatory Memorandum, it is intended that Tranche 2 will occur following completion of the Redomicile Proposal. The rights and obligations of Splitit pursuant to the Subscription Agreement will be assigned to Splitit Cayman upon completion of the Redomicile Proposal and, in the case that the Redomicile Proposal is implemented, the Tranche 2 placement will take the form of an investment into, and issuance of shares of, Splitit Cayman.

More detail in respect of the key terms of the Subscription Agreement are summarised in section 8.2.1.

5.1.2 Terms of the Preference Shares

A detailed summary of the terms of the Preference Shares is set out in section 8.6.2 and section 8.3.

5.1.3 Purpose and effect of the Placement Proposal

As described in more detail in section 3, the purpose of the Placement Proposal is to accelerate Splitit's growth and support the execution of its strategic plan.

If implemented, the Placement Proposal will have a dilutive effect on the Shares currently on issue in Splitit. Part of this dilution is as a result of the conversion of the Convertible Notes into Preference Shares as described in section 5.1.6 below.

All matters entitled to be voted on by holders of any equity interests in Splitit (either ordinary Splitit Shares or Preference Shares) shall vote as a single class. If the Transaction Proposal is implemented, all shareholders entitled to vote on all matters that require a shareholder vote will include the vote of all of the issued and outstanding Preference Shares held by Motive, as well as all of the issued Preference Shares to Thorney and Perea upon conversion of the Convertible Notes as described in section 5.1.6. As a result of the issuance of Preference Shares, there will be a dilutive effect on the ordinary Splitit Shares because the Preference Shares are a convertible equity and will participate in shareholder votes on an "as-converted" basis. This means that, for purposes of voting on all shareholder matters, the rights of the Preference Shares with respect to conversion will increase the number of all Splitit Shares entitled to vote on certain matters that are brought before shareholders. Therefore, the issuance of Preference Shares will proportionately reduce the voting percentage level of each holder of ordinary Splitit Shares.

In addition, upon an exit or insolvency transaction, as a result of the issuance of Preference Shares, the Placement Proposal will have a dilutive effect on the potential amount of proceeds each holder of ordinary Splitit Shares will be entitled to receive. Any distribution of proceeds will be allocated in accordance with the distribution mechanics set forth in the Splitit Articles of Association (and, if the Redomicile Proposal is implemented, the Splitit Cayman Articles of Association). In summary, the Preference Shares will receive proceeds prior to any holders of ordinary Splitit Shares until the holders of Preference Shares achieve their 2.0x liquidation preference plus any accrued but unpaid dividends. Only following the achievement of this threshold will holders of ordinary shares be entitled to receive any remaining portion of the proceeds.

For a summary of the share capital of Splitit before and after the Transaction Proposal, see section 8.6.5.

The share capital of Splitit and Splitit Cayman following the implementation of the each of the Proposals is set out at section 8.6.

5.1.4 Requirement for Shareholder approval under ASX Listing Rule 7.1

Broadly speaking, subject to certain exceptions prescribed under the ASX Listing Rules, ASX Listing Rule 7.1 limits the number of securities that a company may issue without shareholder approval over any 12-month period to 15% of the total number of shares the company had on issue at the start of the 12-month period ('Placement Capacity').

The issue of Tranche 1 of the Preference Shares will result in Splitit exceeding its Placement Capacity, and because the Preference Shares in respect of Tranche 1 will be issued prior to the Splitit delisting, Shareholder approval (by way of an ordinary resolution of Shareholders) is required. On this basis, Splitit is seeking Shareholder approval for the issue of Tranche 1 of the Preference Shares.

5.1.5 Requirement for Shareholder approval under section 328 of the Israeli Companies Law

According to section 328 of the Israeli Companies Law, in a public company, a purchase of shares has to be effected by way of a "special tender offer" pursuant to Chapter 2 of Part 8 of the Israeli Companies Law if pursuant to a purchase (i) a person will become a holder of a "controlling block" if there is no such controlling person in the company or (ii) the purchaser's holdings will exceed forty five percent (45%) of the voting rights in the company, if there is no

other person holding over forty five percent (45%) of the voting rights in the company. Under the Israeli Companies Law, “controlling block” is defined as twenty five percent (25%) or more of the voting rights in a company.

However, pursuant to certain exceptions in the Israeli Companies Law, a purchase of shares does not need to be effected by way of a “special tender offer” if the shares are purchased in a private placement and, in a general meeting, the shareholders of the company approve the purchase of shares as a private placement intended to grant the purchaser a “controlling block” or twenty five percent (25%) of the voting rights in the company (as applicable), if no such “controlling block” or holder of forty five percent exists in the company at that time (as applicable).

Under the Placement Proposal, Motive may be a holder of more than twenty five percent (25%) of the share capital of Splitit and there will not be another “controlling block” holder. On this basis, Splitit is seeking Shareholder approval for the Placement Proposal as a private placement intended to grant Motive a “controlling block” in the Company pursuant to section 328 of the Israeli Companies Law.

5.1.6 Effect of Placement Proposal on Convertible Notes

(a) Conversion of Convertible Notes into Preference Shares

There are currently four Convertible Notes on issue held by Thorney and Perea at a total face value of US\$7,000,000, comprising:

- (i) two Convertible Notes issued on 26 July 2023 for total consideration of US\$2,800,000; and
- (ii) two Convertible Notes issued on 7 September 2023 for total consideration of US\$4,200,000.

Under the terms of the Convertible Note Agreement, Splitit has the option (in its sole discretion) to call, at any time between 24 October 2023 and 26 January 2024 a further US\$3,000,000 in aggregate of additional investment from Thorney and Perea in exchange for an additional tranche of two Convertible Notes (or equivalent underlying securities). As at the date of this Explanatory Memorandum, Splitit intends, on or promptly after 24 October 2023, to call and draw down on the remaining commitments from Thorney and Perea such that there will be 6 Convertible Notes on issue with a total face value of US\$10,000,000.⁹

Under the terms of these Convertible Notes, and as set out in Splitit’s announcement to ASX on 26 July 2023 and Explanatory Memorandum dated 10 August 2023 pertaining to shareholder approval of the issues of the latter tranches of Convertible Notes, outstanding Convertible Notes automatically convert on the occurrence of a Qualified Financing Trigger. The issue of Tranche 1 of the Preference Shares will constitute a Qualified Financing Trigger.

Therefore, if the Placement Proposal is approved by Shareholders, and if Tranche 1 of the Preference Shares are issued, the amount of the outstanding Convertible Notes, being US\$7,000,000 at the time of this Explanatory Memorandum and expected to be \$10,000,000 at the time of the Placement Proposal, will automatically convert into shares of the same class as the Preference Shares and at the same price (US\$0.20 cents).

If the Placement Proposal is not approved, no Preference Shares will be issued as a Qualified Financing Trigger will not occur. The terms of the Convertible Note

⁹ The Company notes that the number of Convertible Notes that will be disclosed on the ASX register is the notional number of Convertible Notes based on a hypothetical conversion of the Convertible Note into Splitit Shares at their time of issue.

Agreement will continue to apply to the Convertible Notes, including the terms that relate to the conversion of those Convertible Notes into Splitit Shares or other securities in Splitit.

(b) Ability of Thorney and Perea to vote on Transaction Proposal Resolutions

Splitit does not consider that either of Thorney or Perea will obtain a material benefit as a result of the Transaction Proposal and that, as a result, Thorney and Perea will not be excluded from voting on the Placement Proposal or the other Transaction Proposal Resolutions under ASX Listing Rule 14.11.

This is because, although the Convertible Notes will convert into Preference Shares as a result of the Placement Proposal, this is not a material benefit for the purpose of ASX Listing Rule 14.11 for the following reasons:

- (i) following consideration in July 2023, and prior to its binding agreement in relation to the Transaction Proposal, Splitit identified the Convertible Note financing as the best outcome available to provide an urgent interim funding solution for Splitit (having regard to conditionality, potential time delays and the costs of other solutions such as rights issues, or third party placement or debt). In that context, Thorney and Perea were providing substantial and urgently needed finance within a short time window which other shareholders do not have the capacity to provide. The rights Thorney and Perea have under the Convertible Notes on a subsequent financing need to be considered in the context of what similar financiers, contracting on arms-length terms, would require in similar circumstances;
- (ii) it is standard for financiers to require terms that ensure they will not be subordinated to a subsequent financing. In fact, in order to protect their legitimate interests in being repaid, financiers would typically expect the right to either veto any subsequent financing or to at least rank ahead of that financing in any liquidation scenario. In this case, Thorney and Perea have accepted a lesser protection – being the conversion into the same class of shares as the subsequent financing, meaning the prior financier ranks only *pari passu* with the subsequent financier.
- (iii) the Splitit Board considers the Qualified Financing Trigger included in the Convertible Notes and which is triggered by the Placement Proposal to be a standard commercial trigger for a convertible note of this type and to have been required to attract the Convertible Note financing as it reasonably protects the interests of the Convertible Note holders from becoming subordinated to a subsequent financing. In that context, the conversion does not represent a material benefit or “net benefit” obtained as a result of the approval of the Placement Proposal Resolution having regard to the balance of commercial benefits flowing to and from the counterparties to the Convertible Note. It is compensation for the enhanced risk Thorney and Perea have undertaken in providing the Convertible Note financing at a time when Splitit needed the funds and there was no certainty that a Qualified Financing would occur or that they would ultimately be repaid. It is commercially appropriate that the same benefit is not offered to shareholders who have not assumed these risks. It is also appropriate for this not to impact voting on the Qualified Financing because the conversion does not represent a “net benefit” to Thorney and Perea, as it is a term of a separate commercial arm’s length arrangement that Splitit has agreed with Thorney and Perea for the benefit of all shareholders; and
- (iv) beyond the conversion of the Convertible Notes, there are both advantages and disadvantages for Thorney and Perea’s respective stake in Splitit. Most notably, the Placement Proposal reduces Thorney and Perea’s existing degree of influence over Splitit as its two largest shareholders. The

Placement Proposal, if implemented, will have a significant dilutive impact on their respective holdings in Splitit, in the same way it has an impact on other shareholders, and will provide Motive with enhanced influence over key operational decisions of Splitit.

On 28 July 2023, ASX provided an in-principle confirmation to Splitit that ASX has no objection to the votes of Thorney and Perea not being disregarded in relation to voting on the Placement Proposal, provided that Splitit Shareholders are provided with adequate disclosure that Thorney and Perea will not obtain a material benefit as a result of the Placement Proposal.

5.1.7 Technical information required by Listing Rule 14.1A

If the resolution to approve the Placement Proposal is passed (along with all of the other Transaction Proposal Resolutions), Splitit will be able to proceed with the issue of Tranche 1 of the Preference Shares. In addition, the issue of Tranche 1 of the Preference Shares will be excluded from the calculation of the number of equity securities that Splitit can issue without approval under Listing Rule 7.1.

If resolution to approve the Placement Proposal (or any other Transaction Proposal Resolution) is not passed, Splitit will not be able to proceed with the issue of Tranche 1 of the Preference Shares because it will have insufficient Placement Capacity. This will mean that Splitit will not be able to receive the US\$25 million dollar Tranche 1 investment from Motive and that the Transaction Proposal will not otherwise proceed.

As set out in section 3.9 of this Explanatory Memorandum, not approving the Placement Proposal may have a negative impact on Splitit (including by adversely affecting the ability of Splitit to continue to operate prior to any potentially larger transformational financing being completed).

5.1.8 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation the proposed Placement to Motive:

- (a) Splitit has entered into an agreement (the Subscription Agreement) to, subject to Shareholder approval, issue Tranche 1 of the Preference Shares to Motive;
- (b) if Shareholders approve the issue of Tranche 1 of the Preference Shares, 125,000,000 Preference Shares will be issued to Motive;
- (c) a summary of the terms of the Preference Shares are set out in section 8.6.2;
- (d) Tranche 1 of the Preference Shares will be issued following the approval of the Transaction Proposal by Shareholders no later than 3 months after the date of the Meeting;
- (e) Splitit will, in accordance with the ASX Listing Rules, issue the Tranche 1 of the Preference Shares no later than 3 months after the date of this Meeting;
- (f) if Splitit issues Tranche 1 of the Preference Shares it will receive US\$25 million in consideration at an issue price of US\$0.20;
- (g) the purpose of the issue, and the intended use of funds, is set out in section 3 of this Explanatory Memorandum;
- (h) a summary of the key terms of the Subscription Agreement, under which Tranche 1 of the Preference Shares would be issued, is set out in section 8.2.1;
- (i) there are no voting exclusions; and

- (j) Tranche 1 of the Preference Shares are not being issued under, or to fund, a reverse takeover.

5.2 Delisting Proposal

5.2.1 ASX conditions and delisting process

The Delisting Proposal will involve Splitit being removed from the official list of entities that ASX has admitted (and not removed) in accordance with ASX Listing Rule 17.11.

Splitit has formally applied to ASX for its removal from the Official List of ASX. ASX has confirmed that it will remove Splitit from the Official List of ASX subject to the satisfaction of certain conditions, which Splitit intends to satisfy prior to its removal. Those conditions are as follows:

- (a) The request for removal of Splitit from the Official List of ASX is approved by a special resolution of shareholders of Splitit.
- (b) The notice of meeting seeking shareholder approval for Splitit's removal from the Official List of ASX ('**Notice**') must include:
 - (i) a timetable of key dates, including the time and date at which Splitit will be removed from ASX if that approval is given;
 - (ii) details that if holders wish to sell their securities on ASX, they will need to do so before Splitit is removed from the Official List, and, if they do not, details of the processes that will exist after Splitit is removed from the Official List to allow security holders to dispose of their holdings and how they can access those processes; and
 - (iii) the information prescribed in section 2.11 of ASX Guidance Note 33, to ASX's satisfaction.
- (c) The removal of Splitit from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so.
- (d) Splitit must apply for its securities to be suspended from quotation at least two business days before its proposed Delisting date.
- (e) Splitit releases the full terms of this decision to the market upon making a formal application to ASX for its removal from the Official List of ASX.

(together, the '**Delisting Conditions**').

If the Transaction Proposal is approved, and Delisting Conditions are satisfied, the Delisting Date will be no earlier than one month after the date Shareholder approval is obtained. The Key Dates section sets out the indicative dates on which Splitit expects to be suspended from trading and delisted from the official list of ASX. These dates are indicative only and may change. After the Meeting, an announcement will be made to ASX confirming the applicable dates for the delisting process.

5.2.2 Effect of Delisting Proposal

(a) Selling your Shares and ASX-listed Options

Splitit's Shares and ASX-listed Options will no longer be quoted and traded on ASX or any other stock exchange. This will mean that Shareholders will not be able to sell their Shares and ASX-listed Options in Splitit "on-market" and realise their investment

in Splitit via ASX trading. Instead, Shareholders and Optionholders will only be able to sell their shares through off-market transactions (see below for further details).

Prior to Delisting, Splitit's Shareholders may continue to sell their Shares and ASX-listed Options on-market on ASX up until two business days before the date that Splitit is removed from the Official List of ASX. This will give Splitit Shareholders approximately 2 months from the date of this Explanatory Memorandum to seek to trade their shares and ASX-listed Options on ASX to exit Splitit prior to the Delisting of Splitit, if they do not wish to remain as Shareholders.

To the extent Shareholders elect to retain ownership in Splitit as a private company upon the completion of the Delisting or are unable to sell their shares prior to the Delisting, Splitit has appointed PrimaryMarkets, Australia's premier private share trading platform with a global investor network of over 110,000 investors across 119 countries, to facilitate the sale of Splitit shares. Under this arrangement, Shareholders may be able to sell their shares on PrimaryMarkets' trading platform following Delisting. Nonetheless, there is no assurance or guarantee that there will be sufficient liquidity in the PrimaryMarkets platform to facilitate shareholders being able to sell their shares. There is also no assurance or guarantee that Splitit Cayman will keep the arrangement with PrimaryMarkets in place.

Any transfers of Splitit Shares (or Splitit Cayman Shares) will be subject to the terms of the Splitit Articles of Association (and, if the Redomicile Proposal is implemented, the Splitit Cayman Articles of Association).

(b) Splitit will no longer be regulated by the ASX Listing Rules

Following delisting, Splitit will no longer be subject to the ASX Listing Rules. This means that Shareholders will not have the benefit of the protections provided by the Listing Rule requirements.

Splitit will no longer be subject to continuous disclosure obligations (ASX Listing Rule 3). These obligations, in broad terms, require Splitit to keep Shareholders and the market informed as to information that would have a material impact on the price of Splitit's securities (subject to certain exceptions). This will mean that if the Delisting Proposal is implemented, as a Shareholder, you may receive less updates and information from Splitit (or Splitit Cayman, following the implementation of the Redomicile Proposal). This is because Cayman Islands law (which Splitit Cayman is subject to) does not impose the same level of disclosure obligations on unlisted private companies. However, as a Shareholder of Splitit, prior to the implementation of the Redomicile Proposal, you will be entitled to receive information a shareholder of an Israeli company is entitled to receive under the Israeli Companies Law. A description of the disclosure obligations that apply to Splitit under the Israeli Companies Law and that will apply to Splitit Cayman under Cayman Islands company law is set out at section 8.1.

Splitit is also not an "unlisted disclosing entity" for the purposes of the Corporations Act because it is not an Australian company. This means that Shareholders *will not* have the benefit of the continuous disclosure regime under sections 675 and 675A of the Corporations Act. The continuous disclosure obligations will apply to Splitit Cayman under Cayman Islands law are more limited. This will mean that, as a Shareholder, you may receive less updates and information from Splitit Cayman.

Other material obligations that currently apply to Splitit that will not apply to Splitit following the implementation of the Delisting Proposal (or Splitit Cayman, following the implementation of the Redomicile Proposal) are:

- (i) specific disclosure requirements in respect of the issuing of shares and other securities (ASX Listing Rule 3);

- (ii) the requirements contained in ASX corporate governance principles (ASX Listing Rule 4); and
- (iii) restrictions on making significant changes to the nature and scale of Splitit's activities. (ASX Listing Rule 11).

ASX Corporate Governance Principles and Recommendations will no longer apply to Splitit.

5.2.3 Shareholder remedies available

Australian corporate law has limited application to Splitit given its status as a company incorporated in Israel. Therefore, in the event that Shareholders consider that the Delisting is contrary to the interests of Shareholders as a whole or oppressive or prejudicial to certain members, those Shareholders would need to take action under Israeli law and petition an Israeli court to issue a court order or determine the merits of the shareholder's claims. A summary of certain provisions of the Israeli Companies Law are set out below:

- (a) Section 191, which prohibits depriving or discriminating against any of the shareholders in the company and authorises courts of law to issue judicial orders against such deprivation in accordance with a shareholder's request.
- (b) Section 192, which requires shareholders in an Israeli company to act in good faith and to refrain from misusing their power over the company or from depriving or discriminating against other shareholders.
- (c) Section 193, which establishes a duty for a controlling shareholder in an Israeli company to act fairly towards the company, with failure to do so being treated as breach of contract.
- (d) Sections 194 to 206, which allow a shareholder in an Israeli company to file a request to approve a derivative claim against the company pursuant to the conditions set forth therein.

5.2.4 Effect of the delisting on ASX-listed Options

Following the implementation of the Delisting Proposal:

- (a) the ASX-listed Options will cease to be quoted on ASX;
- (b) ASX-listed Options will continue to be able to be sold off-market by way of private sale; and
- (c) ASX-listed Options will still be able to be exercised up to the expiry date (being 30 months from issue). However, the shares issued upon exercise will not be quoted on the ASX.

ASX-listed Optionholders wishing to realise their investment prior to the Splitit delisting may:

- (a) sell their ASX-listed Options on ASX prior to the delisting; or
- (b) subject to the terms of Options, exercise their ASX-listed Options, and sell the underlying Shares on ASX, prior to the delisting.

5.2.5 Effect of the delisting on unlisted securities of Splitit

Any unlisted securities of Splitit (including unlisted Options, Warrants, Performance Rights and Convertible Notes) will continue in existence on the current terms following the implementation of the Delisting Proposal.

5.3 Redomicile Proposal

5.3.1 Effect of the Redomicile Proposal on shares held in Splitit (including Preference Shares)

If Shareholders approve the Redomicile Proposal, and it becomes Effective, Splitit Shareholders on the Register immediately prior to the Effective Date (being the Record Date for the Redomicile Proposal) will, subject to the process set out below, receive one Splitit Cayman Share or where applicable one other equivalent Splitit Cayman Security, for each Splitit Share or other security they hold on the Record Date. This will be implemented under the following steps:

- (a) On or prior to the Effective Date, Splitit Cayman will issue the Splitit Cayman Shares to the Exchange Agent (appointed by Splitit and Splitit Cayman) in non-certificated book-entry form. The Splitit Cayman Shares, together with any dividends or other distributions in respect thereof will be held by the Exchange Agent for the benefit of Shareholders. Each Splitit Cayman Share issued in exchange for 102 Shares will be issued to the 102 Trustee as applicable under the assumed equity plans and in accordance with applicable Israeli laws. The Exchange Agent will be the registered holder of the Splitit Cayman Shares until transferred to the relevant Splitit Shareholders. How (and to what extent) Splitit Shareholders will be able to vote the Splitit Cayman Shares or otherwise exercise the rights attaching to such Splitit Cayman Shares while they are held the Exchange Agent will be determined pursuant to terms to be agreed with the Exchange Agent which will be provided to Splitit Shareholders by the Exchange Agent with the Letter of Transmittal. Any dividends or other distributions that are paid on the Splitit Cayman Shares will be paid to the Splitit Shareholders on whose behalf the Exchange Agent holds those Splitit Cayman Shares at or after the time at which such Splitit Cayman Shares are transferred to such Splitit Shareholders.
- (b) On or prior to the Effective Date, Splitit Cayman will engage a transfer agent (appointed by Splitit and Splitit Cayman) to perform registrar and transfer agent services to Splitit Cayman, including maintaining the Register of Splitit Cayman and providing custodian and nominee services following the Effective Date.
- (c) Following the Effective Date, Shareholders will receive from the Exchange Agent (directly or through a nominee company through which such shares are held) a notice including a Letter of Transmittal which shall specify their entitlement to Splitit Cayman Shares and further instructions.
- (d) In order to receive your Splitit Cayman Shares, Shareholders will need to sign and return the Letter of Transmittal (with any other required materials and forms including self-certifications and/or valid tax certificates and/or such other forms that may be required under applicable law or the tax ruling(s) in Israel (as further described in section 5.3.6), which may also include, for applicable holders, a lockup undertaking and trust arrangement. The Exchange Agent may also require a Medallion Signature Guarantee.
- (e) From the Effective Date for the Redomicile Proposal, an Exchange Agent will hold each Splitit Cayman share on behalf of the Splitit Shareholders. Once Splitit Cayman and the Exchange Agent are satisfied that all the required conditions have been met and documents have been provided, legal title to the applicable Splitit Cayman Shares will be transferred to and registered with the transfer agent under the name of such Shareholder or trustee pursuant to the Merger Tax Ruling, as applicable.
- (f) Issuance of Splitit Cayman Shares (including payment of dividends or other distributions in respect thereof) will be made only to the Splitit Shareholders appearing on the Register as of the Record Date for the Redomicile Proposal.

- (g) If any Splitit Shareholders do not comply with the instructions on how to receive their Splitit Cayman Shares (including by providing the Letter of Transmittal) by the 360th day after the Effective Date of the Redomicile Proposal, and those Splitit Cayman Shares have not been transferred to the relevant Splitit Shareholders, Splitit Cayman may instruct the Exchange Agent to transfer the relevant Splitit Cayman Shares to Splitit Cayman. Splitit Cayman will hold such Splitit Cayman Shares on behalf of Splitit Shareholders (on substantially the same terms as those Splitit Cayman Shares were held by the Exchange Agent) and Splitit Shareholders will be entitled to claim those Splitit Cayman Shares from Splitit Cayman (in place of the Exchange Agent), subject to satisfying the conditions described above.

Splitit Shareholders will not have to make any payment to receive Splitit Cayman Shares under the Redomicile Proposal.

Participating in the Redomicile Proposal may, however, have tax consequences for you. Further information regarding these consequences is set out in section 7 below. Each Splitit Shareholder should consult their own independent professional tax adviser regarding the consequences of acquiring, holding or disposing of their Splitit Shares.

Although Splitit and Motive have no current intention to do so, they reserve the right in connection with the Redomicile Proposal to provide cash rather than Splitit Cayman Shares to any Splitit Shareholder if they believe it is in the best interests of Splitit Shareholders to do so because it has been determined to be unlawful to offer Splitit Cayman Securities in the jurisdiction in which the Splitit Shareholder resides. Any cash out would be at fair market value as determined by the Splitit Directors, for each Splitit Share held by the relevant Splitit Shareholder. In that case, that Splitit Shareholder would cease to hold any interest in the Splitit Group.

The share capital of Splitit Cayman following the Redomicile Proposal becoming Effective (and following the other Proposals of the Transaction Proposal being implemented) is set out at section 8.6.3.

5.3.2 Effect of Redomicile Proposal on unlisted Options, Warrants and Performance Rights

If the Redomicile Proposal becomes Effective, each Warrant, unlisted Option or Performance Right issued and outstanding immediately prior to the Effective Date will cease to represent a right to acquire ordinary shares of Splitit. Instead, they will be automatically assumed by Splitit Cayman and converted into an Option, Warrant or Performance Right to purchase or otherwise be issued the same number of ordinary shares of Splitit Cayman at the same per share exercise price (where relevant), on the same terms and conditions as were applicable thereto immediately prior to the Effective Date subject to the Merger Tax Ruling (as defined below) to the extent applicable, including but not limited to the applicable settlement date(s), vesting schedule, continued service requirements and the same rights to vesting upon a qualifying termination of employment to the extent applicable.

5.3.3 Effect of Redomicile Proposal on Splitit's employee equity plans

As of the Effective Date, the Splitit Equity Plans shall be assumed by Splitit Cayman (subject to any adjustments required for compliance with Cayman Islands law). Splitit Cayman and Splitit and their respective boards of directors shall take any actions that are necessary to effectuate the assumption of the equity plans by Splitit Cayman and the treatment of securities issued under them. If the Redomicile Proposal becomes Effective, each Performance Right issued and outstanding immediately prior to the Effective Date will be automatically assumed by Splitit Cayman into a Performance Right for the same number of ordinary shares of Splitit Cayman, under the applicable assumed equity plans, on substantially the same terms and conditions as were applicable thereto immediately prior to the Effective Date, subject to the Merger Tax Ruling (as defined below) to the extent applicable. The adoption of a new incentive equity plan remains subject to ongoing review by Splitit Cayman.

5.3.4 Effect of Redomicile Proposal on Convertible Notes

If the Redomicile Proposal is implemented then this means that the Placement Proposal would have been implemented and the Qualified Financing Trigger for conversion under the Convertible Note would have occurred. There will therefore be no Convertible Notes on issue.

5.3.5 Description of redomicile process under the laws of Israel

The Redomicile Proposal will involve the Splitit Group being redomiciled from Israel to the Cayman Islands. The Redomicile Proposal will be implemented by way of a reverse triangular merger under Israeli law.

A reverse triangular merger relies on the statutory merger process set out in sections 314 – 328 of the Israeli Companies Law and the regulations promulgated thereunder. The statutory merger provides for the joining of the business, assets, operations, rights and liabilities of two Israeli companies, such that all assets, rights and liabilities of a certain company are “merged” into the other company. A reverse triangular merger is effected by having a newly formed wholly-owned Israeli subsidiary of a parent company merge with and into the target company. As a result of the merger, the newly formed wholly-owned subsidiary would cease to exist and the shares of the target held by its pre-merger shareholders would be transferred to the parent for the consideration agreed in the merger agreement. The target company remains as the surviving company, with the parent becoming the sole shareholder of the target company.

In the context of the Redomicile Proposal, a newly formed Israeli subsidiary (‘Merger Sub’) of a newly formed entity in the Cayman Islands, being Splitit Cayman (each formed solely for the purpose of the merger and the Redomicile Proposal) will merge with and into Splitit. Splitit Cayman will issue new shares to existing Splitit Shareholders in exchange for being transferred all of their Splitit Shares, with existing Shareholders becoming securityholders in Splitit Cayman, and Splitit Cayman becoming the sole shareholder and parent of Splitit.

In accordance with the Israeli Companies Law, the board of directors of each of the merging entities (i.e. Splitit and Merger Sub) is required to approve the merger agreement. In this regard, the board of directors of each merging entity is required to consider whether the surviving entity will be in a position to meet its obligations after the merger (including the obligations of the target entity that are being assumed by the surviving entity). Moreover, in accordance with the Israeli Companies Law, the merger also requires the approval of the shareholders of each of the merging entities in a general meeting of shareholders by a simple majority of votes, excluding abstaining votes.

The merging companies will need to:

- (a) file a merger proposal with the Israeli Registrar of Companies (the ‘Registrar’) (after the merger has been approved by their respective boards of directors and the publication of the notice of the general meeting of shareholders approving the merger);
- (b) provide a notice of the merger to their respective secured and Material Creditors;¹⁰
- (c) publish a notice concerning the proposed merger in two daily newspapers in Israel; and
- (d) if a merging company has more than 50 employees, notify its employees of the proposed merger.

In addition, a merging company that either has Material Creditors outside Israel or that has securities listed for trading in a stock exchange outside of Israel also needs to publish a notice

¹⁰ “**Material Creditor**” is defined under the Israeli Companies Law as a creditor to whom the company owes the higher of: (a) 100,000 NIS (the equivalent to approximately US \$31,000) or (b) an amount equal to fifteen (15%) of the company’s equity.

concerning the proposed merger in a newspaper with widespread circulation in the country where a majority of its Material Creditors are located, in order to provide the creditors with an opportunity to object to the proposed merger.

Within 14 days of the request of a creditor, a merging company is obligated to provide the creditor with certain audited and unaudited up-to-date financial statements of both merging companies. Material Creditors are also entitled to receive certain other information they request. The provision of any information by the merging companies may be conditioned upon confidentiality obligations and the companies may refuse to provide information that they believe is not required to the creditor, was not requested in good faith, or may be harmful to Splitit. In the event of a refusal to provide information or if Splitit does not respond within the time frame mentioned above, a court may delay the merger.

In the event any creditor (no matter the size of its debt) of either of the merging companies can prove to the court that there is a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy its obligations, the court has the authority to prevent or delay the merger or give certain instructions that will guarantee the rights of the creditors.

In addition, the merging companies are required to notify the Registrar of the delivery of notifications to the creditors and/or employees, of the results of the vote in the general meeting, and of the occurrence of certain other events if applicable.

If there are no creditor or shareholder objections to the merger and the approvals required are obtained, the merger becomes effective only following receipt of the Certificate of Merger evidencing the merger to be issued by the Israeli Registrar of Companies in accordance with the Israeli Companies Law which will not be issued until:

- (a) the delivery of all required documents and approvals to the Registrar, including confirmations by each merging company that all merger conditions (as applicable under the merger agreement) have been met;
- (b) the passing of a period of thirty (30) days from the dates of the approval of the merger by the shareholders of each merging company; and
- (c) the passing of a period of fifty (50) days from the date upon which the merger proposals were filed with the Registrar.

5.3.6 Israeli tax ruling condition precedent

The implementation of the Redomicile Proposal contemplates receipt of certain tax ruling(s) in Israel (described below), which may not be received for several months post the Shareholder approval and implementation of the Delisting Proposal.

(a) Merger Tax Ruling

Under Israeli law, the Redomicile Proposal is a taxable transaction to the Shareholders of Splitit. As part of the Redomicile Proposal, Splitit will apply for a ruling from the Israel Tax Authority:

- (i) confirming that the Redomicile Proposal be treated as a tax-deferred merger under chapter E2 of the Israeli Income Tax Ordinance (the 'Ordinance');
- (ii) confirming that the exchange by Israeli holders of Options and Performance Rights of Splitit for equity awards of Splitit Cayman will not constitute a violation of Section 102 of the Ordinance; and
- (iii) exempting Splitit, Merger Sub, Splitit Cayman and their respective agents from any obligation to withhold Israeli tax from any and all consideration payable or otherwise deliverable pursuant to the Redomicile Proposal to any

Shareholder, clarifying that no such obligation exists or providing any other instructions regarding tax withholding (the 'Merger Tax Ruling').

However, due to the novel nature of this ruling application (mainly due to the large number of Shareholders), there is no guarantee the ruling will be obtained. If the said ruling is not obtained, the Redomicile Proposal will be treated as a taxable transaction for Israeli tax purposes, leading to certain Israeli tax implications for Shareholders, including the imposition of capital gains tax and excess tax (if applicable). This tax will be imposed on Shareholders who are Israeli residents for tax purposes and Shareholders who are non-Israeli resident for tax purposes, although it should be noted that certain exemptions from Israeli capital gains tax are available to non-Israeli Shareholders under Israeli law or an applicable tax treaty.

If obtained, the Merger Tax Ruling will impose various restrictions on Splitit, Splitit Cayman and the Shareholders, including, among other restrictions, deposit of shares held by certain Shareholders in Splitit Cayman constituting at least 25% of the holdings in Splitit Cayman as well as the rights in Splitit held by Splitit Cayman with an Israeli trustee for a period of 2-years following implementation of the merger.

(b) Withholding Tax Ruling

If the Merger Tax Ruling is not obtained, the Redomicile Proposal will be a taxable transaction under Israeli law. In such case, Splitit will apply for a ruling from the Israel Tax Authority:

- (i) exempting Splitit, Merger Sub, Splitit Cayman and their respective agents from any obligation to withhold Israeli tax from any and all consideration payable or otherwise deliverable pursuant to the Merger to any Shareholder, clarifying that no such obligation exists, or providing any other instructions regarding tax withholding, and
- (ii) confirming that the exchange by Israeli holders of Options and Performance Rights of Splitit for equity awards of Splitit Cayman will not constitute a violation of Section 102 of the Ordinance (the "Withholding Tax Ruling").

Among other things, the Withholding Tax Ruling will require Splitit Cayman to engage an Israeli withholding agent and an exchange agent. Shareholders seeking an exemption will be required to provide self-certifications as to their eligibility for an exemption per the instructions under the Withholding Tax Ruling to the Israeli withholding agent to receive their consideration from the Exchange Agent upon confirmation from the Israeli withholding agent.

The exchange by Israeli holders of equity awards of Splitit for shares of Splitit Cayman (or any rights to such Shares) granted to such Israeli grantees under sections 102 and 3(i) of the Ordinance may be exempt from Israeli tax and no withholding will be required with respect to these Shares (or any rights to such Shares), subject to the conditions determined in the Withholding Tax Ruling.

If the Merger Tax Ruling is not obtained, and subject to the provisions of the Withholding Tax Ruling (if obtained), certain Shareholders may be required to fund their tax liability given that the Redomicile Proposal does not include any cash payment. The Merger Agreement provides that with respect to any recipient of Splitit Cayman Shares, until such recipient, or anyone on its behalf, presents to the Israeli withholding agent a certificate issued by the Israel Tax Authority exempting from any withholding obligations, or evidence satisfactory to the Israeli withholding agent that the full applicable tax amount with respect to such recipient was paid, any Splitit Cayman Shares shall be issued in the name of the exchange agent (acting together with Israeli withholding agent) to be held in trust for the relevant recipient and transferred to such recipient in compliance with the withholding requirements under the Merger Agreement.

Any amount required to be withheld with respect to Splitit Cayman Shares shall be funded first through payment by the applicable recipient of the tax amount required, which amount shall be transferred to Splitit Cayman or the Israeli withholding agent, as instructed by Splitit Cayman, within seven (7) days of such request. To the extent a recipient does not comply with such request, Splitit Cayman and/or the exchange agent shall be entitled to satisfy any such withholding obligation through the forfeiture or sale of the portion of Splitit Cayman Shares otherwise transferrable to such recipient that is required to enable compliance with applicable deduction or withholding requirements.

5.3.7 Change in corporate regulatory framework that applies to parent company of Splitit Group

Currently, because Splitit is incorporated in Israel, its general corporate activities (apart from any offering of securities in Australia and the ASX Listing Rules) are regulated by the Israeli Companies Law and the Ministry of Justice of the State of Israel as applicable to an Israeli public company. Following the implementation of the Redomicile Proposal, the general corporate activities of the parent company of Splitit (Splitit Cayman) will be regulated by Cayman Islands law as applicable to a private company.

A description of the principal differences between the laws and regulations concerning shares in a company incorporated in the Cayman Islands as opposed to Israel is contained in section 8.1.

5.4 Ancillary Proposals

The Transaction Proposal also includes various Ancillary Proposals that are proposed to occur as part of the Delisting Proposal and Redomicile Proposal and the Placement Proposal. These Ancillary Proposals include:

(a) Amendments to the Splitit Articles of Association

Splitit's current articles of association will be completely replaced by amended and restated articles of association as part of the implementation of the Placement Proposal and to be in effect until the implementation of the Redomicile Proposal. As part of such amended and restated articles of association, Splitit will create a new class of preference shares having a par value of NIS 0.01 per share, to be designated as the Series A Preferred Shares, having the rights attached to the Preferred A Shares as set forth in the Subscription Agreement and Splitit's Amended Articles. Following said modification, the registered and authorized share capital of Splitit will consist of NIS 20,000,000 divided into (i) 1,500,000,000 Ordinary Shares and (ii) 500,000,000 Preferred A Shares. A summary of the key differences between Splitit Articles and the proposed Amended Articles is provided in section 8.4 and the Amended Articles are set out in full in Annexure B.

(b) Grant of indemnification and exemption letters to Directors

Directors appointed by Motive will be granted indemnification and exemption under indemnification and exemption letters. The terms of the indemnification and exemption letter are set out at Annexure C.

5.5 Conditions Precedent

Each Proposal is subject to conditions precedent which remain outstanding. The status of the key conditions precedent is set out below:

| Condition Precedent | Status |
|---------------------|--------|
| Delisting Proposal | |

| Condition Precedent | Status |
|---|--|
| Shareholder approval: Splitit Shareholders approving the Delisting Proposal, and each of the other Proposals through approving all of the Transaction Proposal Resolutions by the requisite majorities | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. |
| ASX approval: ASX's approval and Splitit's compliance with the conditions which ASX has imposed as a part of its approval. Details of ASX's approval and the conditions attaching to that approval are described in section 5.2. | ASX has provided approval for the Delisting Proposal, subject to certain conditions described in section 5.2. |
| Placement Proposal: Splitit issues Tranche 1 of the Preference Shares to Motive | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. Other conditions to Tranche 1 of the Placement Proposal are set out in this table below. |
| Adoption of amended Articles of Association | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. |
| Placement Proposal | |
| Conditions to Tranche 1 Placement Proposal | |
| Shareholder approval: Splitit Shareholders approving the Placement Proposal, and each of the other Proposals through approving all of the Transaction Proposal Resolutions by the requisite majorities | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. |
| Government consents: All required consents and government approvals having been obtained | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| No restrictions: No laws, orders or contraventions prohibiting the Placement Proposal | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| ASX Approval: receipt of final approval from the ASX to the Delisting Proposal | ASX has provided approval for the Delisting Proposal, subject to certain conditions described in section 5.2. |
| Representations: Both parties having complied with representations and warranties in the Subscription Agreement | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Covenants: Both parties having complied with covenants and agreements under the Subscription Agreement | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| MAE: No Splitit or Motive material adverse effect having occurred | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |

| Condition Precedent | Status |
|---|---|
| Consents: Receipt of required consents as specified in the Subscription Agreement | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Goldman Sachs Facility: No event of default or breach having occurred under the Goldman Sachs Facility | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| New Articles: Adoption of new articles of association | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. |
| Board composition: all necessary approvals for the composition of the Splitit Board having been received | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Proxy Statement: Lodgement of the Proxy Statement with the ASX and ASIC and approval of the same by the ASX and expiry of the relevant ASIC review periods | The lodgement of this Explanatory Memorandum occurred on 9 October 2023. |
| Conditions to Tranche 2 of Placement Proposal | |
| HSR approval: Any waiting period applicable to the Placement Proposal under the HSR Act having expired | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| No restrictions: There being no laws, orders or contraventions prohibiting the Placement Proposal | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Delisting: Splitit having been officially removed from the Official List of the ASX. | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. If all conditions to the Delisting Proposal as set out in this table are satisfied or waived, delisting is anticipated to occur within one month of the Shareholder Meeting |
| Representations: Both parties having complied with representations and warranties in the Subscription Agreement | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Covenants: Both parties having complied with covenants and agreements under the Subscription Agreement | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| MAE: No material adverse effect having occurred to Splitit or Motive | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |

| Condition Precedent | Status |
|--|--|
| Goldman Sachs Facility: No event of default or breach having occurred under the Goldman Sachs Facility | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Company Board: The Splitit Board being comprised of directors as agreed | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Certificate of Merger and implementation of Redomicile Proposal: The Certificate of Merger having been issued by the Companies Registrar in accordance with section 323(5) of the Companies Law. | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. Motive's obligations to complete Tranche 2 are conditional on the implementation of the Redomicile Proposal. However, this condition can be waived by Motive in its absolute discretion, meaning that the Tranche 2 investment may be made even if the Redomicile Proposal has not completed (and may not ultimately proceed). |
| Redomicile Proposal | |
| Shareholder approval: Splitit Shareholders approving the Redomicile Proposal, and each of the other Proposals through approving all of the Transaction Proposal Resolutions by the requisite majorities | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. |
| Consents: All required consents and government approvals have been obtained | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Delisting Proposal implemented: Splitit is removed from the Official List of ASX. | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. If all conditions to the Delisting Proposal as set out in this table are satisfied or waived, delisting is anticipated to occur within one month of the Shareholder Meeting |
| Issue of Tranche 1 of Preference Shares: Splitit issues Tranche 1 of Preference Shares to Motive. | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. Other conditions to Tranche 1 of the Placement Proposal are set out in this table above. If all conditions to Tranche 1 of the Placement Proposal as set out in this table are satisfied or waived, this is anticipated to occur immediately following the shareholder approval of the Transaction Proposal. |
| Regulatory matters: All regulatory relief and approvals required by Australian law have been obtained (including any relief or approvals by ASIC or ASX) | Regulatory relief and approvals have been provided by ASX and ASIC as set out in 8.9 and 8.10. |

| Condition Precedent | Status |
|--|---|
| No restrictions: No laws, orders or contraventions prohibiting the Redomicile Proposal | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Registrar approval in Israel: The Israeli Companies Registrar approves the Redomicile Proposal. Details of this process, and this condition precedent, are set out at section 5.3.5. | Registrar's approval of the reverse triangular merger will be requested following the filing of the notice of meeting in respect of Splitit's extraordinary general meeting, and is subject to the conditions set out at section 5.3.5. |
| Tax: A condition of the Redomicile Proposal is receiving certain tax rulings in Israel. Details of these tax conditions precedent are set out at section 5.3.6. | Splitit has lodged the Israel tax ruling application on 19 September 2023. |
| Covenants: Both parties having complied with covenants and agreements under the Merger Agreement | As at the date of this Explanatory Memorandum Splitit is not aware of anything that will cause this condition precedent not to be satisfied. |
| Ancillary Proposals | |
| Shareholder approval: Splitit Shareholders approving each of the Ancillary Proposals, and each of the other Proposals through approving all of the Transaction Proposal Resolutions by the requisite majorities | The Shareholder Meeting to consider the Transaction Proposals will be held at 9:00am (Sydney time) on Monday, 13 November 2023 as described in this Explanatory Memorandum. |

5.6 Entitlement to vote and how to vote

Details on how to vote, and voting eligibility, are set out in the Notice of Meeting.

6 Financial information of the Splitit Group

6.1 Introduction

The financial information of the Splitit Group contained in this section comprises the:

- (a) historical consolidated statement of financial position as at 30 June 2023 (**Historical Statement of Financial Position**) as set out in section 6.3.1;
- (b) historical consolidated statements of profit and loss and comprehensive income for the financial years ended 31 December 2022 and 31 December 2021 and for the half-years ended 30 June 2023 and 30 June 2022 (**Historical Statements of Profit and Loss and Comprehensive Income**) as set out in section 6.3.2, and
- (c) historical consolidated statements of cash flows for the financial years ended 31 December 2022 and 31 December 2021 and for the half-years ended 30 June 2023 and 30 June 2022 (**Historical Statements of Cash Flows**) as set out in section 6.3.3, and

(together, the **Historical Financial Information**);

- (d) pro forma historical statement of financial position as at 30 June 2023 (**Pro Forma Historical Statement of Financial Position**) as set out in section 6.4;

(collectively, the **Financial Information**). The Financial Information is not represented as being indicative of Splitit's views of its actual or prospective financial performance or cash flows. Past performance may not be a reliable indicator of future financial performance.

Information provided in this section should be read in conjunction with the basis of preparation outlined in section 6.2 and the other information provided in this Explanatory Memorandum.

The Financial Information (as defined above) has been reviewed by Ernst & Young in accordance with the International Standard on Assurance Engagements ISAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Independent Limited Assurance Report set out in Annexure A. Splitit shareholders should note the scope and limitations of this report.

6.2 Basis of preparation

The Financial Information is prepared for the purposes of this Explanatory Memorandum.

The Splitit Group Directors are responsible for the preparation and presentation of the financial information included in this section 6.

The significant accounting policies which were adopted in the preparation of the Financial Information are consistent with the consolidated financial statements of the Splitit Group for the financial year ended 31 December 2022. For further details of the significant accounting policies, refer to the Splitit Payments Limited consolidated financial statements for the financial year ended 31 December 2022, found at <https://www.splitit.com/investors/annual-reports/>.

As a result of the Placement Proposal, an additional accounting policy to those contained in the consolidated financial statements for the year ended 31 December 2022 has been adopted by Splitit:

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies

the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category,

(together, **Splitit Group's Accounting Policies**).

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures, statements or comparative information required by International Financial Reporting Standards (IFRS) and other mandatory professional reporting requirements applicable to general purpose financial reports.

The Financial Information is presented in US dollars (\$), which is Splitit's functional and presentation currency (unless otherwise stated) and rounded to the nearest one thousand dollars (\$000).

The Financial Information in this section 6 has been prepared on a going concern basis.

As at 30 June 2023 the Splitit Group had \$16.463 million of consolidated net assets, incurred a loss after tax of \$12.461 million and had net cash inflows from operations of \$1.406 million for the period ended 30 June 2023.

As at 30 June 2023 the Splitit Group had \$13.773 million of cash and cash equivalents and current receivables of \$64.867 million, plus \$89.819 million undrawn in relation to the Goldman Sachs revolving credit facility. Of the \$13.773 million of cash and cash equivalents on hand at period end, \$2.75 million can only be utilised for merchant funding, or be repaid to Goldman Sachs, resulting in \$11.023 million available for use in other operations.

The Splitit Group monitors its cash requirements to ensure it has sufficient funding to support the business' growth forecasts. The Splitit Group signed agreement amendments with Goldman Sachs on 29 December 2022 to further expand the receivables eligibility criteria of the facility, and therefore reduce the cash outflow requirements of forecast receivables origination, which has improved the 2023 ratio of merchant funding that is funded directly by Splitit rather than via the Goldman Sachs facility. Furthermore, the Splitit Group remains in a growth phase and believes that external equity and/or additional debt funding will be required to support the Splitit Group's growth aspirations, and ensure that all associated credit facility covenants, including maintaining both a minimum unencumbered cash balance of \$10 million and a minimum net tangible assets of at least \$22.5 million at all times, remain in compliance. In addition, the credit facility covenants may be renegotiated with Goldman Sachs as required, and in May 2023 an amendment was agreed to provide a further temporary waiver to reduce the net tangible assets covenant to \$13 million and reduce the minimum liquidity covenant to \$5 million until 1 September 2023. On 11 September 2023 an additional amendment was agreed to reduce the tangible net worth covenant to \$17 million until 30 November 2023. The minimum unencumbered cash balance covenant reverted to \$10 million on 1 September 2023.

Subsequent to the 30 June 2023 half-year reporting date, in July 2023 Splitit announced \$10 million of convertible note financing with its two largest shareholders. The first \$2.8 million was received immediately, and following shareholder approval of the financing at an Extraordinary General Meeting held on 5 September 2023, a further \$4.2 million was issued on 7 September 2023. As at the date of this Explanatory Memorandum, the remaining \$3 million is expected to be called and drawn by Splitit on or promptly after 24 October 2023.

Furthermore, in August 2023 the Splitit Group announced an up to \$50 million strategic investment from funds advised by Motive Partners (the Placement Proposal), a specialist fintech private equity firm, subject to Splitit Shareholder approval at the Meeting which this Explanatory Memorandum relates.

The Splitit Group remains confident that it will continue to be successful in sourcing sufficient debt and/or equity funding in the future, including the required Splitit Shareholder approval of the Placement Proposal. Accordingly, the Directors believe the going concern basis in which the Financial Information is prepared is appropriate. In the event shareholder approval of the Transaction Proposal, including the up to \$50 million Placement Proposal, is not successfully

obtained and the Splitit Group is unable to raise sufficient capital, the Splitit Group is forecast to breach the net tangible worth and minimum liquidity covenant during the remainder of the 2023 financial year causing a material uncertainty as to whether Splitit will be able to continue as a going concern, and therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.

Should the Splitit Group not be able to continue as a going concern due to not meeting revenue and operational targets, resulting in non-compliance with one or both credit facility covenants, Goldman Sachs may decide to accelerate the maturity date of the facility and enforce control rights over the eligible receivables secured under the debt. The Historical Financial Information does not include any adjustments relating to the recoverability and classification of recorded assets amounts or liabilities that might be necessary should Splitit not continue as a going concern due to a credit facility covenant breach.

6.2.1 Historical Financial Information

The Historical Financial Information has been derived from the respective consolidated financial statements of the Splitit Group for the financial years ended 31 December 2022 and 31 December 2021, which were audited by Ernst & Young in accordance with International Standards on Auditing (ISAs). Ernst & Young issued unqualified audit opinions on these consolidated financial statements which included an emphasis of matter paragraph in respect to a material uncertainty relating to going concern for the year ended 31 December 2022, which is not a modification of the audit opinion.

Half-Year Financial Statements for the interim periods ended 30 June 2023 and 30 June 2022 were reviewed by Ernst & Young in accordance with ISRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ISRE 2410). Ernst & Young issued unqualified review conclusions on these consolidated interim financial statements. The 30 June 2023 review conclusion contained an emphasis of matter paragraph in respect to a material uncertainty relating to going concern, which is not a modification of the review conclusion.

The Historical Financial Information has been extracted from the Splitit Group's Annual Reports which have been prepared in accordance with IFRS.

The annual financial statements of the Splitit Group for the financial years ended 31 December 2022 and 31 December 2023 are included in the Splitit Group's Annual Reports and have been lodged with ASX and are available at www.splitit.com/investors/annual-reports/ and have been incorporated by reference herein.

The half-year financial statements of the Splitit Group for the half-years ended 30 June 2023 and 30 June 2022 are included in the Splitit Group's Interim Financial Reports and have been lodged with ASX and are available at www.splitit.com/investors/asx-announcements/ and have been incorporated by reference herein.

6.2.2 Pro Forma Historical Statement of Financial Position

The Pro Forma Historical Statement of Financial Position has been derived from the Historical Statement of Financial Position, adjusted to include the financial impact of: (i) Tranche 1 of the Placement Proposal; and (ii) associated costs that are both directly attributable and incremental to the Transaction Proposal. Tranche 2 of the Placement Proposal (refer section 5.1.1) is not included in the pro forma adjustments to the Historical Statement of Financial Position due to the inherent uncertainties of the conditions precedent to Tranche 2, which remain outside the control of Splitit at the time of the Transaction Proposal occurring, and the timing thereof. The Placement Proposal is described in its entirety in section 5.1 of this Explanatory Memorandum.

The Historical Statement of Financial Position has also been adjusted to include the financial impact of the Convertible Notes issued subsequent to the most recent half-year ended 30 June 2023 and approved by Splitit shareholders on 5 September 2023, which are to convert

to shares of the same class as the Placement Proposal upon shareholder approval of the Transaction Proposal. The Convertible Notes and their nexus to the Transaction Proposal are described in section 5.1.6 of this Explanatory Memorandum.

The pro forma adjustments have been described in section 6.4.

The Pro Forma Historical Statement of Financial Position has been prepared in a manner consistent with Splitit Group's Accounting Policies, other than that it includes certain adjustments which have been prepared in a consistent manner that reflects the inclusion of certain transactions that occur as part of, or related to, the Transaction Proposal.

6.3 Historical Financial Information

6.3.1 Historical Statement of Financial Position

| | As at | 30-Jun-23 US\$'000 |
|---|-------|-----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | | 13,773 |
| Receivables | | 64,867 |
| Derivatives | | |
| Other financial assets | | 401 |
| Other current assets | | 1,338 |
| Total current assets | | 80,378 |
| Non-current assets | | |
| Receivables | | 396 |
| Property, plant and equipment | | 77 |
| Right-of-use assets | | 284 |
| Total non-current assets | | 757 |
| Total assets | | 81,136 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | | 5,616 |
| Employee benefit provision | | 638 |
| Lease liabilities | | 288 |
| Derivatives | | 342 |
| Deferred Revenue | | 163 |
| Total current liabilities | | 7,047 |
| Non-current liabilities | | |
| Interest bearing liabilities and borrowings | | 57,477 |
| Lease liabilities | | 35 |
| Deferred Revenue | | 113 |
| Total non-current liabilities | | 57,625 |
| Total liabilities | | 64,672 |
| Net assets | | 16,463 |
| EQUITY | | |
| Issued capital | | 132,059 |
| Accumulated losses | | (137,420) |
| Reserves | | 21,824 |
| Total equity | | 16,463 |

6.3.2 Historical Statements of Profit and Loss and Comprehensive Income

| | For the year ended | 31-Dec-22 US\$'000 | 31-Dec-21 US\$'000 |
|---|--------------------|-----------------------|-----------------------|
| Income | | | |
| Portfolio income | | 7,938 | 7,920 |
| Transaction revenue | | 2,652 | 2,525 |
| Other income | | 48 | 62 |
| Total income | | 10,638 | 10,507 |
| Cost of sales | | (1,201) | (1,224) |
| Gross Profit | | 9,437 | 9,283 |
| Depreciation and amortisation expense | | (216) | (77) |
| Employment expenses | | (11,883) | (14,496) |
| Operating expenses | | (8,905) | (16,365) |
| Impairment expenses | | (631) | (3,850) |
| Share based payment expenses | | (2,649) | (3,672) |
| Total expenses | | 24,284 | (38,460) |
| Operating loss | | (14,847) | (29,177) |
| Finance Income | | 151 | 31 |
| Warrant Expenses | | (935) | (487) |
| Interest and other finance costs | | (6,874) | (10,045) |
| Finance costs | | (7,809) | (10,532) |
| Loss for the year | | (22,505) | (39,678) |
| Income tax expense | | (109) | (11) |
| Loss for the year | | (22,614) | (39,689) |
| Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax) | | | |
| Exchange differences on translation of foreign operations | | (715) | 68 |
| Total comprehensive loss for the year | | (23,329) | (39,621) |

| | For the half year ended | 30-Jun-23 US\$'000 | 30-Jun-22 US\$'000 |
|---|-------------------------|-----------------------|-----------------------|
| Income | | | |
| Portfolio income | | 4,215 | 3,734 |
| Transaction revenue | | 1,541 | 1,368 |
| Other income | | 114 | 18 |
| Total income | | 5,870 | 5,120 |
| Cost of sales | | (640) | (592) |
| Gross Profit | | 5,230 | 4,528 |
| Depreciation and amortisation expense | | (151) | (38) |
| Employment expenses | | (5,735) | (6,216) |
| Operating expenses | | (6,438) | (5,406) |
| Impairment expenses | | (365) | (379) |
| Share based payment expenses | | (1,962) | (931) |
| Total expenses | | (14,651) | (12,970) |
| Operating loss | | (9,421) | (8,442) |
| Finance Income | | 99 | 17 |
| Warrant Expenses | | (687) | (408) |
| Interest and other finance costs | | (3,497) | (3,408) |
| Finance costs | | (4,184) | (3,816) |
| Gain/(loss) on revaluation of derivatives | | 1,047 | - |
| Loss for the year | | (12,459) | (12,241) |
| Income tax expense | | (2) | (13) |
| Loss for the year | | (12,461) | (12,254) |
| Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax) | | | |
| Exchange differences on translation of foreign operations | | (415) | (782) |
| Total comprehensive loss for the year | | (12,875) | (13,036) |

6.3.3 Historical Statements of Cash Flows

| | For the year ended | 31-Dec-22 US\$'000 | 31-Dec-21 US\$'000 |
|---|--------------------|-----------------------|-----------------------|
| Loss after income tax | | (22,614) | (39,689) |
| Adjustments to reconcile to net cash flow from operating activities | | | |
| Share based payments | | 2,649 | 3,672 |
| Depreciation and amortisation | | 216 | 77 |
| Net Foreign Exchange (gain)/loss | | 628 | 828 |
| Warrant expenses | | 935 | 487 |
| Interest and other finance costs | | 6,874 | 10,046 |
| Expected credit loss provision movement | | (1,743) | 1,558 |
| <i>Net (increase)/decrease in operating assets</i> | | | |
| Receivables | | 5,901 | (27,761) |
| Right-of-use assets | | (419) | - |
| Other current assets | | 23 | (229) |
| <i>Net increase/(decrease) in operating liabilities</i> | | | |
| Trade payables | | (1,020) | (1,536) |
| Other current liabilities | | (133) | 141 |
| Lease liabilities | | 462 | - |
| Total adjustments | | 14,373 | (12,719) |
| Net cash outflows from operating activities | | (8,241) | (52,406) |
| Cash flows from investing activities | | | |
| Payment for plant and equipment | | (66) | (132) |
| Net cash outflows from investing activities | | (66) | (132) |
| Cash flows from financing activities | | | |
| Proceeds from the issue of shares | | 7,181 | - |
| Related transaction costs | | (434) | - |
| Proceeds from exercise of share options | | 116 | 2,485 |
| Proceeds from borrowings | | 10,952 | 66,808 |
| Repayment of borrowings | | - | (70,964) |
| Transaction costs related to loans and borrowings | | (247) | (2,874) |
| Interest paid | | (5,133) | (6,822) |
| Loan termination fees | | - | (1,390) |
| Goldman Sachs minimum utilistion fees | | (1,396) | - |
| Repayment of principle portion of lease liabilities | | (112) | - |
| Payments to / (from) restricted cash | | - | 1,750 |
| Net cash inflows / (outflows) from financing activities | | 10,927 | (11,007) |
| Net increase in cash and cash equivalents | | 2,620 | (63,545) |
| Effects of exchange rate changes on cash and cash equivalents | | (1,754) | (346) |
| Cash and cash equivalents at the beginning of the year | | 28,933 | 92,824 |
| Cash and cash equivalents at the end of the year | | 29,799 | 28,933 |

| | For the half year ended | 30-Jun-23 US\$'000 | 30-Jun-22 US\$'000 |
|---|-------------------------|-----------------------|-----------------------|
| Loss after income tax | | (12,461) | (12,254) |
| Adjustments to reconcile to net cash flow from operating activities | | | |
| Share based payments | | 1,962 | 931 |
| Depreciation and amortisation | | 151 | 38 |
| Unrealised Foreign Exchange (gain)/loss | | 805 | 707 |
| Warrant expenses | | 687 | 408 |
| Interest and other finance costs | | 3,497 | 3,408 |
| Expected credit loss provision movement | | (23) | (1,589) |
| (Gain)/loss on derivatives | | (1,046) | - |
| <i>Net (increase)/decrease in operating assets</i> | | | |
| Receivables | | 5,340 | 15,721 |
| Other current assets | | (234) | (149) |
| Right-of-use assets | | 135 | - |
| <i>Net increase/(decrease) in operating liabilities</i> | | | |
| Trade payables | | 2,344 | (834) |
| Other current liabilities | | 113 | (101) |
| Lease liabilities | | (138) | - |
| Deferred revenue | | 275 | - |
| Total adjustments | | 13,867 | 18,540 |
| Net cash inflows from operating activities | | 1,406 | 6,286 |
| Cash flows from investing activities | | | |
| Payment for plant and equipment | | (14) | (2) |
| Net cash outflows from investing activities | | (14) | (2) |
| Cash flows from financing activities | | | |
| Proceeds from the issue of shares | | 498 | - |
| Related transaction costs | | (4) | - |
| Proceeds from exercise of share options | | - | 104 |
| Proceeds from borrowings | | 15,102 | 896 |
| Repayment of borrowings | | (28,763) | - |
| Transaction costs related to loans and borrowings | | (330) | - |
| Interest paid | | (2,925) | (2,665) |
| Loan termination fees | | - | - |
| Goldman Sachs minimum utilisation fees | | (250) | (1,147) |
| Payments to / (from) restricted cash | | (201) | - |
| Repayment of principle portion of lease liabilities | | - | - |
| Net cash outflows from financing activities | | (16,873) | (2,812) |
| Net increase in cash and cash equivalents | | (15,481) | 3,472 |
| Effects of exchange rate changes on cash and cash equivalents | | (545) | (1,518) |
| Cash and cash equivalents at the beginning of the year | | 29,799 | 28,933 |
| Cash and cash equivalents at the end of the year | | 13,773 | 30,887 |

6.4 Pro Forma Historical Statement of Financial Position

| | Notes | 30-Jun-23 US\$'000 | Subsequent events adjustment to 30-Jun-23 US\$'000 | Proforma adjustments US\$'000 | 30-Jun-23 Proforma US\$'000 |
|---|-------|-----------------------|--|-------------------------------------|-----------------------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 1, 2 | 13,773 | 10,000 | 22,505 | 46,278 |
| Receivables | | 64,867 | | | 64,867 |
| Other financial assets | | 401 | | | 401 |
| Other current assets | | 1,338 | | | 1,338 |
| Total current assets | | 80,378 | 10,000 | 22,505 | 112,883 |
| Non-current assets | | | | | |
| Receivables | | 396 | | | 396 |
| Property, plant and equipment | | 77 | | | 77 |
| Right-of-use assets | | 284 | | | 284 |
| Total non-current assets | | 757 | - | - | 757 |
| Total assets | | 81,136 | 10,000 | 22,505 | 113,641 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 1 | 5,616 | | | 5,616 |
| Employee benefit provision | | 638 | | | 638 |
| Lease liabilities | | 288 | | | 288 |
| Convertible Notes | | - | 10,112 | (10,112) | - |
| Derivatives | 3 | 342 | | 1,007 | 1,349 |
| Deferred Revenue | | 163 | | | 163 |
| Total current liabilities | | 7,047 | 10,112 | (9,105) | 8,053 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities and borrowings | | 57,477 | | | 57,477 |
| Preference Shares | 4 | | | 31,711 | 31,711 |
| Lease liabilities | | 35 | | | 35 |
| Deferred Revenue | | 113 | | | 113 |
| Total non-current liabilities | | 57,625 | - | 31,711 | 89,336 |
| Total liabilities | | 64,672 | 10,112 | 22,605 | 97,389 |
| Net assets | | 16,463 | (112) | (100) | 16,250 |
| EQUITY | | | | | |
| Issued capital | | 132,059 | | | 132,059 |
| Accumulated losses | 1, 5 | (137,420) | (112) | (100) | (137,633) |
| Reserves | | 21,824 | | | 21,824 |
| Total equity | | 16,463 | (112) | (100) | 16,250 |

Notes:

- \$10 million of cash and Convertible Notes liability subsequent event adjustment to the Historical Statement of Financial Position as at 30 June 2023 is derived from: (i) Splitit ASX announcement of issue of the Convertibles Notes to two substantial shareholders on 26 July 2023 and receipt of initial tranche of \$2.8 million; (ii) Splitit shareholder approval of the issue of \$10 million Convertibles Notes financing on 5 September 2023; (iii) issue and receipt of \$4.2 million of a second tranche of Convertible Notes on 7 September 2023; and (iv) remaining \$3 million expected to be called and drawn by Splitit on or promptly after 24 October 2023. The Convertible Notes are convertible on the same terms as Placement Proposal Tranche 1 (refer to section 5.1.6). Further, the Convertible Notes liability is adjusted for the associated estimated \$0.112 million of interest related costs pertaining to interest accrued on the Convertible Notes

to the expected date of conversion to Preference shares (refer to section 5.1.6), which are recognized in accumulated losses as a profit impacting item.

2. \$22.505 million of cash pro forma adjustment is derived by: (i) \$25 million cash received via Tranche 1 of the Placement Proposal (refer to section 5.1.1); and (ii) less \$2.495 million estimated Transaction Proposal costs. Tranche 2 of the Placement Proposal (refer to section 5.1.1) is not included in the pro forma adjustments to the Historical Statement of Financial Position due to the inherent uncertainties of the conditions precedent to Tranche 2, which remain outside the control of Splitit at the time of the Transaction Proposal occurring, and the timing thereof.
3. Net Derivative Liabilities consists of: (i) Call Option (Derivative Liability) of \$4.86 million associated with Placement Proposal Tranche 2 (refer to section 5.1.1), exercisable by Motive up to and including 30 June 2025; net of (ii) Put Option (Derivative Asset) of \$3.85 million associated with Placement Proposal Tranche 2 (refer to section 5.1.1), exercisable by Splitit upon achievement of certain financial targets and other conditions subsequent.
4. Preference Shares (Host Contract) issued via both Placement Proposal Tranche 1 for \$25 million (refer to section 5.1.1) less the net derivative liability of \$1.007 million and \$2.395 million of estimated transaction costs and conversion of the Convertible Notes on the same terms (including accrued interest) for \$10.112 million (refer to section 5.1.6), meets the definition of a financial liability. The carrying value of host liability is determined as the residual value equal to the value of cash received, plus the fair value of put option, less the fair value of call option, less adjustment for the pro-rata value of associated transaction costs. The balance of Convertible Notes described in item 1 above is transferred from Convertible Notes liability to Preference Shares liability upon conversion at the time of Placement Proposal Tranche 1 being issued by Splitit.
5. Estimated Transaction Proposal costs are pro-rated between the pro forma adjustments directly impacting the Pro Forma Historical Statement of Financial Position (items 2-4 above) and profit impacting items represented by accumulated losses within the Pro Forma Historical Statement of Financial Position. These consist of \$0.1 million of Transaction Proposal costs totaling \$2.495 million pro-rated between the issue of the host financial instrument liability (refer to item 4 above) and the net derivative liability (refer to item 3 above), whereby costs related to the net derivative liability are recognized in accumulated losses as a profit impacting item.

6.5 Events subsequent to 30 June 2023

The most recent published consolidated interim financial statements of Splitit are provided in the FY23 Half-Year Interim Financial Report for the period ended 30 June 2023, which was lodged with ASX on 25 August 2023. The half-year financial statements for the half-year ended 30 June 2023 are available at www.splitit.com/investors/asx-announcements/

In addition to the events disclosed in note 15 to the consolidated interim financial statements for the half-year ended 30 June 2023, on 5 September 2023 shareholders voted to approve the Convertible Note financing described in note 15. As of the date of this Explanatory Memorandum \$7 million of the \$10 million Convertible Notes facility available has been drawn down, with Splitit directors and management intending that the final \$3 million be drawn down on or promptly after 24 October 2023 (as reflected in the pro forma adjustments in section 6.4).

Except for the events disclosed in note 15 to the consolidated interim financial statements for the half-year ended 30 June 2023, and the events described above, to the knowledge of Splitit Directors, there has not been a material change to the financial position of Splitit since 30 June 2023.

6.6 Prospects

Due to the nature of the Splitit's business activities and the market in which it operates, there are significant uncertainties associated with forecasting future revenues from the Splitit's activities. Accordingly, the Directors believe that they do not have a reasonable basis to forecast future Splitit earnings and it is not possible to include reliable forecasts in this Explanatory Memorandum.

Assuming that the Transaction Proposal is approved, Splitit's outlook for growth and profitability remains strong. The continuous addition of new large merchants and strategic partnerships is significantly contributing to the MSV, which is expected to lead to continued YOY topline growth, as more partnerships and merchants expand their operations. Splitit will also continue to focus on sustaining its net transaction margin and maintain its disciplined, low cost base.

7 Tax information

The following is a high level summary of some of the expected tax consequences for Splitit Shareholders as a result of the implementation of the Redomicile Proposal in:

- (a) Australia
- (b) Israel; and
- (c) the United States.

This summary is necessarily of a general nature and is not intended to be a complete analysis to identify all potential tax consequences. It does not take into account the specific circumstances of each Splitit Shareholder. It does not constitute tax advice. This summary does not consider the tax consequences for holders of Splitit securities other than Splitit Shares. Shareholders should consult their own tax advisor regarding the tax consequences to them of the transactions detailed in this Explanatory Memorandum, including receipt of Splitit Cayman Shares in exchange for the Splitit Shares pursuant to the Redomicile Proposal and the ownership and disposition thereof.

7.1 Australia

7.1.1 Introduction

The following is a high level summary of some of the expected Australian tax consequences for you as a result of the implementation of the Redomicile Proposal. This summary is necessarily of a general nature and is not intended to be a complete analysis to identify all potential tax consequences. It does not take into account the specific circumstances of each Splitit Shareholder. It does not constitute tax advice.

This summary assumes that each Splitit Shareholder:

- (a) holds their Splitit shares on capital account for Australian income tax purposes;
- (b) is not subject to any special tax rules, such as those applying to banks, insurance companies, tax exempt organisations, superannuation funds and dealers in securities; and
- (c) did not acquire their shares in Splitit under any employee or executive incentive plan.

This outline reflects Splitit's understanding of Australian income tax laws and administrative guidance at the date of this statement. The outline does not otherwise take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.

Each Splitit Shareholder should consult their own independent professional tax adviser regarding the consequences of acquiring, holding or disposing of their Splitit Shares.

7.1.2 Australian tax resident Shareholders

- (a) **Summary of expected Australian tax consequences from participating in the Redomicile Proposal**

Each Splitit Shareholder that continues to hold Shares in Splitit at the time at which the Redomicile Proposal is implemented is, subject to being eligible to claim and electing to claim rollover relief as described below, expected to make a capital gain or loss from participating in the Redomicile Proposal. This is on the basis that the Redomicile Proposal should result in each such Splitit Shareholder transferring their Splitit shares to Splitit Cayman, in exchange for being issued shares in Splitit Cayman.

The capital gain or loss that arises from this should be based on the difference between the 'market value' of the Splitit Cayman Shares that the Splitit Shareholder receives under the Redomicile Proposal and the 'cost base' or 'reduced cost base' of the Splitit Shareholder's shares in Splitit. The 'market value' of the Splitit Cayman Shares that a Splitit Shareholder receives under the Redomicile Proposal should be expected to be equivalent to the 'market value' of the Splitit Shares that they hold at the time the Redomicile Proposal occurs, given the nature of the transaction proposed under the Redomicile Proposal.

If rollover relief under Division 615 of the *Income Tax Assessment Act 1997* (Cth) is available, this relief, if available, will provide a Splitit Shareholder that would otherwise make a capital gain or loss from participating in the Redomicile Proposal, to:

- (i) disregard the capital gain or loss that they would otherwise make from participating in the Redomicile Proposal; and
- (ii) receive a 'cost base' and 'reduced cost base' in the Splitit Cayman Shares they receive under the Redomicile Proposal that is equal to the aggregate of their 'cost base' and 'reduced cost base' in the Splitit Shares they disposed of under the Redomicile Proposal.

Rollover relief, if available, allows a Splitit Shareholder to effectively defer the capital gain or loss that they would otherwise make on the Redomicile Proposal to the time at which they dispose of the Splitit Cayman Shares they receive under the Redomicile Proposal.

Overall, there are a number of features of the Redomicile Proposal, that are novel. As a result, there is some uncertainty regarding whether the Redomicile Proposal would be eligible to qualify for the rollover relief.

To provide Shareholders with greater certainty regarding the Australian tax consequences of participating in the Redomicile Proposal, Splitit is in the process of seeking a tax ruling from the ATO which will confirm whether rollover relief is available for Splitit Shareholders.

While Splitit anticipates that rollover relief should be available, in the event that it is not, any capital gains tax payable by a Splitit Shareholder will need to be funded out of their own resources, or the proceeds of the sale of the Splitit Cayman Shares they receive under the Proposal.

(b) Change in tax treatment for future shareholder realisation events

As mentioned in section 3.3.3, if the Delisting Proposal is implemented, Splitit Shareholders may have a diminished ability to sell either their Splitit Shares, or, once the Redomicile Proposal becomes Effective, their Splitit Cayman Shares.

For those Shareholders that are Australian residents for tax purposes, dealings in and distributions on the Splitit Cayman Shares may have Australian tax consequences for Shareholders. For example, Australian resident Shareholders should be taxed on any dividends received on their Splitit Cayman Shares as assessable income. Australian resident Shareholders may also make a capital gain or loss on the disposal or transfer of their Splitit Cayman Shares.

The means through which an Australian resident Shareholder may realise their Splitit Cayman Shares may be different to the means through which an Australian resident Shareholder would have realised their Splitit Shares, which may mean that the tax treatment for such a Shareholder of their Splitit Cayman Shares is different to the tax treatment of their Splitit Shares.

In particular, an Australian resident Shareholder who has their Splitit Cayman Shares cancelled for consideration is likely to be taxed on the proceeds they receive from that cancellation from Splitit Cayman as dividend income, except to the extent that the consideration is paid out of a qualifying 'share capital account' of Splitit Cayman. This may mean that the amount on which an Australian resident Shareholder is taxed on such a transaction may be different to the capital gain or loss they would make on a disposal or transfer of their Splitit Cayman Shares or Splitit shares. Further, Australian resident Shareholders would not be able to offset any such income with any capital losses, or reduce any such income by the discount capital gains concession if available.

This should be taken into account by Australian resident Shareholders in deciding whether to participate in or vote for the Redomicile Proposal.

7.1.3 Foreign resident Shareholders

For Splitit Shareholders that are not Australian residents for tax purposes, any capital gain or loss that would otherwise arise on the disposal of their Splitit Shares should be disregarded under the foreign resident capital gains tax exemption. This is on the basis that the Splitit Shares disposed of under the Redomicile Proposal should not be 'taxable Australian property'.

7.2 Israel

The following summary is not intended to constitute a complete analysis of all Israeli tax consequences to Splitit Shareholders relating to the Redomicile Proposal. This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular person in light of their personal circumstances or to some types of investors subject to special treatment under Israeli law. The discussion is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below, possibly with retroactive effect. The discussion is not intended and should not be construed as legal or professional tax advice and does not cover all possible tax considerations.

7.2.1 Israeli Capital Gains Tax

Generally, the Redomicile Proposal is a taxable transaction to the Shareholders of Splitit. However, certain relief and/or exemptions may be available.

Israeli law generally imposes capital gains tax on the real capital gain from the sale of any capital assets by residents of Israel, as defined for Israeli tax purposes, and on the sale of capital assets located in Israel, including shares of Israeli companies, by non-residents of Israel, unless a specific exemption is available under Israeli law or a tax treaty between Israel and the shareholder's country of residence provides otherwise. The Ordinance distinguishes between real capital gain and inflationary surplus. The real capital gain is the excess of the total capital gain over the inflationary surplus. The inflationary surplus is a portion of the total capital gain which is equivalent to the increase of the relevant asset's purchase price which is attributable to the increase in the Israeli consumer price index or, in certain circumstances, a foreign currency exchange rate, between the date of purchase and the date of sale. Inflationary surplus is generally not subject to tax in Israel. You should consult your own tax advisor as to the method you should use to determine the inflationary surplus.

Generally, the capital gains tax rate applicable to the real capital gain is 25% for individuals, unless such shareholder claims a deduction for interest and linkage differences expenses in connection with the shares sold, in which case the real capital gain will generally be taxed at a rate of 30%. In addition, a "significant shareholder" of Splitit would be subject to Israeli capital gains tax at the rate of 30%. A "significant shareholder" refers to a shareholder who directly or indirectly, alone or together with another, holds at least 10% of one or more of the means of control of Splitit. "Means of control" generally includes the right to vote, receive profits, nominate a director or general manager of Splitit, receive assets upon liquidation or instruct

someone who holds any of the aforesaid rights regarding the manner in which he or she is to exercise such right(s), all regardless of the source of such right. "Together with another" means together with a related party or together with a person who is not a related party, if the shareholder and such other person regularly, directly or indirectly, cooperate by agreement on substantive matters relating to Splitit. The actual capital gains tax rates which may apply to individual Splitit Shareholders on the sale of their shares (which may be effectively higher or lower than the rates mentioned above) are subject also to various factors including, among others, the date on which the shares were purchased, whether the shares are held through a nominee company or by the shareholder, the identity of the shareholder and certain tax elections which may have been made in the past by the shareholder. In general, companies are subject to the corporate tax rate on real capital gains derived from the sale of shares at the rate of 23% in 2023. Due to certain provisions of the Ordinance, the actual effective capital gains tax applicable to certain companies may be different than that specified above.

Individual and corporate shareholders dealing in securities in Israel are taxed at the tax rates applicable to "business income," currently 23% for companies and a marginal tax rate of up to 47% for individuals, plus an additional tax of 3%, which is imposed on individuals whose annual taxable income exceeds a certain threshold (NIS 698,280 for 2023), as discussed further below.

Pursuant to Israeli tax law, and subject to certain provisions of the Ordinance, non-Israeli residents (individuals or corporations) are generally exempt from Israeli capital gains tax on the sale or exchange of Splitit Shares, provided that the shares were acquired after Splitit was registered for trade on ASX and the seller does not have a permanent establishment in Israel to which the derived capital gain is attributable. However, non-Israeli "Body of Persons" (as defined in the Ordinance, and includes corporate entities, partnerships and other entities) will not be entitled to the foregoing exemption if Israeli residents:

- (a) have a controlling interest of more than 25% in such non-Israeli Body of Persons or
- (b) are the beneficiaries of, or are entitled to, 25% or more of the revenues or profits of such non-Israeli Body of Persons, whether directly or indirectly.

Other non-Israeli residents (individuals or corporations) may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty between Israel and the seller's country of residence (subject to the receipt of a valid certificate from the Israel Tax Authority allowing for an exemption or a reduced tax rate). For example, under the Convention between the Government of the State of Israel and the Government of the United States of America with Respect to Taxes on Income (the "Treaty"), Israeli capital gains tax would generally not apply when arising from the sale, exchange or disposition of ordinary shares by a person who qualifies as a resident of the United States within the meaning of the Treaty and who holds the shares as a capital asset and is entitled to claim the benefits afforded to such person by the Treaty.

However, such exemption will not apply if:

- (a) the capital gain arising from such sale, exchange or disposition is attributed to real estate located in Israel;
- (b) the capital gain arising from such sale, exchange or disposition is attributed to royalties;
- (c) the capital gains from such sale, exchange or disposition may be attributed to a permanent establishment of the US resident that is maintained in Israel, under certain terms;
- (d) the US resident holds, directly or indirectly, securities representing 10% or more of the voting rights during any part of the 12-month period preceding the effective time of the sale, exchange or disposition, subject to certain conditions; or

- (e) the US resident, if an individual, was physically present in Israel for a period or periods aggregating to 183 days or more during the relevant taxable year.

In order to obtain an applicable withholding tax exemption for capital gains tax, certain documentation and/or declarations shall need to be provided to the Israel Tax Authority, all subject to the Merger Tax Ruling or the Withholding Tax Ruling, as applicable.

7.2.2 Excess Tax

Individuals who are subject to tax in Israel (whether such individual is an Israeli resident or non-Israeli resident) are also subject to an additional tax at a rate of 3% on annual income exceeding a certain threshold (NIS 698,280 for 2023), which amount is linked to the annual change in the Israeli consumer price index, including, but not limited to, dividends, interest and capital gain, subject to the provisions of an applicable tax treaty.

7.2.3 Tax Rulings

As described more fully above, the implementation of the Redomicile Proposal contemplates receipt of said tax ruling(s) in Israel.

7.2.4 Merger Tax Ruling

Under Israeli law, the Redomicile Proposal is a taxable transaction to the Shareholders of Splitit. As part of the Redomicile Proposal, Splitit will apply for the Merger Tax Ruling (as defined above). If the Merger Tax Ruling is not obtained, the Redomicile Proposal will be treated as a taxable transaction for Israeli tax purposes, leading to certain Israeli tax implications to Splitit Shareholders, including the imposition of capital gains tax and excess tax (if applicable), which would be subject to withholding at source. This tax will be imposed on Splitit Shareholders who are Israeli residents for tax purposes and Splitit Shareholders who are non-Israeli resident for tax purposes, although it should be noted that certain exemptions from Israeli capital gains tax are available to non-Israeli Shareholders under Israeli law or an applicable tax treaty, as described above.

If obtained, the Merger Tax Ruling will impose various restrictions on Splitit, Splitit Cayman and the Shareholders of Splitit, including, among other restrictions, deposit of shares held by Israeli residents and certain other Shareholders in Splitit Cayman constituting at least 25% of the holdings in Splitit Cayman as well as the rights in Splitit being held by Splitit Cayman with an Israeli trustee for a period of 2-years following implementation of the merger.

7.2.5 Withholding Tax Ruling

If the Merger Tax Ruling is not obtained, the Redomicile Proposal will be a taxable transaction under Israeli law. In such case, Splitit will apply for Withholding Tax Ruling (as defined above). Among other things, the Withholding Tax Ruling will require Splitit Cayman to engage an Israeli withholding agent and an exchange agent. Shareholders seeking an exemption will be required to provide self-certifications (and supporting documentation) as to their eligibility for an exemption per the instructions under the Withholding Tax Ruling to the Israeli withholding agent to receive their consideration from the exchange agent upon confirmation from the Israeli withholding agent. The Withholding Tax Ruling may exclude Shareholders from the ability to provide self-certifications as to their eligibility for an exemption, in which case such Shareholders will need to obtain a withholding exemption certificate from the Israel Tax Authority.

7.3 United States

The following is a summary of certain material US federal income tax considerations of the Redomicile Proposal. The following summary assumes the Redomicile Proposal will be consummated as described in this Explanatory Memorandum and applies only to Shareholders that hold their Splitit Shares, and that will hold their Splitit Cayman Shares received respectively pursuant to the Redomicile Proposal as “capital assets” within the

meaning of section 1221 of the Code (generally, property held for investment). This summary does not address all aspects of United States federal income taxation that may be relevant to a Shareholder in light of such Shareholder's particular circumstances, including any tax consequences arising under the Medicare contribution tax on net investment income, the alternative minimum tax, or to any Shareholder subject to special treatment under the Code, including, but not limited to:

- (a) a person who directly, indirectly or constructively owns 10 percent or more of the Splitit Shares;
- (b) financial institutions or broker-dealers;
- (c) mutual funds;
- (d) tax-exempt organizations (including private foundations); insurance companies;
- (e) dealers in securities or foreign currencies;
- (f) traders in securities who elect to use a mark-to-market method of accounting;
- (g) controlled foreign corporations and their shareholders, or any foreign corporation with respect to which there are one or more "United States shareholders" within the meaning of section 951(b) of the Code;
- (h) passive foreign investment companies and their shareholders;
- (i) United States expatriates and certain former United States citizens or long-term residents;
- (j) "S" corporations, partnerships and their partners, or other entities or arrangements classified as partnerships for United States federal income tax purposes, grantor trusts, or other passthrough entities (and investors therein);
- (k) Shareholders who acquired their Splitit Shares through the exercise of options or otherwise as compensation;
- (l) Shareholders who hold their Splitit Shares (or Splitit Cayman Shares after the Redomicile Proposal) as part of a hedge, straddle, constructive sale, conversion transaction, or other integrated transaction for United States federal income tax purposes;
- (m) a person that is or may have been liable for alternative minimum tax;
- (n) regulated investment companies;
- (o) real estate investment trusts;
- (p) investors subject to special tax accounting rules as a result of any item of gross income with respect to the common stock being taken into account in an applicable financial statement;
- (q) or Shareholders that have a functional currency other than the United States dollar.

In addition, this summary does not address any aspect of non-US (except as otherwise provided herein) state, local, alternative minimum, estate, gift or other tax law that may be applicable to a holder. This summary is intended to provide only a general summary of certain material United States federal income tax consequences of the Redomicile Proposal to holders of Splitit Shares. The United States federal income tax laws are complex and subject to varying interpretation. Accordingly, the United States Internal Revenue Service ('IRS') may not agree with the tax consequences described in this Explanatory Memorandum, and there is

no assurance that the IRS's position would not be sustained in a court. Shareholders should consult their own tax advisor regarding the United States federal, state, local, non-US and other tax consequences to them of the receipt of Splitit Cayman Shares in exchange for the Splitit Shares pursuant to the Redomicile Proposal and the ownership and disposition thereof.

For purposes of this summary, a US Shareholder includes a beneficial owner of Splitit Shares that is, for United States federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation), created in, or organized under the laws of, the United States or any state thereof or the District of Columbia; (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has made a valid election to be treated as a United States person under the Code. A "Non-US Shareholder" is a beneficial owner of Splitit Shares that is neither a US Shareholder nor a partnership (or other entity or arrangement treated as a partnership for US federal income tax purposes). The following summary assumes that a Non-US Shareholder is not engaged in the conduct of a trade or business within the United States.

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) is the beneficial owner of Splitit Shares, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership.

Material United States Federal Income Tax Consequences of the Redomicile Proposal

The exchange of Splitit Shares for Splitit Cayman Shares pursuant to the Redomicile Proposal, is intended to be treated as a transfer to which section 351 of the Code applies in which no gain or loss is recognized to Splitit, Splitit Cayman, US Shareholders or Non-US Shareholders. This summary assumes that the exchange of Splitit Shares for Splitit Cayman Shares pursuant to the Redomicile Proposal will be treated as a transfer to which section 351 of the Code applies.

7.3.2 US Shareholders

(a) Passive Foreign Investment Company

The Code provides special, generally adverse, rules regarding sales, exchanges and other dispositions of the stock of a passive foreign investment company ('**PFIC**'). A foreign ('**non-US**') corporation will be treated as a PFIC for any taxable year if at least 75% of its gross income for the taxable year is passive income or at least 50% of its gross assets during the taxable year, based on a quarterly average and generally by value, produce or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions and gains from assets that produce passive income. In determining whether a foreign corporation is a PFIC, a pro-rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account. US Shareholders of a PFIC may be subject to US federal income tax on a portion of any "excess distribution" or gain from the disposition of PFIC investments. Additional charges in the nature of interest may be imposed on Splitit in respect of deferred taxes arising from such distributions or gains. Certain elections may be available to mitigate or eliminate such tax on excess distributions, but such elections (if available) will generally require a shareholder to recognize its share of the PFIC's income for each year regardless of whether it receives any distributions from such PFIC.

Depending upon the value and the nature of Splitit's assets and income over time, Splitit could be classified as a "passive foreign investment company", or "PFIC", for United States federal income tax purposes. Based on Splitit's income and assets, Splitit does not believe that it has been a PFIC and does not presently expect to be a

PFIC for the current taxable year for United States federal income tax purposes. Since PFIC status is a factual determination made annually after the end of each taxable year, including ascertaining the fair market value of Splitit's assets on a quarterly basis and the character of each item of income Splitit earns, Splitit can provide no assurance that it will not be a PFIC for the current taxable year (prior to the Redomicile Proposal). The below discussion assumes Splitit is not, will not be, and has not been a PFIC at any point prior to the completion of the Redomicile Proposal.

(b) Exchange of Splitit Shares for Splitit Cayman Shares

A US Shareholder will generally not recognize any gain or loss on the exchange of Splitit Shares for Splitit Cayman Shares. US Shareholders will have an aggregate adjusted United States federal tax basis in the Splitit Cayman Shares received pursuant to the Redomicile Proposal equal to their aggregate adjusted United States federal tax basis in the Splitit Shares surrendered. The holding period for Splitit Shares received pursuant to the Redomicile Proposal will generally include the holding period of Splitit Shares surrendered pursuant to the Redomicile Proposal.

7.3.3 Non-US Shareholders

(a) Exchange of Splitit Shares for Splitit Cayman Shares

Non-US Shareholders will generally not recognize any gain or loss as a result of the Redomicile Proposal. Non-US Shareholders will have an aggregate adjusted United States federal tax basis in the Splitit Cayman Shares received pursuant to the Redomicile Proposal equal to their aggregate adjusted United States federal tax basis in the Splitit Shares surrendered. The holding period for Splitit Cayman Shares received pursuant to the Redomicile Proposal will generally include the holding period of Splitit Shares surrendered pursuant to the Redomicile Proposal.

8 Additional information

8.1 Key differences between Israeli and Cayman Islands company law

Currently, because Splitit is incorporated in Israel, its general corporate activities (apart from any offering of securities in Australia and the ASX Listing Rules) are regulated by the Israeli Companies Law and the Ministry of Justice of the State of Israel. Following the implementation of the Redomicile Proposal as part of the Transaction Proposal, the general corporate activities of the parent company of the Splitit Group (Splitit Cayman) will be regulated by Cayman Islands company law.

This section 8.1 contains a general description of the principal differences between the laws and regulations concerning shares in a company incorporated in Israel as opposed to the Cayman Islands. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time.

8.1.1 Corporate identity and procedures

(a) Israeli law

In Israel, the regulation of companies is generally governed by the Israeli Companies Law. As with the Corporations Act, a limited liability company incorporated under the Israeli Companies Law will generally be considered a separate legal entity from its shareholders. Further, certain corporate procedures require approval by a special resolution of shareholders under the Israeli Companies Law like under the Corporations Act, including the approval of an extraordinary transaction with a controlling shareholder or the terms of employment or other engagement of a director and the controlling shareholder or such controlling shareholder's relative (even if not extraordinary). In addition, a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganisation, of a company requires the approval of holders of 75% of the voting rights of Splitit represented at the meeting.

(b) Cayman Islands law

Splitit Cayman has been incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act. A Cayman Islands exempted company has separate legal personality and its operations must be conducted mainly outside the Cayman Islands. A Cayman Islands exempted company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

The corporate affairs of a Cayman Islands exempted company are governed by its memorandum and articles of association, the Cayman Companies Act and the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from somewhat limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands.

8.1.2 Transaction Requiring Shareholder Approval

(a) Israeli law

The types of transactions that require shareholder approval are governed by the Israeli Companies Law and the applicable articles. Generally, under the Israeli Companies Law, transactions that require shareholder approval include:

- (i) amendments to the articles;

- (ii) mergers or consolidations;
- (iii) appointment or removal of company auditors;
- (iv) approval of certain related party transactions;
- (v) any changes in a company's capital structure such as a reduction of capital, increase of capital or share split; and
- (vi) appointments and dismissals of directors.

(b) Cayman Islands law

The type of transactions of a Cayman Islands exempted company that require shareholder approval are governed by its memorandum and articles of association and the Cayman Companies Act. Certain transactions will typically require approval by "Ordinary Resolution" which is a resolution passed by a simple majority of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting or a unanimous written resolution. Certain transactions may require approval by "Special Resolution", which is a resolution passed by a majority of not less than two-thirds of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting or a unanimous written resolution.

Generally, the transactions that require shareholder approval include:

- (i) amendment of the memorandum or articles of association (Special Resolution);
- (ii) reduction of share capital (Special Resolution);
- (iii) change of name (Special Resolution);
- (iv) winding up and voluntary liquidation (Special Resolution);
- (v) transfer by way of continuation (Special Resolution);
- (vi) statutory merger or consolidation (Special Resolution);
- (vii) increase of share capital (Ordinary Resolution); and
- (viii) consolidation or subdivision of shares (Ordinary Resolution).

8.1.3 External Directors

(a) Israeli law

Under the Israeli Companies Law, companies incorporated under the laws of the State of Israel that are "public companies," including companies with shares listed on the ASX, are required to appoint at least two external directors. External directors are directors who meet certain qualification requirements, including certain independence criteria, set forth in the Israeli Companies Law. External Directors must be elected by a majority vote of the shareholders present and voting at a shareholders' meeting, provided that either:

- (i) such majority includes at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in the election of the External Director (other than a personal interest not deriving from a relationship with a controlling

shareholder) that are voted at the meeting, excluding abstentions, to which the company refers as a disinterested majority; or

- (ii) the total number of shares voted against the election of the External Director by non-controlling shareholders and by shareholders who do not have a personal interest in the election of the External Director (other than a personal interest not deriving from a relationship with a controlling shareholder) does not exceed 2% of the aggregate voting rights in the company.

Under the Israeli Companies Law, the term “controlling shareholder” means a shareholder with the ability to direct the activities of the company, other than by virtue of serving as an office holder. A shareholder is presumed to be a controlling shareholder if the shareholder:

- (i) holds 50% or more of the voting rights in a company; or
- (ii) has the right to appoint more than half of the directors of the company or its general manager.

For the purpose of approving transactions with controlling shareholders as further described in section 8.1.5, a controlling shareholder is deemed to include any shareholder that holds 25% or more of the voting rights in a public company if no other shareholder holds more than 50% of the voting rights in the company.

Under the Israeli Companies Law, the initial term of an External Director is three years. Thereafter, an External Director may be re-elected to serve in that capacity for no more than two additional three year terms, provided that either:

- (i) their service for each such additional term is recommended by one or more shareholders holding at least 1% of the company’s voting rights and is approved at a shareholders’ meeting by a disinterested majority, where the total number of shares held by non-controlling, disinterested shareholders voting for such re-election exceeds 2% of the aggregate voting rights in the company, provided that the nominating shareholder, the External Director, and certain of their related parties meet additional independence requirements;
- (ii) their service for each such additional term is recommended by the board of directors and is approved at a shareholders’ meeting by the same majority required for the initial election of an External Director (as described above); or
- (iii) the External Director has recommended that he or she be nominated for each such additional term and such nomination is approved at a shareholders’ meeting by the same majority and under the same criteria required as if he had been recommended by a shareholder.

External Directors may be removed from office by an extraordinary general meeting of shareholders called by the Board, which approves such dismissal by the same shareholder vote percentage required for their election or by a court, in each case, only under limited circumstances, including ceasing to meet the statutory qualifications for appointment, violating their duty of loyalty to the company, fraud, criminal conviction, etc. If an external directorship becomes vacant and there are fewer than two External Directors on the Board at the time, then the Board is required under the Israeli Companies Law to call a shareholders’ meeting as soon as possible to appoint a replacement External Director.

The Israeli Companies Law provides that a person is not qualified to serve as an External Director if:

- (i) the person is a relative of a controlling shareholder of the company or
- (ii) if that person or their relative, partner, employer, another person to whom he or she was directly or indirectly subject, or any entity under the person's control, has or had, during the two years preceding the date of appointment as an External Director:
 - (A) any affiliation or other disqualifying relationship with the company, with any person or entity controlling the company or a relative of such person, or with any entity controlled by or under common control with the company; or
 - (B) in the case of a company with no shareholder holding 25% or more of its voting rights, had at the date of appointment as External Director, any affiliation or other disqualifying relationship with a person then serving as chairman of the board or chief executive officer, a holder of 5% or more of the issued share capital or voting power in the company, or the most senior financial officer.

The term "relative" is defined under the Israeli Companies Law as a spouse, sibling, parent, grandparent, or descendant; spouse's sibling, parent, or descendant; and the spouse of each of the foregoing persons. Under the Israeli Companies Law, the term "affiliation" and the similar types of prohibited relationships include (subject to certain exceptions):

- (i) an employment relationship;
- (ii) a business or professional relationship even if not maintained on a regular basis (excluding insignificant relationships);
- (iii) control; and
- (iv) service as an office holder, excluding service as a director in a private company prior to the initial public offering of its shares if such director were appointed as a director of the private company in order to serve as an External Director following the initial public offering.

The term "office holder" is defined under the Israeli Companies Law as the chief executive officer (referred to in the Israeli Companies Law as a general manager), chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of that person's title, and a director, or any other manager directly subordinate to the general manager.

No person may serve as an External Director if that person's position or professional or other activities create, or may create, a conflict of interest with that person's responsibilities as a director or otherwise interfere with that person's ability to serve as an External Director or if the person is an employee of the Israel Securities Authority or of an Israeli stock exchange. A person may furthermore not continue to serve as an External Director if he or she received direct or indirect remuneration from the company including amounts paid pursuant to indemnification or exculpation contracts or commitments and insurance coverage for their service as an External Director, other than as permitted by the Israeli Companies Law and the regulations promulgated thereunder.

According to the Israeli Companies Law, a person may be appointed as an External Director only if they have professional qualifications or if they have accounting and financial expertise (each, as defined below). In addition, at least one of the External Directors must be determined by the Board to have accounting and financial expertise.

(b) **Cayman Islands law**

A Cayman Islands exempted company must have at least one director who need not be a natural person. There are no requirements under Cayman Islands law for a Cayman Islands exempted company to appoint any external or independent directors.

8.1.4 Disclosure of Personal Interests of an Office Holder¹¹ and Approval of Certain Transactions

(a) **Israeli law**

The Israeli Companies Law requires that an office holder promptly disclose to the company:

- (i) any personal interest that he or she may be aware of in an existing or proposed transaction of the company; and
- (ii) all related material information or documents concerning any existing or proposed transaction by the company.

An interested office holder's disclosure must be made promptly and in any event no later than the first meeting of the board of directors at which the transaction is first discussed. An Office Holder who did not disclose their Personal Interest, is regarded as having committed a breach of their Duty of Loyalty. An office holder is not obliged to disclose a personal interest if it derives solely from the personal interest of their relative in a transaction that is not considered as an extraordinary transaction.

A "personal interest" is defined under the Israeli Companies Law to include a personal interest of any person in an act or transaction of a company, including the personal interest of such person's relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director, or general manager or in which he or she has the right to appoint at least one director or the general manager, but excluding a personal interest solely stemming from one's ownership of shares in the company.

A personal interest furthermore includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with respect to their vote on behalf of a person for whom he or she holds a proxy even if such shareholder has no personal interest in the matter. An office holder is not, however, obliged to disclose a personal interest if it derives solely from the personal interest of their relative in a transaction that is not considered an extraordinary transaction.

Under the Israeli Companies Law, an extraordinary transaction is defined as any of the following:

- (i) a transaction other than in the ordinary course of business;
- (ii) a transaction that is not on market terms; or
- (iii) a transaction that may have a material impact on the company's profitability, assets, or liabilities.

If it is determined that an office holder has a personal interest in a transaction which is not an extraordinary transaction, approval by the board of directors is required for such transaction, unless the company's articles of association provide for a different

¹¹ An "Office Holder" is defined under the Israeli Companies Law as any of the following, Director, General Manager, Chief Business Manager, Deputy General Manager, Vice General Manager, any person who holds any of the said positions in the company, even if his title is different, or a manager who is directly subject to the General Manager.

method of approval. An extraordinary transaction in which an office holder has a personal interest requires approval first by the company's audit committee and subsequently by the board of directors. In general, the remuneration of, or an undertaking to indemnify or insure, an office holder who is not a director requires approval first by the company's remuneration committee, then by the company's board of directors, and, if such remuneration arrangement or an undertaking to indemnify or insure is inconsistent with the company's stated remuneration policy or if the office holder is the chief executive officer (apart from a number of specific exceptions), then such arrangement is subject to a special majority approval. Arrangements regarding the remuneration, exculpation, indemnification, or insurance of a director require the approval of the remuneration committee, board of directors, and shareholders by ordinary majority, in that order, and under certain circumstances, a special majority approval.

Generally, a person who has a personal interest in a matter which is considered at a meeting of the board of directors or the audit committee may not be present at such a meeting or vote on that matter unless the chairman of the relevant committee or board of directors (as applicable) determines that he or she should be present in order to present the transaction that is subject to approval. If a majority of the members of the audit committee or the board of directors (as applicable) has a personal interest in the approval of a transaction, then all directors may participate in discussions of the audit committee or the board of directors (as applicable) on such transaction and the voting on approval thereof, but shareholder approval is also required for such transaction.

(b) Cayman Islands law

Under Cayman Islands law, directors and officers owe certain fiduciary duties, including a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorised in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the memorandum and articles of association or alternatively by shareholder approval at general meetings.

8.1.5 Disclosure of Personal Interests of Controlling Shareholders and Approval of Certain Transactions

(a) Israeli law

Pursuant to Israeli law, the disclosure requirements regarding personal interests that apply to directors and executive officers also apply to a controlling shareholder of a public company. In the context of a transaction involving a shareholder of the company, a controlling shareholder also includes a shareholder who holds 25% or more of the voting rights in the company if no other shareholder holds more than 50% of the voting rights in the company. For this purpose, the holdings of all shareholders who have a personal interest in the same transaction will be aggregated. Subject to some limited exemptions, the approval of the audit committee or remuneration committee, the board of directors, and a special majority, in that order, is required for:

- (i) extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest;
- (ii) the engagement with a controlling shareholder or their relative, directly or indirectly, for the provision of services to the company;
- (iii) the terms of engagement and remuneration of a controlling shareholder or their relative who is not an office holder; or

- (iv) the employment of a controlling shareholder or their relative by the company, other than as an office holder.

For this purpose, a “special majority” approval requires shareholder approval by a majority vote of the shares present and voting at a meeting of shareholders called for such purpose, provided that either:

- (i) such majority includes at least a majority of the shares held by all shareholders who do not have a personal interest in such remuneration arrangement and are voting on the matter must be voted in favour of approving the transaction, excluding abstentions; or
- (ii) the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the remuneration arrangement and who vote against the arrangement does not exceed 2% of the company’s aggregate voting rights.

To the extent that any such transaction with a controlling shareholder is for a period extending beyond three years, approval is required once every three years, unless, with respect to certain transactions, the audit committee determines that the duration of the transaction is reasonable given the circumstances related thereto.

(b) Cayman Islands law

There are no requirements under Cayman Islands law for shareholders to disclose personal interests. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority.

8.1.6 Fiduciary Duties of Directors and Officers

Both Australian law (Corporations Act and common law) and the Israeli Companies Law impose broad fiduciary duties on company directors and officer. While similar in operation, the terms of the relevant statutory provisions are not identical.

(a) Israeli law

The Israeli Companies Law imposes a duty of care and a duty of loyalty on all office holders of a company.

The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The fiduciary duty requires that an office holder act in good faith and in the best interests of the company.

The duty of care includes a duty to use reasonable, in light of the circumstances, means to obtain:

- (i) information on the business advisability of a given action brought for their approval or performed by virtue of their position; and
- (ii) all other important information pertaining to these actions.

The fiduciary duty includes a duty to:

- (i) refrain from any act involving a conflict of interest between the performance of their duties to the company and the performance of their other duties or personal affairs;
- (ii) refrain from any activity that is competitive with the company's business;
- (iii) refrain from exploiting any business opportunity of the company to receive a personal gain for themselves or others; and
- (iv) disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of their position as an office holder.

(b) **Cayman Islands law**

Under Cayman Islands law, directors and officers owe the following fiduciary duties:

- (i) duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole;
- (ii) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;
- (iii) directors should not improperly fetter the exercise of future discretion;
- (iv) duty to exercise powers fairly as between different sections of shareholders;
- (v) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and
- (vi) duty to exercise independent judgment.

In addition to the above, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience which that director has.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the memorandum and articles of association or alternatively by shareholder approval at general meetings.

8.1.7 Shareholders' Duties

(a) **Israeli law**

Under the Israeli Companies Law, a shareholder has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations toward the company and other shareholders and to refrain from abusing their power in the company, including, among other things, in voting at general meetings of shareholders and class meetings of shareholders with respect to the following matters:

- (i) an amendment of the articles of association or memorandum of association of the company;
- (ii) an increase in the company's authorised share capital;
- (iii) a merger; or
- (iv) the approval of related party transactions and acts of office holders that require shareholder approval.

A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, certain shareholders have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that he or she has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or exercise any other rights available to them under the company's articles of association with respect to the company. The Israeli Companies Law does not define the substance of the duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty to act with fairness.

(b) Cayman Islands law

Under Cayman Islands law, shareholders do not owe any duties to other shareholders or the relevant company, save that shareholders are required to act in good faith in the interests of the company when amending the constituent documents of the company.

8.1.8 Exculpation, Insurance and Indemnification of Directors and Officers

(a) Israeli law

Under the Israeli Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorising such exculpation is included in its articles of association. An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or other distribution to shareholders.

Under the Israeli Companies Law and the Securities Law, an Israeli company may indemnify an office holder with respect to the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided that a provision authorising such indemnification is contained in its articles of association:

- (i) financial liability imposed on them in favour of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking must detail the above mentioned foreseen events and amount or criteria;
- (ii) reasonable litigation expenses, including attorneys' fees, incurred by the office holder:

- (A) as a result of an investigation or proceeding instituted against them by an authority authorised to conduct such investigation or proceeding, provided that
 - (aa) no indictment was filed against such office holder as a result of such investigation or proceeding and (b) no financial liability was imposed upon them as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offence that does not require proof of criminal intent; and
 - (ab) in connection with a monetary sanction;
- (B) expenses associated with an administrative procedure, as defined in the Securities Law, conducted regarding an office holder, including reasonable litigation expenses and reasonable attorneys' fees; and
- (C) reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against them by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offence that does not require proof of criminal intent.

Under the Israeli Companies Law and the Securities Law, an Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- (i) a breach of duty of care to the company or to a third party, including a breach arising out of the negligent conduct of the office holder;
- (ii) a breach of fiduciary duty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- (iii) a monetary liability imposed on the office holder in favour of a third party; and
- (iv) financial liabilities and expenses incurred by an office holder in connection with an administrative procedure instituted against it, including reasonable litigation expenses and reasonable attorneys' fees.

Under the Israeli Companies Law, an Israeli company may not indemnify or insure or exculpate an office holder against any of the following:

- (i) a breach of duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- (ii) a breach of duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- (iii) an act or omission committed with intent to derive illegal personal benefit; or
- (iv) a fine, monetary sanction or forfeit levied against the office holder.

Under the Israeli Companies Law, exculpation, indemnification, and insurance of office holders in a public company must be approved by the remuneration committee and the board of directors (and, with respect to certain office holders or under certain circumstances, by the shareholders).

(b) **Cayman Islands law**

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of directors and officers, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against the consequences of committing a crime, or against the indemnified person's own actual fraud or wilful default.

The memorandum and articles of association typically include broad indemnity, advancement and exculpation protections for directors and officers, as well as the ability for directors to purchase and maintain insurance on behalf of the company for the benefit of directors and officers.

8.1.9 Security holders' right to convene a meeting

(a) **Israeli law**

Under the Israeli Companies Law, a board of directors is required to convene an extraordinary general meeting of shareholders upon the written request of:

- (i) two or more serving members of the board of directors,
- (ii) one-quarter or more of the serving members of the board of directors; or
- (iii) one or more shareholders holding, in the aggregate, either
 - (A) 5% or more of the outstanding issued shares and one percent or more of the outstanding voting power or
 - (B) 5% or more of the outstanding voting power.

(b) **Cayman Islands law**

There is no general right under Cayman Islands law for a shareholder to requisition or convene a general meeting of a Cayman Islands exempted company, however the memorandum and articles do typically provide for the same at commercially agreed thresholds.

8.1.10 Right to appoint proxies

(a) **Israeli law**

At a general meeting, every shareholder present in person, proxy or written ballot has one vote for each ordinary share held on all matters submitted to a vote.

(b) **Cayman Islands law**

Under Cayman Islands law, shareholders may attend general meetings in person or by proxy and the relevant procedures for the appointment of a proxy is typically set out in the memorandum and articles.

8.1.11 Changes to rights attaching to shares

(a) **Israeli law**

The Israeli Companies Law provides that, unless otherwise provided by the articles, the rights of a particular class of shares may not be adversely modified without the vote of a simple majority of the affected class (or such other percentage of the relevant class that may be set forth in the governing documents relevant to such

class), in addition to a majority of all classes of shares voting together as a single class at a shareholder meeting.

(b) **Cayman Islands law**

There are no specific requirements under the Cayman Companies Act in relation to the variation of rights attaching to shares and the procedures for such variation are typically included in the memorandum and articles of association. Typically, adverse variations of the rights attaching to shares will require the vote of a two-thirds majority of the relevant class.

8.1.12 Takeovers

(a) **Israeli law**

Special Tender Offer

In Israel, the Israeli Companies Law requires, subject to certain exceptions, a purchaser to conduct a special tender offer in order to purchase shares in publicly held companies, if as a result of the purchase:

- (i) the purchaser would hold more than 25% of the voting rights of a company in which no other shareholder holds more than 25% of the voting rights; or
- (ii) the purchaser would hold more than 45% of the voting rights of a company in which no other shareholder holds more than 45% of the voting rights. The tender offer must be extended to all shareholders, but the offeror is not required to purchase more than five percent of the company's outstanding shares, regardless of how many shares are tendered by shareholders. The tender offer generally may be consummated only if at least five percent of the voting rights in the company will be acquired by the offeror.

The requirement to conduct a tender offer shall not apply to:

- (i) the purchase of shares in a private placement, provided that such purchase was approved by the company's shareholders for this purpose;
- (ii) a purchase from a holder of more than 25% of the voting rights of a company that results in a person becoming a holder of more than 25% of the voting rights of a company; and
- (iii) a purchase from the holder of more than 45% of the voting rights of a company that results in a person.

Becoming a holder of more than 45% of the voting rights in a company.

Full Tender Offer

In addition, under the Israeli Companies Law, a person may not purchase shares of a public company if, following the purchase of shares, the purchaser would hold more than 90% of the company's shares (or of a certain class of shares thereof), unless the purchaser makes a tender offer to purchase all of the issued and outstanding shares of the target company (or the applicable class). If, as a result of the tender offer, the purchaser would hold more than 95% of the company's shares and more than half of the offerees that have no personal interest have accepted the offer, the ownership of the remaining shares will be transferred to the purchaser by operation of law.

Alternatively, the purchaser will be able to purchase all shares if the percentage of the offerees that did not accept the offer constitute less than 2% of the company's shares. A shareholder who had its shares so transferred may petition an Israeli court within six months from the date of acceptance of the full tender offer, regardless of whether

such shareholder agreed to the offer, to determine whether the tender offer was for less than fair value and whether the fair value should be paid as determined by the court. However, an offeror may provide in the offer that a shareholder who accepted the offer will not be entitled to petition the court for appraisal rights as described in the preceding sentence, as long as the offeror and the company disclosed the information required by law in connection with the full tender offer. If a full tender offer is not accepted, the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company's voting rights or the company's issued and outstanding share capital (or of the applicable class) from shareholders who accepted the tender offer.

(b) Cayman Islands law

When a takeover offer is made and accepted by holders of 90% of the shares to whom the offer is made within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed unless there is evidence of fraud, bad faith, collusion or inequitable treatment of the shareholders.

8.1.13 Merger

(a) Israeli law

The Israeli Companies Law permits merger transactions if approved by each party's board of directors and, unless certain requirements described under the Israeli Companies Law are met, by a simple majority vote of each party's shareholders, and, in the case of the target company, a majority vote of each class of its shares, voted on the proposed merger at a shareholders meeting.

The board of directors of a merging company is required pursuant to the Israeli Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that, as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, taking into account the financial condition of the merging companies. If the board of directors has determined that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote of each party, unless a court rules otherwise, the merger will not be deemed approved if a majority of the votes of shares represented at the shareholders meeting which are not held by the other party to the merger (or by any person or group of persons acting in concert who holds 25% or more of the voting rights or the right to appoint 25% or more of the directors of the other party), vote against the merger. If, however, the merger involves a merger with a company's own controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders.

Under the Israeli Companies Law, each merging company must deliver to its secured creditors the merger proposal and inform its unsecured creditors of the merger proposal and its content. Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of the merging parties, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be consummated unless at least 50 days have passed from the date on which a proposal for approval of the merger was filed by each merging party with the Israeli Registrar of Companies and at least 30 days have passed from the date on which the merger was approved by the shareholders of each merging party.

(b) Cayman Islands law

In certain circumstances the Cayman Companies Act allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction).

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation containing certain prescribed information. That plan or merger or consolidation must then be authorized by either:

- (i) a special resolution of the shareholders of each company; or
- (ii) such other authorisation, if any, as may be specified in such constituent company's articles of association.

A shareholder has the right to vote on a merger or consolidation regardless of whether the shares that they hold otherwise gives them voting rights. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Registrar of Companies in the Cayman Islands is satisfied that the requirements of the Cayman Companies Act (which includes certain other formalities) have been complied with, the Registrar of Companies will register the plan of merger or consolidation.

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the director of the Cayman Islands company is required to make a declaration to the effect that, having made due enquiry, he is of the opinion that the requirements set out below have been met:

- (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with;
- (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions;
- (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; or
- (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands company, the director of the Cayman Islands company is further required to make a declaration to the effect that,

having made due enquiry, he is of the opinion that the requirements set out below have been met:

- (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company;
- (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company:
 - (A) consent or approval to the transfer has been obtained, released or waived;
 - (B) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and
 - (C) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with;
 - (D) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and
 - (E) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Cayman Companies Act provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows:

- (i) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote;
- (ii) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection;
- (iii) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent including, among other details, a demand for payment of the fair value of his shares;
- (iv) within seven days following the date of the expiration of the period set out in paragraph (b) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount;
- (v) if the company and the shareholder fail to agree a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company (and any dissenting shareholder) must file a petition with the Cayman Islands Grand Court to determine the fair value and such petition must be accompanied by a list of the names and addresses of the

dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company.

At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not be available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law also has separate statutory provisions that facilitate the reconstruction or amalgamation of companies in certain circumstances, which will generally be more suited for complex mergers or other transactions involving widely held companies, commonly referred to in the Cayman Islands as a “scheme of arrangement” which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement, the arrangement in question must be approved, in a shareholder scheme, by shareholders of each class of shares with whom the arrangement is to be made representing three-fourths in value of each such class of shares, and in a creditor scheme, by a majority in number of each class of creditors with whom the arrangement is to be made and who must in addition represent three-fourths in value of each such class of creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meeting summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- (i) the company not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with;
- (ii) the shareholders have been fairly represented at the meeting in question;
- (iii) the arrangement is such as a businessman would reasonably approve; and
- (iv) the arrangement is not one that would more properly be sanctioned under some other provision of the Cayman Companies Act or that would amount to a “fraud on the minority.”

If a scheme of arrangement or takeover offer (as described above) is approved, any dissenting shareholder would have no rights comparable to appraisal rights.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through other means to these statutory provisions, such as a share capital exchange, asset acquisition or control, through contractual arrangements, of an operating business.

8.1.14 Anti-takeover measures

(a) Israeli law

The Israeli Companies Law allows Splitit to create and issue shares having rights different from those attached to the ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having pre-emptive rights.

(b) **Cayman Islands law**

The memorandum and articles will typically authorise the directors to allot, issue, grant options over or otherwise dispose of shares of a company with preferred, deferred or other rights or restrictions, whether in regard to dividend or other distribution, voting, return of capital or otherwise.

However, under Cayman Islands law, the directors may only exercise the rights and powers granted to them under memorandum and articles for a proper purpose and for what they believe in good faith to be in the best interests of the company.

8.1.15 Substantial shareholder reporting

(a) **Israeli law**

Under the securities laws of the State of Israel, substantial shareholder reporting by a company listed and traded on the Tel Aviv Stock Exchange (which will not apply to Splitit) applies for shareholders that own 5% or more of the outstanding share capital and at every change of 2% or more thereafter.

(b) **Cayman Islands law**

There are no securities law requirements under Cayman Islands law that require any substantial shareholder reporting. However, if the company is in scope of the beneficial ownership regime of the Cayman Islands incorporated into the Cayman Companies Act, the company will be required to identify its beneficial owners (generally speaking, being those persons owning 25% or more of the shares of the company or having the right to exercise significant influence or control over the company) and establish and maintain a beneficial ownership register.

8.1.16 Related party transactions

(a) **Israeli law**

Under the Israeli Companies Law, a transaction with an office holder or a transaction in which an office holder has a personal interest generally requires board approval, unless the transaction is an extraordinary transaction, in which case it requires audit committee approval prior to the approval of the board of directors. A director with a personal interest in a matter that is considered at a meeting of the board of directors or the audit committee may attend that meeting or vote on that matter if a majority of the board of directors or the audit committee also has a personal interest in the matter (or if the board or committee chairman determined that such presence is necessary for the presentation of the matter); however, if a majority of the board of directors have a personal interest, shareholder approval is also required.

A transaction with an office holder or a transaction in which an office holder has a personal interest also may not be approved if it is adverse to the company's interests.

(b) **Cayman Islands law**

Cayman Islands law does not regulate related party transactions, other than as set out above in relation to the disclosure of interests of directors, however it does provide that such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose.

8.1.17 Protection of minority shareholders – oppressive conduct

(a) Israeli law

In Israel, a right to apply to the court is also available to shareholders of a company where the affairs of the company are being conducted in a manner oppressive to all or some shareholders or there is a substantial risk that the affairs of Splitit will be conducted in such a manner.

(b) Cayman Islands law

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct. Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up. Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association. The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, the company will be the proper plaintiff in any claim based on a breach of duty owed to the company, and a claim against (for example) directors or officers usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- (i) a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- (ii) the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- (iii) those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against the company where the individual rights of that shareholder have been infringed or are about to be infringed.

8.1.18 Rights of security holders to bring or intervene in legal proceedings

(a) Israeli law

Under the Israeli Companies Law, a shareholder of Splitit is entitled, subject to the fulfilment of various pre-conditions, to bring or intervene in legal proceedings such as derivative action on behalf of Splitit. Examples of the preconditions under the Israeli Companies Law include the requirement that prior notice of the application must be given to Splitit and to the chairman of the board of directors, that the action must be brought in good faith and that the action must be in the interest of Splitit.

(b) Cayman Islands law

As noted above in section 8.1.7, derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for

such actions. In most cases, the company will be the proper plaintiff in any claim based on a breach of duty owed to the company, and a claim against (for example) directors or officers usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- (i) a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- (ii) the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- (iii) those who control the company are perpetrating a “fraud on the minority.”

A shareholder may have a direct right of action against the company where the individual rights of that shareholder have been infringed or are about to be infringed.

8.2 Description of terms of Transaction Documents

8.2.1 Subscription Agreement, related terms under Splitit’s Amended and Restated Articles and other key agreed terms

| Key Terms: Subscription Agreement, related terms under Splitit’s Amended and Restated Articles and other key agreed terms | |
|---|---|
| Investment Size | <ul style="list-style-type: none"> ▪ Up to US\$50 million total commitment by Motive ▪ Tranche 1 (US\$25 million): to be invested following receipt of requisite shareholder approvals and fulfilling certain conditions precedent, as described below. ▪ Tranche 2 (US\$25 million): to be invested by Motive subject to achievement of 70% of 2023 target merchant sales volume, net transaction margin, and adjusted EBITDA; or puttable by Motive in its sole discretion no later than June 30, 2025, subject in each case to having fulfilled certain conditions precedent, as described below. |
| Unit Price | <ul style="list-style-type: none"> ▪ US\$0.20 per unit |
| Security | <ul style="list-style-type: none"> ▪ Senior to all outstanding ordinary shares and share equivalents |
| Interest | <ul style="list-style-type: none"> ▪ 8.0% |
| Conditions to Placement of Tranche 1 | <ul style="list-style-type: none"> ▪ The placement of the Tranche 1 is subject to conditions precedent, including: (i) consents and approvals from relevant government authorities, (ii) no action by a government authority restricting the Placement, (iii) ASX approval of the Delisting and shareholder approval of the Proposed Transaction, (iv) adoption of amended articles of association, (v) absence of a material adverse effect, and (vi) receipt of applicable third-party consents (as well as other customary conditions) |
| Conditions to placement of Tranche 2 | <ul style="list-style-type: none"> ▪ The placement of the Tranche 2 is subject to conditions precedent, including: (i) no action by a government authority restricting the Placement and the removal of Splitit from the Official List of ASX, (ii) absence of a material adverse effect, (iii) the consummation of the Merger, and (iv) satisfaction of certain financial conditions (as well as other customary conditions) |

| Key Terms: Subscription Agreement, related terms under Splitit's Amended and Restated Articles and other key agreed terms | |
|---|--|
| Termination Rights | <ul style="list-style-type: none"> The Proposed Transaction is subject to certain termination rights, which include: (i) the mutual consent of the parties, (ii) the right to terminate due to a breach of representations, warranties and covenants (if such breach is uncurable), (iii) if the closing of the Tranche 1 does not occur prior to 31 December 2023, (iv) if the Proposed Transaction is not approved by Splitit's shareholders, or (v) an action by a government authority restricting the Proposed Transaction exists |
| Liquidation Preference | <ul style="list-style-type: none"> Prior to any distribution to ordinary shares, holders of Preference Shares to receive proceeds equal to 2.00x aggregate invested capital, plus accrued but unpaid dividends |
| Participation | <ul style="list-style-type: none"> Holders of Preference Shares to participate with ordinary shares pro rata in distributions in excess of liquidation preference (plus accrued but unpaid dividends) based upon as-converted ownership |
| Voting Rights | <ul style="list-style-type: none"> Holders of Preference Shares are entitled to cast votes in direct proportion to their indicative holding of ordinary shares based upon as-converted ownership as of the voting record date. |
| Governance | <ul style="list-style-type: none"> Motive shall have the right to appoint 3 of a total 7 directors with US\$25 million investment and a majority of total board of directors with US\$50 million of aggregate invested capital. The CEO shall serve as a director, ex officio, and remaining directors to be appointed and removed by majority of incumbent directors. Non-Motive directors will not be an individual who themselves has, or via a corporation in which they have control have, received compensation by Motive, Motive's affiliates or any Motive's portfolio companies controlled by funds advised by Motive Partners during the two (2) years prior to such appointment. |
| Protective Provisions | <ul style="list-style-type: none"> Consent rights with respect to material actions, including: incurrence of indebtedness, sale of the company, acquisitions, issuance of senior equity, IPO, dividends and distributions, and settlement of litigation, all as further set out in the Amended and Restated Articles. |
| Exit Right | <ul style="list-style-type: none"> Exit right after 5 years from initial investment; rights to force and manage exit after year 6 or sooner if certain liquidity thresholds are crossed, as further set out in the Amended and Restated Articles. |
| Other | <ul style="list-style-type: none"> Right to provide rescue financing on pre-determined terms if certain liquidity thresholds are crossed Customary anti-dilution protections Customary pre-emptive rights Customary information rights Customary and specific indemnification Registration rights |

8.2.2 Merger Agreement

| Key Terms: Merger Agreement | |
|-----------------------------|---|
| Merger | <ul style="list-style-type: none"> The Redomicile Proposal will be effected by merging Splitit with Splitit Cayman via a reverse triangular merger under Israeli law. The Merger Agreement has been entered into by Splitit, Splitit Cayman (an |

Key Terms: Merger Agreement

| | |
|------------------------------|--|
| | <p>entity newly incorporated in the Cayman Islands), and Divide Israel Merger Sub Ltd. (a newly formed Israeli subsidiary of Splitit Cayman) (the “Merger Sub”).</p> <ul style="list-style-type: none"> ▪ Merger Sub shall merge with and into Splitit, in accordance with the Israeli Companies Law, and Splitit shall be the surviving corporation and shall continue as a subsidiary of Splitit Cayman. The merger shall become effective upon issuing the Certificate of Merger by the Israeli Registrar of Companies. ▪ At the Effective Date, Splitit Cayman will adopt governing documents substantially in the form of the pre-merger documents of Splitit and will assume the Splitit Equity Plans, subject to necessary adjustments for a Cayman company. |
| Merger Consideration | <ul style="list-style-type: none"> ▪ Each Splitit Share, Preference Share or other security convertible into the same (including Convertible Notes, Warrants, and Options and Performance Rights granted under the Splitit Equity Plan) that are issued and outstanding at the completion of the merger shall be assumed by Splitit Cayman and automatically convert into the same (or the right to receive) equivalent securities of Splitit Cayman on 1:1 basis (Merger Consideration). At the Effective Date, any pre-merger outstanding share of Splitit Cayman will be cancelled. ▪ Splitit and Splitit Cayman shall engage an exchange agent for the purpose of delivering the Merger Consideration to the shareholders. Any portion of the Merger Consideration issued in exchange for 102 Shares shall be issued to a 102 Trustee as applicable under the assumed equity plans and in accordance with applicable Israeli laws. ▪ The Merger Consideration shall be subject to tax withholding under applicable law, or to the tax rulings in Israel (if obtained prior to the applicable withholding date), and shall be delivered subject to the provision of necessary documentation by the Shareholders. |
| Directors | <ul style="list-style-type: none"> ▪ As of the Effective Date, the directors of Splitit shall resign, and individuals designated by Splitit Cayman shall be appointed as new directors of Splitit. ▪ As of the Effective Date, the pre-merger directors of Splitit shall be appointed as directors of Splitit Cayman (in addition to other directors designated by Splitit Cayman) in accordance with its articles of association. |
| Conditions to Closing | <ul style="list-style-type: none"> ▪ Receipt of the tax rulings in Israel is a condition precedent to the completion of the merger (which condition may be waived by Splitit Cayman in its sole discretion). ▪ The completion of the merger is subject to certain other customary conditions to such a transaction, including: (i) shareholder approvals of the merging companies, (ii) placement of the Tranche 1, (iii) Splitit’s Delisting, and (iv) regulatory reliefs pursuant to Australian law (as well as other customary conditions). |
| Termination rights | <ul style="list-style-type: none"> ▪ Can be terminated upon the written consent of all parties. |

8.3 Amendments to Splitit Articles of Association following Placement Proposal to apply until Redomicile Proposal comes into effect

| Issue | Details (as provided in the current Splitit Articles of Association) | Variation to current Splitit Articles of Association? |
|----------------------|---|---|
| Share capital | The authorized share capital is NIS 10,000,000 divided into 1,000,000,000 Ordinary Shares | The authorized share capital will be NIS 20,000,000 divided into (i) 1,500,000,000 Ordinary Shares, and (ii) 500,000,000 Preference Shares |
| Voting | The holders of Ordinary Shares are entitled to one (1) vote for each share of Ordinary Shares held at all meetings of shareholders (and in written actions in lieu of meetings). There is no cumulative voting. | <p>No changes to the voting power of the Ordinary Shares.</p> <p>While Splitit remains admitted to the Official List of the ASX, each holder of Preference Shares is entitled to vote in the following circumstances (and in no other circumstances): (i) during a period in which a dividend (or part of a dividend) in respect of the Preference Share is in arrears, (ii) on a proposal to reduce the share capital of Splitit, (iii) on a resolution to approve the terms of a buy-back agreement, (iv) on a proposal that affects rights, preferences or privileges attached to the Preference Share, (v) on a proposal to liquidate, dissolve, or wind up Splitit or any of its subsidiaries, (vi) on a proposal for the disposal of all or substantially all of the assets, property, or business of Splitit and (vii) during a liquidation, dissolution or winding up of Splitit.</p> <p>Each holder of Preference Shares is entitled to cast the number of votes equal to the number of whole shares of Ordinary Shares into which the shares of Preference Shares held by such holder are convertible as of the record date. Except as provided by law or by the Articles of Association, holders of Preference Shares vote together with the holders of Ordinary Shares as a single class and on an as-converted basis.</p> <p>The Articles will also include protective provisions which provide that Splitit cannot take certain actions without the</p> |

| Issue | Details (as provided in the current Splitit Articles of Association) | Variation to current Splitit Articles of Association? |
|-----------------------------|--|--|
| | | consent of the Majority Preference Shareholders (as defined in the Articles). |
| General meetings | <p>Splitit must hold an annual general meeting once each calendar year, but not later than fifteen (15) months after the last preceding annual general meeting.</p> <p>The board of directors may convene a special general meeting at any time. Shareholders holding either (i) 5% or more of the outstanding voting rights in Splitit or (ii) 5% or more of the issued Shares and 1% of the outstanding voting rights may requisition meetings in accordance with the Israeli Companies Law.</p> | No change. |
| Rights on winding up | Right to distributable proceeds. | Each holder of a Preference Share is entitled to vote during a winding up of Splitit. For the avoidance of doubt, Splitit may not effect a liquidation, dissolution, or winding-up of Splitit or any of its assets without the prior consent of the holders of a majority-in-interest of the holders of Preference Shares. Furthermore, any distribution upon a liquidation, dissolution, or winding-up will be allocated in accordance with the Amended and Restated Articles of Association. |
| Directors | The board of directors shall consist of up to 9 directors. Directors (other than external directors) are elected at the annual general meeting by the vote of a Shareholders' resolution. | The board of directors shall consist of 7 directors. Motive is entitled to appoint (i) 3 directors subject to and following investment of Tranche 1, and (ii) a majority of directors subject to and following investment of Tranche 2. The CEO shall serve as a director, ex officio, and remaining directors to be appointed and removed by majority of incumbent directors. |
| Removal of Directors | Directors may be removed from office at a general meeting by a Shareholders' resolution. | Motive is entitled to remove any directors that it appoints from office. Such Motive-appointed directors may not be removed by shareholders resolution. All non-Motive directors shall be appointed and removed by a |

| Issue | Details (as provided in the current Splitit Articles of Association) | Variation to current Splitit Articles of Association? |
|---|---|--|
| | | majority vote of the board of directors. |
| Directors' remuneration | Directors are remunerated, provided that remuneration has been approved pursuant to the Israeli Companies Law, and reimbursed for out-of-pocket and travel expenses. | No change. |
| Indemnification | In certain situations, Splitit may indemnify its directors to the fullest extent permitted by applicable law and procure directors' liability insurance, provided that no such indemnification shall be afforded in the event of a breach of a director's duty of loyalty, intentional violation of a duty of loyalty, intention action for personal gain or a fine or forfeit. | No change. |
| Sale of non-marketable parcels | Splitit may sell the shares of a shareholder who has less than a Marketable Parcel on the condition that: (i) Splitit may only do so once in any 12-month period, (ii) Splitit notifies the shareholder in writing of its intention, and (iii) the shareholder is given at least six (6) weeks from the date the notice is sent to tell Splitit that it wishes to retain the holding, in which case Splitit is not permitted to sell the non-marketable parcel. | No change. |
| Rights, preferences and restrictions attaching to each class of shares | Ordinary Shares have voting, distribution and dividend rights. | <p>Preference Shares are subject to transfer restrictions until the second anniversary of the issue date.</p> <p>Preference Shares are entitled to receive preferential rights with respect to distribution of available proceeds. Preference Shares accrue at an 8.0% per annum dividend rate. Upon any distribution of available proceeds, the Preference Shares are entitled to proceeds prior to any other equity interest in Splitit until the holders of such Preference Shares receive their 2.0x liquidation preference, plus accrued but unpaid dividends. Preference Shares have certain redemption rights, drag-along rights, preemptive rights, information rights, future</p> |

| Issue | Details (as provided in the current Splitit Articles of Association) | Variation to current Splitit Articles of Association? |
|----------------------------------|---|---|
| | | registration rights, rescue financing rights, and other liquidity rights (including the right to force an exit after 5 years from the initial investment). |
| Dividends | Subject to the applicable law, the board of directors may pay a dividend in respect of shares and may decide the terms on which the dividend is to be paid. | <p>A decision by the board of directors to distribute dividends requires the consent of the directors appointed by Motive.</p> <p>Any distribution of dividends or other proceeds shall be made in accordance with the distribution provisions set forth in the amended and restated Articles of Association.</p> |
| Capitalisation of profits | Not specified. | No change. |
| Lien and forfeiture | If a shareholder fails to pay an amount payable in respect of a call, the board of directors may, by resolution, forfeit all of any of the shares in respect of which the call was made. Splitit shall have a first and paramount lien upon the shares (including all dividends declared in respect of such share) registered in the name of each shareholder (without regard to any equitable or other claim or interest in such shares), and upon the proceeds of the sale thereof, for such shareholder's debts, liabilities and engagements arising with respect to the payment for such shares issued by Splitit. The board of directors may cause Splitit to sell any shares subject to such lien, in a manner as the board of directors deems fit, after the shareholder's debt, liability or engagement has matured and is not paid within fourteen (14) days after written notice of the intention to sell has been served. Net proceeds shall be used to pay the costs of the sale, then applied toward satisfaction of the debts, liabilities or engagements of such shareholder, and the residue (if any) shall be paid to the shareholder, its executors, administrators or assignees. | No change. |

| Issue | Details (as provided in the current Splitit Articles of Association) | Variation to current Splitit Articles of Association? |
|-------------------------------------|---|---|
| Constitutional amendment | Subject to applicable law, a constitutional amendment may be passed by an ordinary resolution passed by Splitit's shareholders; and approval by the holders of a simple majority of the affected class of shares. | Any amendment to the Amended Articles of Association that would adversely affect any of the rights of the holders of Preference Shares requires the consent of the majority of the those holders. |
| Primacy of ASX Listing Rules | While Splitit remains listed on the ASX, the ASX listing rules will prevail over terms in the Articles to the extent of any inconsistency. | No change. |

8.4 Changes between interim Splitit and Splitit Cayman Articles of Association

Below is a summary of the key differences between the interim Splitit Articles of Association and the Splitit Cayman Articles of Association. A copy of the Splitit Cayman Articles of Association is available on request from Splitit's Local Agent. You can contact Splitit's Local Agent on +61 3 9614 2444 or splitit@cdplus.com.au.

| Issue | Details (as provided in the amended/interim Splitit Articles of Association) | Splitit Cayman Articles' Variation to amended/interim Splitit Articles of Association? |
|----------------------|---|--|
| Share capital | The authorized share capital will be NIS 20,000,000 divided into (i) 1,500,000,000 Ordinary Shares, and (ii) 500,000,000 Preference Shares. | The share capital of Splitit Cayman will be US\$20,000,000 divided into (i) 1,500,000,000 Ordinary Shares of a par value of US\$0.01 each and (ii) 500,000,000 Preference Shares of a par value of US\$0.01 each. |
| Voting | <p>The holders of Ordinary Shares are entitled to one (1) vote for each share of Ordinary Shares held at all meetings of stockholders (and in written actions in lieu of meetings). There is no cumulative voting.</p> <p>While Splitit remains admitted to the Official List of the ASX, each holder of Preference Shares is entitled to vote in the following circumstances (and in no other circumstances): (i) during a period in which a dividend (or part of a dividend) in respect of the Preference Share is in arrears, (ii) on a proposal to reduce the share capital of Splitit, (iii) on a resolution to approve the terms of a buy-back agreement, (iv) on a proposal that</p> | <p>All matters to be voted on by shareholders shall be voted on by the shareholders together, as a single class, except as otherwise set out in the Splitit Cayman Articles and as otherwise required by law.</p> <p>Each holder of Ordinary Shares shall be entitled to one (1) vote per Ordinary Share they hold.</p> <p>Each holder of Preference Shares shall be entitled to cast the number of votes equal to the number of whole Ordinary Shares into which the Preference Shares held by such holder are convertible.</p> |

| Issue | Details (as provided in the amended/interim Splitit Articles of Association) | Splitit Cayman Articles' Variation to amended/interim Splitit Articles of Association? |
|-----------------------------|--|---|
| | <p>affects rights, preferences or privileges attached to the Preference Share, (v) on a proposal to liquidate, dissolve, or wind up Splitit or any of its subsidiaries, (vi) on a proposal for the disposal of all or substantially all of the assets, property, or business of Splitit and (vii) during a liquidation, dissolution or winding up of Splitit. Each holder of Preference Shares is entitled to cast the number of votes equal to the number of whole shares of Ordinary Shares into which the shares of Preference Shares held by such holder are convertible as of the record date. Except as provided by law or by the Articles of Association, holders of Preference Shares vote together with the holders of Ordinary Shares as a single class and on an as-converted basis.</p> <p>The Articles also include protective provisions which provide that Splitit cannot take certain actions without the consent of the Majority Preferred Shareholders (as defined in the Articles).</p> | |
| General meetings | <p>Splitit must hold an annual general meeting once each calendar year, but not later than fifteen (15) months after the last preceding annual general meeting.</p> <p>The board of directors may convene a special general meeting at any time. Shareholders holding either (i) 5% or more of the outstanding voting rights in Splitit or (ii) 5% or more of the issued Shares and 1% of the outstanding voting rights may requisition meetings in accordance with the Israeli Companies Law.</p> | <p>Splitit Cayman may hold an annual general meeting in each calendar year, subject to the discretion of the board of directors.</p> <p>The board of directors may convene extraordinary general meetings whenever it deems fit and shall convene an extraordinary general meeting upon requisition by a shareholder holding (i) 10% or more of the outstanding voting rights in Splitit Cayman or (ii) 10% or more of the outstanding shares of Splitit Cayman and 1% or more of the outstanding voting rights in Splitit Cayman, provided that no such shareholder may requisition more than two (2) extraordinary general meetings per year.</p> |
| Rights on winding up | Each holder of a Preference Share is entitled to vote during a winding up of Splitit. For the avoidance of | No change. |

| Issue | Details (as provided in the amended/interim Splitit Articles of Association) | Splitit Cayman Articles' Variation to amended/interim Splitit Articles of Association? |
|-------------------------------------|--|--|
| | <p>doubt, Splitit may not effect a liquidation, dissolution, or winding-up of Splitit or any of its assets without the prior consent of the holders of a majority-in-interest of the Preference Shares.</p> <p>Furthermore, any distribution upon a liquidation, dissolution, or winding-up will be allocated in accordance with the Amended and Restated Articles of Association.</p> | |
| Splitit Cayman Directors | <p>The board of directors shall consist of 7 directors. Motive is entitled to appoint (i) 3 directors subject to and following investment of Tranche 1, and (ii) a majority of directors subject to and following investment of Tranche 2.</p> | <p>While the size of the board of directors is still subject to the ongoing review and analysis of both Motive and Splitit, upon adoption of the Splitit Cayman Articles, Motive shall be entitled to appoint such number of directors required for such directors so appointed to constitute the majority of the board of directors.</p> <p>Notwithstanding the foregoing, the CEO of Splitit shall serve as a director.</p> <p>The remaining directors shall be appointed by the shareholders by Ordinary Resolution, being a resolution passed by a simple majority of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting.</p> |
| Directors' Conflict of Interest | Not applicable. | <p>A Director (or their alternate Director in their absence) shall be at liberty to vote in respect of any contract or transaction in which they are interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by them at or prior to its consideration and any vote thereon by the board of Directors.</p> |
| Removal of Splitit Cayman Directors | <p>Motive is entitled to remove any directors that it appoints from office. Such Motive-appointed directors may not be removed by</p> | <p>Only Motive shall be entitled to remove any director appointed by Motive.</p> |

| Issue | Details (as provided in the amended/interim Splitit Articles of Association) | Splitit Cayman Articles' Variation to amended/interim Splitit Articles of Association? |
|--|---|--|
| | shareholders resolution. All non-Motive directors shall be appointed and removed by a majority vote of the board of directors. | <p>The CEO of Splitit shall be removed upon ceasing to be CEO of Splitit or may be removed by Ordinary Resolution, being a resolution passed by a simple majority of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting.</p> <p>The remaining directors may be removed by the shareholders by Ordinary Resolution, being a resolution passed by a simple majority of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting.</p> |
| Splitit Cayman Directors' remuneration | Directors are remunerated, provided that remuneration has been approved pursuant to the Israeli Companies Law, and reimbursed for out-of-pocket and travel expenses. | Directors shall be paid remuneration by Splitit Cayman as determined by the board of directors, and they shall be entitled to reimbursement for out-of-pocket expenses and travel expenses. |
| Indemnification | In certain situations, Splitit may indemnify its directors to the fullest extent permitted by applicable law and procure directors' liability insurance, provided that no such indemnification shall be afforded in the event of a breach of a director's duty of loyalty, intentional violation of a duty of loyalty, intentional action for personal gain or a fine or forfeit. | Splitit Cayman shall indemnify every director and officer, together with every former director and officer, of Splitit Cayman against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions in connection with Splitit Cayman other than such liability (if any) that they may incur by reason of their own actual fraud, wilful neglect or wilful default. |
| Sale of non-marketable parcels | Splitit may sell the shares of a shareholder who has less than a Marketable Parcel on the condition that: (i) Splitit may only do so once in any 12-month period, (ii) Splitit notifies the shareholder in writing of its intention, and (iii) the shareholder is given at least six (6) weeks from the date the notice is sent to tell Splitit that it wishes to retain the holding, in which case | Not addressed. |

| Issue | Details (as provided in the amended/interim Splitit Articles of Association) | Splitit Cayman Articles' Variation to amended/interim Splitit Articles of Association? |
|--|--|--|
| | Splitit is not permitted to sell the non-marketable parcel. | |
| Rights, preferences and restrictions attaching to each class of shares | <p>Preference Shares are subject to transfer restrictions until the second anniversary of the issue date.</p> <p>Preference Shares are entitled to receive preferential rights with respect to distribution of available proceeds. Preference Shares accrue at an 8.0% per annum dividend rate. Upon any distribution of available proceeds, the Preference Shares are entitled to right proceeds prior to any other equity interest in Splitit until the holders of such Preference Shares receive their 2.0x liquidation preference, plus accrued but unpaid dividends.</p> <p>Preference Shares have certain redemption rights, drag-along rights, preemptive rights, information rights, future registration rights, rescue financing rights, and other liquidity rights (including the right to force an exit after 5 years from the initial investment).</p> | No change. |
| Dividends | A decision by the board of directors to distribute dividends requires the consent of the directors appointed by Motive. Any distribution of dividends or other proceeds shall be made in accordance with the distribution provisions set forth in the amended and restated Articles of Association. | Subject to the Splitit Cayman Articles and the Companies Act, the board of directors with the consent of the directors appointed by Motive may declare and pay dividends on the Shares. The consent of the Majority Preferred Shareholders will additionally be required in relation to the declaration and payment of any dividend. |
| Capitalisation of profits | Not specified. | No change. |
| Lien and forfeiture | If a shareholder fails to pay an amount payable in respect of a call, the board of directors may, by resolution, forfeit all of any of the shares in respect of which the call was made. Splitit shall have a first and paramount lien upon the shares (including all dividends declared in respect of such share) registered in the name of each | No change. |

| Issue | Details (as provided in the amended/interim Splitit Articles of Association) | Splitit Cayman Articles' Variation to amended/interim Splitit Articles of Association? |
|---------------------------------|---|--|
| | shareholder (without regard to any equitable or other claim or interest in such shares), and upon the proceeds of the sale thereof, for such shareholder's debts, liabilities and engagements arising with respect to the payment for such shares issued by Splitit. The board of directors may cause Splitit to sell any shares subject to such lien, in a manner as the board of directors deems fit, after the shareholder's debt, liability or engagement has matured and is not paid within fourteen (14) days after written notice of the intention to sell has been served. Net proceeds shall be used to pay the costs of the sale, then applied toward satisfaction of the debts, liabilities or engagements of such shareholder, and the residue (if any) shall be paid to the shareholder, its executors, administrators or assignees. | |
| Constitutional amendment | Subject to applicable law, a constitutional amendment may be passed by an ordinary resolution passed by Splitit's shareholders; and approval by the holders of a simple majority of the affected class of shares. | The Splitit Cayman Articles may be amended by Special Resolution, being a resolution passed by a majority of not less than two-thirds of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, which resolution must include the affirmative vote of the Majority Preferred Shareholders. |

8.5 Splitit Group corporate structure after implementation of Transaction Proposal

For an overview of the corporate structure of Splitit following implementation of the Transaction Proposal refer to section 4.3.

8.6 Splitit Cayman's equity securities

8.6.1 Rights and Liabilities Attaching to Splitit Cayman Shares

The following table contains a summary of the changes (if any) to those principal rights of ordinary shareholders under the Articles of Association of Splitit Cayman:

| Issue | Splitit Articles of Association | Summary of change |
|---------------------------|---|---|
| Voting | <p>At any general meeting a resolution put to the vote of the meeting is decided on a show of hands of all shareholders entitled to vote or by a written ballot, as determined by the Directors and applicable law. A shareholder or shareholder's proxy entitled to vote at a meeting may demand that a resolution is voted on by a written ballot, either before the proposed resolution is put or immediately after the declaration of the results of a vote by a show of hands.</p> <p>In a ballot, on a show of hands or by any other means of voting, each shareholder is entitled to one vote for each Share held. At meetings of shareholders or classes of shareholders, each shareholder entitled to vote may vote in person or by proxy or by appointed representative. If two or more persons hold Shares jointly, the vote of a senior holder (as determined by the order in which names stand in the register) will be accepted to the exclusion of the vote of the other joint holder.</p> | <p>Votes by written ballots are replaced by vote by a poll.</p> |
| Dividends | <p>Subject to the applicable law, the Directors may pay a dividend in respect of Shares and may decide the terms on which the dividend is to be paid.</p> | <p>Declarations of dividend additionally require the approval of the directors appointed by Motive.</p> <p>Dividend distribution is paid out in the following order of priority:</p> <ul style="list-style-type: none"> ▪ first, for each Preference Share, 2x the original issue price (\$0.20) plus all accrued but unpaid dividends on each such Preference Share; and ▪ second, for each Preference Share and Ordinary Share, the applicable pro rata share of the assets of Splitit Cayman available for distribution to the holders of all such Preference Shares (on an as converted basis) and Ordinary Shares after the payments described above have been made to the holders of Preference Shares. |
| Transfer of Shares | <p>Subject to the Articles of Association, a member may transfer all or any of the member's Shares by submitting to Splitit or its</p> | <p>The board of directors may refuse to approve and register a transfer of shares in the event that such transfer is to a</p> |

| Issue | Splitit Articles of Association | Summary of change |
|------------------------------|---|--|
| | <p>transfer agent a proper instrument of transfer in form and substance satisfactory to the Directors, with such other evidence of title as the Directors may reasonably require.</p> <p>If permitted by law, the Directors may, in their absolute discretion, close the register to transfers of Shares for any period determined by the Directors and the Directors will notify Shareholders of such suspension of registration of transfers.</p> | <p>competitor or potential competitor of Splitit or Splitit Cayman, as determined by the board of directors.</p> <p>The closing of the register to transfers of shares shall additionally require the approval of the directors appointed by Motive.</p> |
| Meetings and Notice | <p>Notice may be given in such form and manner as Splitit may choose, subject to applicable law.</p> <p>Shareholders holding either (i) 5% or more of the outstanding voting rights in Splitit or (ii) 5% or more of the issued Shares and 1% of the outstanding voting rights may requisition meetings in accordance with the Israeli Companies Law.</p> | <p>Splitit Cayman may convene an annual general meeting in each year, subject to the discretion of the board of directors.</p> <p>At least 10 business days' notice of every general meeting shall be given to all shareholders of record on the record date for the general meeting and the notice must specify the place, time and general nature of business to be conducted at the meeting.</p> |
| Liquidation rights | <p>If Splitit is wound up, subject to any special or preferential rights attaching to any class of Shares, shareholders will be entitled in a winding up of Splitit to share in any surplus assets of Splitit in proportion to the Shares held by them, less any amounts which remain unpaid on the Shares at the time of distribution.</p> | <p>In the event of a liquidation or winding up, the assets of Splitit Cayman available for distribution to its shareholders shall be paid out in the following order of priority:</p> <ul style="list-style-type: none"> ▪ first, for each Preference Share, 2x the original issue price (\$0.20) plus all accrued but unpaid dividends on each such Preference Share; and ▪ second, for each Preference Share and Ordinary Share, the applicable pro rata share of the assets of Splitit Cayman available for distribution to the holders of all such Preference Shares (on an as converted basis) and Ordinary Shares after the payments described above have been made to the holders of Preference Shares. |
| Alteration of Capital | <p>Subject to applicable law, Splitit may alter its share capital by consolidation, subdivision, cancellation or reduction.</p> | <p>The alteration of the share capital of Splitit Cayman shall require approval by Ordinary Resolution, being a resolution passed by a simple majority of</p> |

| Issue | Splitit Articles of Association | Summary of change |
|----------------------------|--|--|
| | | the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, which resolution shall require the affirmative vote of the Majority Preferred Shareholders. |
| Variation of Rights | <p>The rights attaching to a class of Shares may be varied, subject to the ASX Listing Rules and the Israeli Companies Law, by:</p> <ul style="list-style-type: none"> ▪ an ordinary resolution passed by Splitit's Shareholders; and ▪ approval by the holders of a simple majority of the affected class of Shares. | <p>The rights attaching to a class of Shares may be modified or abrogated (i) by Ordinary Resolution, being a resolution passed by a simple majority of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, which resolution shall include resolution by the Majority Preferred Shareholders voting together with the holders of ordinary shares voting as a single class, or (ii) by the sanction of a separate general meeting of the holders of shares of such class.</p> <p>Any amendment to the Splitit Cayman Articles shall require a Special Resolution, being a resolution passed by a majority of not less than two-thirds of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, which resolution must include the affirmative vote of the Majority Preferred Shareholders.</p> |
| Listing Rules | <p>Splitit is admitted to the Official List, and as such despite anything in the Articles of Association, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Articles of Association prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Articles of Association to contain a provision or not to contain a provision, the Articles of Association is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Articles of Association is or becomes</p> | <p>Splitit Cayman will not be admitted or listed on any stock exchange.</p> |

| Issue | Splitit Articles of Association | Summary of change |
|-------|--|-------------------|
| | inconsistent with the Listing Rules, the Articles of Association is deemed not to contain that provision to the extent of the inconsistency. | |

8.6.2 Rights and liabilities attaching to Preference Shares

| Issue | Description |
|--------------------|---|
| Voting | <p>Each holder of Preference Shares is entitled to cast the number of votes equal to the number of whole shares of Ordinary Shares into which the shares of Preference Shares held by such holder are convertible as of the record date. Except as provided by law or by the Splitit Cayman Articles, holders of Preference Shares vote together with the holders of Ordinary Shares as a single class and on an as-converted basis.</p> <p>At any general meeting a resolution put to the vote of the meeting is decided on a show of hands of all shareholders entitled to vote or by a poll, as determined by the Directors and applicable law. A shareholder or shareholder's proxy entitled to vote at a meeting may demand that a resolution is voted on by a poll, either before the proposed resolution is put or immediately after the declaration of the results of a vote by a show of hands.</p> <p>In a poll, on a show of hands or by any other means of voting, each shareholder is entitled to one vote for each Ordinary Share held on an as converted basis. At meetings of shareholders or classes of shareholders, each shareholder entitled to vote may vote in person or by proxy or, if a company, by appointed representative. If two or more persons hold Shares jointly, the vote of a senior holder (as determined by the order in which names stand in the register) will be accepted to the exclusion of the vote of the other joint holder.</p> |
| Dividends | <p>Subject to the Splitit Cayman Articles and applicable law, the Directors may, with the approval of the directors appointed by Motive, declare and pay a dividend in respect of Shares and may decide the terms on which the dividend is to be paid.</p> <p>Dividend distribution is paid out in the following order of priority:</p> <ul style="list-style-type: none"> first, for each Preference Share, 2x the original issue price (\$0.20) plus all accrued but unpaid dividends on each such Preference Share; and second, for each Preference Share and Ordinary Share, the applicable pro rata share of the assets of Splitit Cayman available for distribution to the holders of all such Preference Shares (on an as converted basis) and Ordinary Shares after the payments described above have been made to the holders of Preference Shares. |
| Transfer of Shares | <p>The board of directors may refuse to approve and register a transfer of shares in the event that such transfer is to a competitor or potential competitor of Splitit or Splitit Cayman, as determined by the board of directors.</p> <p>Until the second anniversary of the date of issuance of the Preference Shares, the Preference Shares may not be transferred at any time without consent of the board of directors, except for transfers to affiliates and permitted transferees. Following the second anniversary of the issuance date of the Preference Shares, Motive may freely transfer its Preference Shares to any person; however, any transfer by Thorney or Perea (following the conversion of their Convertible Notes), will require the prior written approval of Motive.</p> |

| Issue | Description |
|-----------------------|--|
| Meetings and Notice | <p>Splitit Cayman may convene an annual general meeting in each year, subject to the discretion of the board of directors.</p> <p>At least 10 business days' notice of every general meeting shall be given to all shareholders of record on the record date for the general meeting and the notice must specify the place, time and general nature of business to be conducted at the meeting.</p> |
| Liquidation rights | <p>In the event of a liquidation or winding up, the assets of Splitit Cayman available for distribution to its shareholders shall be paid out in the following order of priority:</p> <ul style="list-style-type: none"> ▪ first, for each Preference Share, 2x the original issue price (\$0.20) plus all accrued but unpaid dividends on each such Preference Share; and ▪ second, for each Preference Share and Ordinary Share, the applicable pro rata share of the assets of Splitit Cayman available for distribution to the holders of all such Preference Shares (on an as converted basis) and Ordinary Shares after the payments described above have been made to the holders of Preference Shares. |
| Alteration of Capital | <p>The alteration of the share capital of Splitit Cayman shall require approval by Ordinary Resolution, being a resolution passed by a simple majority of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, which resolution shall require the affirmative vote of the Majority Preferred Shareholders.</p> |
| Variation of Rights | <p>The rights attaching to a class of shares may be modified or abrogated (i) by Ordinary Resolution, being a resolution passed by a simple majority of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, which resolution shall include resolution by the Majority Preferred Shareholders voting together with the holders of ordinary shares voting as a single class, or (ii) by the sanction of a separate general meeting of the holders of shares of such class.</p> <p>Any amendment to the Splitit Cayman Articles shall require a Special Resolution, being a resolution passed by a majority of not less than two-thirds of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, which resolution must include the approval of the Majority Preferred Shareholders.</p> |

8.6.3 Terms and conditions of Options, Warrants and Performance Rights in Splitit Cayman

As set out in section 5.3.2 above, if the Redomicile Proposal becomes Effective, each Warrant, Performance Right or unlisted Option issued and outstanding immediately prior to the Effective Date will cease to represent a right to acquire ordinary shares of Splitit, and be automatically assumed by Splitit Cayman and converted into an Option, Warrant or Performance Right to purchase or otherwise be issued the same number of ordinary shares of Splitit Cayman at the same per share exercise price (where relevant), on the same terms and conditions as were applicable thereto prior to the Effective Date, including but not limited to the applicable settlement date(s), vesting schedule, continued service requirements and the same rights to vesting upon a qualifying termination of employment to the extent applicable, subject to the Merger Tax Ruling (as defined below) to the extent applicable.

8.6.4 Splitit Cayman equity incentive plans

As set out in section 5.3.3, as of the Effective Date, the Splitit Equity Plans shall be assumed by Splitit Cayman (subject to any adjustments required for compliance with Cayman Islands law and the Merger Tax Ruling, to the extent applicable). The adoption of a new incentive

equity plan, as well as any compensation arrangements for the directors of Splitit Cayman remains subject to ongoing review by Splitit Cayman.

8.6.5 Share capital of Splitit Group before and after implementation of the Transaction Proposal

As at the date of this Explanatory Memorandum, Splitit Cayman currently has 1 Splitit Cayman Share on issue which is held by Motive.

The number of equity securities Splitit has on issue as at the date of this Explanatory Memorandum is set out in the table below. The number of Performance Rights may change between the date of this Explanatory Memorandum and the implementation of the Transaction Proposal.

The number of equity securities Splitit Cayman will have on issue on implementation of the Redomicile Proposal is set out below and will reflect the number of equity securities Splitit has on issue immediately before implementation of the Redomicile Proposal, taking into account the full impact of the Placement Proposal (including the associated conversion of the Convertible Notes) on the share capital of Splitit Cayman.

| Securities | On issue in Splitit as at Date of Explanatory Memorandum | On issue in Splitit Cayman after implementation of Transaction Proposal |
|---------------------------------|--|--|
| Shares | 553,284,030 | 553,284,030 |
| Preference Shares | 0 | 300,560,000 |
| Options | 32,213,229 ASX-listed Splitit Options 17,480,676 Unlisted Options | 49,693,905 Unlisted Options |
| Warrants | 8,666,668 | 8,666,668 |
| Performance Rights | 44,732,037 Performance Rights | 44,732,037 Performance Rights |
| Convertible Notes ¹² | 4 | 0 |

8.6.6 Effect of the Transaction Proposal on control and substantial shareholders

Based on substantial shareholder notices lodged as at the date of this Explanatory Memorandum, those persons who, together with their associates, have a relevant interest in 5% or more of Shares in Splitit on issue are set out below:

¹² The Company notes that the number of Convertible Notes that will be disclosed on the ASX register is the notional number of Convertible Notes based on a hypothetical conversion of the Convertible Note into Splitit Shares at their time of issue.

| Substantial shareholder | Number of Shares | Voting Power as at date of this Explanatory Memorandum |
|----------------------------|-------------------|--|
| Tiga Trading Pty Ltd | 48,294,232 Shares | 8.7% |
| Perea Capital Partners, LP | 42,579,658 Shares | 7.7% |

Based on substantial shareholder notices lodged as at the date of this Explanatory Memorandum and the expected issuances under or in connection with the Placement Proposal, those persons who will, together with their associates, have a relevant interest in 5% or more of Splitit Cayman Shares following the implementation of the Transaction Proposal are set out below:

| Substantial shareholder | Number of Securities | Voting Power following the implementation of the Transaction Proposal ¹³ |
|----------------------------|---|---|
| Motive | 250,000,000 Preference Shares ¹⁴ | 29.3% |
| Tiga Trading Pty Ltd | 25,280,000 Preference Shares 48,294,232 Shares | 8.6% |
| Perea Capital Partners, LP | 25,280,000 Preference Shares 42,579,658 Shares | 8% |

8.7 Splitit Shares held by the Splitit Directors and Proposed Splitit Directors

The number of Splitit Shares, Performance Rights and Options held (directly or indirectly) by each Splitit Director or Proposed Splitit Director as at the date of this Explanatory Memorandum is set out in the following table:

| Director | Number of Splitit Shares held ¹⁵ | Number of Performance Rights held | Number of Options held |
|--|---|-----------------------------------|------------------------|
| Splitit Directors as at the date of this Explanatory Memorandum | | | |
| Nandan Sheth | 9,571,469 | 26,247,037 | 900,000 |

¹³ This table assumes that Tranche 1 and Tranche 2 of the Convertible Notes have been converted into 50,560,000 Preference Shares (and that no other existing Options, Performance Rights or Warrants convert into Splitit Shares) so that, along with the Motive Preference Shares, there are 853,844,030 voting shares on issue.

¹⁴ At the date of this Explanatory Memorandum, Motive does not hold any ordinary Shares. Motive remains free to trade in ordinary Shares and, if Motive were to acquire ordinary Shares via the ASX, the platform provided by PrimaryMarkets or otherwise by acquisition from another Shareholder, this would not have an additional dilutionary impact on existing Shareholders as Motive would purchase existing, already issued and outstanding Shares as opposed to purchasing newly issued ordinary Shares.

¹⁵ Splitit Shares in which the Splitit Directors or Proposed Splitit Cayman Directors do not have a relevant interest, including Splitit Shares held by the Splitit Directors' or Proposed Splitit Cayman Directors' related parties (including relatives), are excluded.

| Director | Number of Splitit Shares held ¹⁵ | Number of Performance Rights held | Number of Options held |
|---|---|-----------------------------------|---------------------------------|
| Dawn Robertson | 1,200,000 | 0 | 754,480 |
| Thierry Denis | 1,509,890 | 0 | 337,954 |
| Jan Koelble | 499,000 | 0 | 281,818 |
| Vanessa LeFebvre | 400,000 | 0 | 1,290,909 |
| Scott Mahoney | 0 | 0 | 1,090,909 |
| Dan Charron | 1,000,000 | 0 | 1,500,000 |
| Proposed Splitit Directors as at the date of this Explanatory Memorandum | | | |
| Blythe Masters | 0 | 0 | 0 |
| Total | 14,180,359 of 553,284,030 (2.6%) | 26,247,037 of 49,693,905 (52.8%) | 6,156,070 of 49,693,905 (12.4%) |

No Splitit Director or Proposed Splitit Director holds any other securities of Splitit or has an interest in the Transaction Proposal, other than as a Splitit Shareholder as set out above. See further details in section 4.6.3. Each Splitit Director and Proposed Splitit Director will be entitled to vote on the Transaction Proposal Resolutions and participate in the Redomicile Proposal in respect of the Splitit Shares referred to above.

Each Splitit Director and Proposed Splitit Director intends to vote any Splitit Shares held or controlled by them in favour of the Transaction Proposal Resolutions. As at the date of this Explanatory Memorandum, the Splitit Directors and Proposed Splitit Directors own or control in aggregate 2.6% of the Splitit Shares on issue.

On implementation of the Redomicile Proposal, the Shares held by Splitit Directors will become shares in Splitit Cayman, and it is not expected that the interests of any Splitit Directors or Proposed Splitit Directors in Splitit (or Splitit Cayman, as appropriate) will change as a result of the Redomicile Proposal (or the Transaction Proposal as a whole).

8.8 Interests of experts and advisers

Other than as set out below, no person named in this Explanatory Memorandum as performing a function in a professional, advisory or other capacity in connection with the preparation of this Explanatory Memorandum has any interest in the offer of Splitit Cayman Shares, the promotion of Splitit Cayman or in any property acquired or proposed to be acquired by Splitit Cayman, and no amounts have been paid or agreed to be paid by any person to any such professional or adviser for services rendered by them in connection with the Explanatory Memorandum.

- (a) King & Wood Mallesons is entitled to be paid approximately US\$250,000 (plus disbursements) in fees and charges for Australian legal services rendered to the Splitit Group in connection with the preparation of this Explanatory Memorandum up to the date of this Explanatory Memorandum.
- (b) Ernst & Young is entitled to be paid approximately US\$146,500 (plus GST and disbursements) in fees and charges for the preparation of its Independent Limited Assurance Report up to the date of this Explanatory Memorandum. Further amounts

may be paid following the date of this Explanatory Memorandum in accordance with its normal time based charges.

- (c) Herzog Fox & Neeman is entitled to be paid approximately US\$40,000 (plus GST and disbursements) in fees and charges for Israeli legal services rendered to the Splitit Group in connection with the preparation of this Explanatory Memorandum up to the date of this Explanatory Memorandum.
- (d) Eversheds Sutherland is entitled to be paid approximately US\$4,500 (plus GST and disbursements) in fees and charges for United States tax advice rendered to the Splitit Group in connection with the preparation of this Explanatory Memorandum up to the date of this Explanatory Memorandum.
- (e) Weil Gotshal & Manges LLP is entitled to be paid approximately US\$123,100 (plus GST and disbursements) in fees and charges for legal services rendered to Motive and Splitit Cayman in connection with the preparation of this Explanatory Memorandum up to the date of this Explanatory Memorandum.
- (f) Gilbert + Tobin is entitled to be paid approximately US\$10,000 (plus disbursements) in fees and charges for Australian legal services rendered to Motive and Splitit Cayman in connection with the preparation of this Explanatory Memorandum up to the date of this Explanatory Memorandum.
- (g) Gornitzky & Co. is entitled to be paid approximately US\$10,618 (plus VAT and disbursements) in fees and charges for Israeli legal services rendered to Motive and Splitit Cayman in connection with the preparation of this Explanatory Memorandum up to the date of this Explanatory Memorandum.
- (h) Maples and Calder (Cayman) LLP is entitled to be paid approximately US\$35,264 (plus GST and disbursements) in fees and charges for Cayman Islands legal services rendered to Motive and Splitit Cayman in connection with the preparation of this Explanatory Memorandum up to the date of this Explanatory Memorandum.

8.9 ASX waivers and confirmations

On 15 August 2023 Splitit received a confirmation decision from ASX that Splitit be removed from the Official List of ASX pursuant to Listing Rule 17.11 on a date to be determined by ASX in consultation with Splitit, subject to compliance with the conditions described in section 5.2.1.

On 28 July 2023 Splitit received an in-principle decision that ASX has no objection to the votes of Thorney and Perea not being disregarded in relation to voting on the Placement Proposal provided there is adequate disclosure by Splitit that Thorney and Perea will not obtain a material benefit as a result of the Placement Proposal. Further details regarding this can be found in section 5.1.6(a)(ii).

8.10 ASIC relief

Relief has been sought from ASIC in relation to subsections 723(1), 734(5)(b)(iii) and 734(6)(e) of the Corporations Act which requires that securities may only be issued or transferred in response to an application form, and that any advertising and publicity must state that anyone wishing to acquire the securities will need to complete the application form in (or accompanying) the prospectus.

Splitit has sought relief from this requirement on the basis that an application form (and the related advertising and publicity requirements) are not appropriate in the context of the Transaction Proposals because the Splitit Cayman Shares will be automatically issued to Splitit Shareholders on implementation of the Redomicile Proposal, which will be subject to (and is conditional on) shareholder approval.

On 5 October 2023 ASIC granted Splitit and Splitit Cayman the relief sought in the application detailed above.

8.11 Litigation and claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Splitit is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of Splitit.

8.12 Governing law

This Explanatory Memorandum is governed by the law applicable in Victoria, Australia.

8.13 Expenses of Transaction Proposal

The Splitit Group has and will incur further external transaction costs in connection with the Transaction Proposal. Certain of these costs are conditional on the Transaction Proposal proceeding, and if the Transaction Proposal is implemented Splitit estimates its aggregate transaction costs to be approximately US\$2.495 million (including GST and disbursements).

These transaction costs are primarily payable to the Splitit Group's financial, legal, tax, accounting, client and shareholder proxy solicitation advisers, Investigating Accountant, and Splitit's Registry.

8.14 Consents and disclaimers

Each party named below as a consenting party:

- (a) has given and has not, before lodgement of this Explanatory Memorandum with ASIC, withdrawn its written consent to be named in this Explanatory Memorandum in the form and context in which it is named;
- (b) has given and has not, before the lodgement of this Explanatory Memorandum with ASIC, withdrawn its written consent to the inclusion of its respective statements and reports (where applicable) noted next to its name below, and the references to those statements and reports in the form and context in which they are included in this Explanatory Memorandum;
- (c) does not make, or purport to make, any statement in this Explanatory Memorandum or any statement on which a statement in the Explanatory Memorandum is based, other than those statements referred to below in respect of that person's name (and as consented to by that person);
- (d) has not caused or authorised the issue of this Explanatory Memorandum; and
- (e) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Explanatory Memorandum.

| Role | Consenting parties | Relevant statement or report |
|---|----------------------------|------------------------------|
| Australian legal and tax adviser to Splitit | King & Wood Mallesons | N/A |
| Israeli legal and tax adviser to Splitit | Herzog Fox & Neeman | N/A |
| United States tax adviser to Splitit | Eversheds Sutherland | N/A |
| United States legal adviser to Splitit Cayman | Weil, Gotshal & Manges LLP | N/A |

| Role | Consenting parties | Relevant statement or report |
|---|--------------------------------|--------------------------------------|
| Australian legal adviser to Splitit Cayman | Gilbert + Tobin | N/A |
| Israeli legal and tax adviser to Splitit Cayman | Gornitzky & Co. | N/A |
| Cayman legal adviser to Splitit Cayman | Maples and Calder (Cayman) LLP | N/A |
| Investigating Accountant | Ernst & Young | Independent Limited Assurance Report |
| Auditor of Splitit | Ernst & Young | N/A |

8.15 Entitlement to Participate in the Redomicile Proposal

If the Redomicile Proposal becomes Effective, Splitit Shareholders on the Register immediately prior to the Effective Date will Participate in the Redomicile Proposal (the **'Record Date'**).

For the purposes of determining who is a Splitit Shareholder on the Register immediately prior to the Effective Date, following the Delisting but reasonably in advance of the Effective Date, the board of Splitit will close the books of Splitit for dealings in Splitit Shares (the **'Closing of Books'**). Prior to the Closing of Books, the board of Splitit will provide Splitit Shareholders with a written notice 14 days in advance of the date on which the Closing of Books will occur (the **'Closing of Books Notice'** and the **'Closing of Books Date'**, respectively). Splitit Shareholders appearing on the Register on the date that Splitit issues the Closing of Books Notice will be those shareholders entitled to receive the Closing of Books Notice. On the Closing of Books Date, Splitit will effect the Closing of Books and no further dealings in Splitit Shares will be recognized. The Splitit Shareholders on the Register on the Closing of Books Date will be the same Splitit Shareholders on the Register on the Effective Date and will be entitled to Participate in the Redomicile Proposal. Dealings in Splitit Shares will only be recognised by Splitit if registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5:00pm on the Closing of Books Date at the place where the Register is kept.

Splitit will not accept for registration or recognise for any purpose any transmission application or transfer of Splitit Shares received after 7:00pm on the Closing of Books Date.

Binding instructions or notifications between Shareholders and Splitit relating to Splitit Shares or a Shareholder's status as a Splitit Shareholder (including, without limitation, any instructions in relation to payment of dividends or communications from Splitit) will (to the extent permitted by law), from the Closing of Books Date, be deemed to be similarly binding instructions or notifications to, and accepted by, Splitit Cayman in respect of the Splitit Cayman Shares issued to the Shareholder until those instructions or notifications are, in each case, revoked or amended in writing addressed to Splitit Cayman or the Registry.

8.16 Foreign Shareholders and foreign jurisdictions

(a) Ability of Foreign Shareholders to participate in Redomicile Proposal

No action has been taken to register or qualify the Splitit Cayman Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available, Shareholders and Optionholders of Splitit whose addresses are shown in the register on the Record Date for the Redomicile Proposal as being in the following jurisdictions will be entitled to receive the Notice of Meeting and have the Splitit Cayman Shares issued to them under the Redomicile Proposal subject to any qualifications set out below in respect of that jurisdiction:

- (i) Australia;
- (ii) United States;
- (iii) Israel, where Splitit Shareholders and Optionholders (who are not Splitit's employees or "qualified investors") are fewer than 35;
- (iv) New Zealand, where Splitit Shareholders and Optionholders are fewer than 20;
- (v) Switzerland, where Splitit Shareholders and Optionholders are fewer than 500;
- (vi) United Kingdom, where Splitit Shareholders and Optionholders are fewer than 150 or are a "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation; and
- (vii) United Arab Emirates, to all Splitit Shareholders and Optionholders outside the financial zones and to less than 50 persons who are Splitit Shareholders and Optionholders in each of the Abu Dhabi Global Market and Dubai International Financial Centre;
- (viii) Belize, only to Splitit Shareholders and Optionholders that have obtained approval from the Central Bank of Belize;
- (ix) Ireland and Luxembourg, where (i) the Splitit Shareholder or Optionholder is a "qualified investor" (as defined in Article 2(e) of the Prospectus Regulation) or (ii) the number of other Splitit Shareholders and Optionholders in such country is less than 150;
- (x) Jersey, where the number of Splitit Shareholders and Optionholders is less than 50; and
- (xi) any other person or jurisdiction in respect of which Splitit has not received advice that it is prohibited, and it is not unduly onerous or impractical, to issue the Splitit Cayman Shares to a Splitit Shareholder or Optionholder with a Registered Address in such jurisdiction.

Although Splitit and Motive have no current intention to do so, they reserve the right in connection with the Redomicile Proposal to provide cash rather than Splitit Cayman Shares to any Splitit Shareholder if they believe it is in the best interests of Splitit Shareholders to do so because it has been determined to be unlawful to offer Splitit Cayman Securities in the jurisdiction in which the Splitit Shareholder resides. Any cash out would be at fair market value as determined by the Splitit Directors, for each Splitit Share held by the relevant Splitit Shareholder. In that case, that Splitit Shareholder would cease to hold any interest in the Splitit Group.

Nominees and custodians who hold Splitit shares or options on behalf of a beneficial owner resident outside Australia, United Arab Emirates (excluding financial zones) may not forward this Explanatory Memorandum (or any accompanying document) to anyone outside these countries without the consent of Splitit, except nominees and custodians may forward the Explanatory Memorandum to any beneficial shareholder and optionholder that:

- (xii) in the European Union, is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);
- (xiii) is a "qualified investor" which is listed in the first addendum to the Israeli Securities Law (large Addendum); and

- (xiv) in the United Kingdom who is (i) a “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

(b) **Jurisdictional disclaimers**

The distribution of this Explanatory Memorandum outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Each of Splitit and Splitit Cayman disclaims all liability to such persons.

Splitit Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

The offers of Splitit Cayman Shares made pursuant to the Redomicile Proposal and this Explanatory Memorandum are made in compliance with the laws of Australia, and in compliance with all other relevant codes, rules, and other requirements that apply to the offers in Australia. No action has been taken to register or qualify this Explanatory Memorandum or any aspect of the Transaction Proposal in any jurisdiction outside of Australia.

Nothing in this Explanatory Memorandum should be taken to be an invitation, offer, financial promotion, distribution or advice, in relation to any securities or financial product (including Splitit Shares or Splitit Cayman Shares) in any jurisdiction where it may be unlawful.

(i) **United States**

The Splitit Cayman Shares to be issued pursuant to the Redomicile Proposal have not been, and will not be, registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States. Accordingly, such Splitit Cayman Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into or from the United States absent registration under the US Securities Act and/or any other relevant state or other jurisdiction of the United States or an exemption therefrom. The Splitit Cayman Shares to be issued pursuant to the Redomicile Proposal are, accordingly, being issued within the United States pursuant to an available exemption from the registration requirements of the US Securities Act and outside the United States in compliance with Regulation S under the US Securities Act. There will be no public offering of the Splitit Cayman Shares in the United States.

Each Splitit Shareholder within the United States to whom the Splitit Cayman Shares are to be issued, by accepting delivery of this Explanatory Memorandum, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Explanatory Memorandum and such other information as it deems necessary to make an investment decision and that:

- (A) The Splitit Shareholder is, and at the time of issuance of the Splitit Cayman Shares will be, either (i) an “accredited investor” (as defined in Rule 501(a) under the US Securities Act) or (ii) otherwise eligible to purchase Splitit Cayman Shares pursuant to an available exemption from the registration requirements of the US Securities Act.

- (B) The Splitit Shareholder understands and acknowledges that the Splitit Cayman Shares have not been, nor will they be, registered under the US Securities Act, and that the Splitit Cayman Shares may not be offered or sold, directly or indirectly, in the United States, other than in accordance with paragraph (D) below.
- (C) The Splitit Shareholder is being issued the Splitit Cayman Shares for its own account, or, in each case for investment, and not with a view to any resale or distribution of any such shares.
- (D) The Splitit Shareholder understands and agrees that offers and sales of the Splitit Cayman Shares are being made in the United States in transactions not involving a public offering or which are exempt from the registration requirements of the US Securities Act, and that if in the future such Splitit Shareholder decides to offer, sell, deliver, hypothecate or otherwise transfer any Splitit Cayman Shares, it will do so only (i) pursuant to an effective registration statement under the US Securities Act, (ii) to a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) to an accredited investor (within the meaning of Rule 501(a) under the US Securities Act) in a transaction that is exempt from the registration requirements of the US Securities Act, (iv) outside the United States in an “offshore transaction” pursuant to Rule 903 or Rule 904 of Regulation S (and not in a pre-arranged transaction resulting in the resale of such Splitit Cayman Shares into the United States), or (v) in accordance with Rule 144 under the US Securities Act and, in each case, in accordance with any applicable securities laws of any state or other jurisdiction of the United States. The purchaser understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the US Securities Act for the resale of the Splitit Cayman Shares.
- (E) The Splitit Shareholder understands that for so long as the Splitit Cayman Shares are “restricted securities” within the meaning of the U.S. federal securities laws, no such shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such shares will not settle or trade through the facilities of the Depositary Trust & Clearing Corporation (“DTCC”) or any other U.S. clearing system.
- (F) The Splitit Shareholder has received a copy of this Explanatory Memorandum and has had access to such financial and other information concerning the Splitit and/or Splitit Cayman as it deems necessary in connection with making its own investment decision to be issued the Splitit Cayman Shares. The Splitit Shareholder acknowledges that none of Splitit, Splitit Cayman or any of their respective representatives has made any representations to it with respect to the Splitit, Splitit Cayman or the issuance of the Splitit Cayman Shares other than as set forth in this Explanatory Memorandum, which has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Splitit Cayman Shares. The Splitit Shareholder also acknowledges that it has made its own assessment regarding the U.S. federal tax consequences of an investment in the Splitit Cayman Shares. The Splitit Shareholder has held and will hold any offering materials, including this Explanatory Memorandum, it receives directly or indirectly from the Splitit and/or Splitit Cayman in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it.

- (G) The Splitit Shareholder understands that the foregoing representations and undertakings are required in connection with the securities laws of the United States and that Splitit, Splitit Cayman and their affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. The Splitit Shareholder irrevocably authorises Splitit and Splitit Cayman to produce this Explanatory Memorandum to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered herein.
- (H) The Splitit Shareholder undertakes promptly to notify Splitit and Splitit Cayman if, at any time prior to the issuance of the Splitit Cayman Shares of any of the foregoing ceases to be true.
- (I) The Splitit Shareholder agrees that it will give to each person to whom it transfers the Splitit Cayman Shares notice of any restrictions on the transfer of the Splitit Cayman Shares.

Each Splitit Shareholder outside the United States will, pursuant to Regulation S, be deemed to have represented and agreed that it has received a copy of the Explanatory Memorandum and such other information as it deems necessary to make an informed investment decision and that:

- (A) The Splitit Shareholder acknowledges that the Splitit Cayman Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to significant restrictions on transfer.
- (B) The Splitit Shareholder and the person, if any, for whose account or benefit the purchaser is acquiring the Splitit Cayman Shares, were located outside the United States at the time of Splitit's general meeting and continue to be located outside the United States and has not purchased the Splitit Cayman Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Splitit Cayman Shares to any person in the United States.
- (C) The Splitit Shareholder is aware of the restrictions on the offer and sale of the Splitit Cayman Shares pursuant to Regulation S and it will not offer, sell, pledge or transfer any Splitit Cayman Shares, except in accordance with the US Securities Act and any applicable laws of any state or other jurisdiction of the United States.
- (D) The Splitit Cayman Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- (E) Splitit, Splitit Cayman and their affiliates will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements and the Splitit Shareholder agrees that, if any of its acknowledgments, representations or agreements herein cease to be accurate and complete, they will notify the Splitit and Splitit Cayman promptly in writing.

In addition, each Splitit Shareholder acknowledges that it understands that the Splitit Cayman Shares (to the extent they are in certificated form), unless otherwise determined by the Splitit Cayman in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) TO AN ACCREDITED INVESTOR (WITHIN THE MEANING OF RULE 501(a) UNDER THE US SECURITIES ACT) IN A TRANSACTION THAT IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR RESALES OF THE SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

(ii) **Israel**

This Explanatory Memorandum does not constitute a prospectus under the Israeli Securities Law, 5728-1968 (Securities Law), and has not been filed with or approved by the Israel Securities Authority.

Given the fact that the offering of shares to the Israeli shareholders is made as part of and is consequential to the issuance of the Splitit Cayman Securities pursuant to the Redomicile Proposal and taking into account the limited number of Israeli securities holders of Splitit and their holdings percentage (based on the inquiry made by Splitit) the Splitit Cayman Securities issuance pursuant to the Redomicile Proposal is not considered as an 'offer' to the public in Israel under the Securities Law.

Notwithstanding the above, and for the sake of caution, in the State of Israel, this Explanatory Memorandum is being distributed only to, and the Redomicile Proposal is made, based on the exemptions provided by sections 15A(a)(1), 15A(b) and 15B(2)(a) of the Securities Law: (i) a limited number of 35 persons or entities in accordance with the Securities Law which are Splitit Shareholders; (ii) investors listed in the first addendum to the Securities Law (Addendum) which are Splitit Shareholders, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds (all as defined under the Israeli law), entities with equity in excess of ILS 50 million (other than entities formed for the acquisition of securities from a certain offer) and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as Qualified Investors (in each case

purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum); (iii) Splitit's current employees holding Splitit Shares, Employee Options or Performance Rights.

(iii) **New Zealand**

Warning

If you are a Shareholder in Splitit, then you are being offered shares in Splitit Cayman under the terms of the Redomicile Proposal. If you hold Options in Splitit, then are you being offered Options in Splitit Cayman under the terms of the Redomicile Proposal.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because it is a small offer. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully and seek independent financial advice before committing yourself.

(iv) **Switzerland**

The Splitit Cayman Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Explanatory Memorandum nor any other offering or marketing material relating to the Splitit Cayman Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Explanatory Memorandum nor any other offering or marketing material relating to the Splitit Cayman Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Explanatory Memorandum nor any other offering or marketing material relating to the offering, Splitit or the Splitit Cayman Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Explanatory Memorandum will not be filed with, and the offer of Splitit Cayman Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Explanatory Memorandum may be distributed in Switzerland only to existing Shareholders and Optionholders of Splitit and is not for general circulation in Switzerland.

(v) **United Kingdom**

Neither this Explanatory Memorandum nor any other document relating to the offer of Splitit Cayman Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ('FSMA')) has been published or is intended to be published in respect of the Splitit Cayman Shares.

The Splitit Cayman Shares may not be offered or sold in the United Kingdom by means of this Explanatory Memorandum or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Explanatory Memorandum is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders and optionholders of Splitit or are “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This Explanatory Memorandum may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Splitit Cayman Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Splitit.

In the United Kingdom, this Explanatory Memorandum is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**‘FPO’**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, **‘relevant persons’**). The investment to which this Explanatory Memorandum relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Explanatory Memorandum.

(vi) **United Arab Emirates**

The Explanatory Memorandum does not constitute a public offer of securities in the United Arab Emirates (**‘UAE’**) and the Splitit Cayman Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither the Explanatory Memorandum nor the Splitit Cayman Securities have been approved by the Securities and Commodities Authority or any other authority in the UAE.

The Explanatory Memorandum may be distributed in the UAE only to existing shareholders and optionholders of Splitit and may not be provided to any person other than the original recipient. Information about the Redomicile Proposal may be found in the Explanatory Memorandum, which is available on Splitit’s website. If a recipient of the Explanatory Memorandum ceases to be a shareholder or optionholder of Splitit at the time of subscription, then such person should discard the Explanatory Memorandum and may not participate in the Redomicile Proposal.

No marketing of the Splitit Cayman Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

In the Abu Dhabi Global Market and the Dubai International Financial Centre, the Splitit Cayman Shares may be offered, and this Explanatory Memorandum may be distributed, only to existing shareholders and optionholders of Splitit as an “Exempt Scheme”, as defined and in compliance with the market rules issued by the regulatory authorities in these

financial zones. No regulatory authority has approved this Explanatory Memorandum nor taken any steps to verify the information set out in it.

(vii) **Belize**

Notice to Belize Residents: The transfer of the Splitit Cayman Shares by a transferor or to a transferee who is resident in Belize is subject to the exchange control laws of Belize. It is unlawful to make or cause such transfer to be made without the requisite approval from the Central Bank of Belize.

(viii) **European Union**

This Explanatory Memorandum is not a prospectus under Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “Prospectus Regulation”). Therefore, the Explanatory Memorandum has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Explanatory Memorandum may not be made available, nor may the Splitit Cayman Shares be offered for sale or exchange, in the European Union except in circumstances that do not require the obligation to publish a prospectus under the Prospectus Regulation.

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Splitit Cayman Shares in each member state of the European Union is limited:

- (A) to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation);
- (B) to fewer than 150 other natural or legal persons; and
- (C) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

(ix) **Jersey**

This Explanatory Memorandum may only be distributed in Jersey to shareholders and optionholders of Splitit. No offer or invitation to subscribe for Splitit Cayman Shares may be made to the public in Jersey.

8.17 Other material information

Except as set out in this Explanatory Memorandum, so far as the Splitit Directors are aware as at the date of this Explanatory Memorandum:

- (a) there is no information material to the making of a decision by a Splitit Shareholder in relation to the Transaction Proposal being information that is within the knowledge of any Splitit Director or any director of a Related Body Corporate of Splitit at the time of lodging this Explanatory Memorandum with ASIC which has not previously been disclosed to Splitit Shareholders; and
- (b) other than as disclosed in this Explanatory Memorandum, the financial position of Splitit has not materially changed since 30 June 2023, being the balance date of the last half year accounts for Splitit lodged with ASIC and ASX.

Annexure A – Independent Limited Assurance Report



**Building a better
working world**

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9 October 2023

The Board of Directors
Splitit Payments Limited
Rialto South Tower
Level 42, 525 Collins Street
Melbourne VIC 3000

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by Splitit Payments Limited (“Splitit” or the “Company”) to report on the historical financial information and pro forma historical financial information of the Company and its subsidiaries (collectively “Splitit Group”) for inclusion in the Explanatory Memorandum dated on or about 9 October 2023 and issued by Splitit, in respect of the placement of US\$50m of preference shares to Motive Capital (in two equal tranches) (“Placement Proposal”), the delisting of Splitit (“Delisting Proposal”), the redomiciling of Splitit to the Cayman Islands (“Redomicile Proposal”), and certain other ancillary steps (“Ancillary Proposals”) (“Transaction Proposal”).

Expressions and terms defined in the Explanatory Memorandum have the same meaning in this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the following historical financial information of Splitit Group:

- ▶ The historical consolidated statement of financial position as at 30 June 2023 as set out in section 6.3.1 of the Explanatory Memorandum;
- ▶ historical consolidated statements of profit and loss and comprehensive income for the financial years ended 31 December 2022 and 31 December 2021 and for the half-years ended 30 June 2023 and 30 June 2022 as set out in section 6.3.2 of the Explanatory Memorandum;
- ▶ historical consolidated statements of cash flows for the financial years ended 31 December 2022 and 31 December 2021 and for the half-years ended 30 June 2023 and 30 June 2022 as set out in section 6.3.3 of the Explanatory Memorandum.

(Hereafter the “Historical Financial Information”).

The Historical Financial Information has been derived from the financial statements of Splitit Group for the years ended 31 December 2022 and 31 December 2021, which were audited by Ernst & Young in accordance with International Auditing Standards. Ernst & Young issued unqualified audit opinions on these financial statements. The audit opinion on the financial statements for the year ended 31 December 2022 included an emphasis of matter paragraph in respect of material uncertainty related to going concern.

The interim financial statements of Splitit Group for the half-years ended 30 June 2023 and 30 June 2022, which were reviewed by Ernst & Young in accordance with International Standards on Review Engagements ISRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ISRE 2410). Ernst & Young issued unqualified review opinions on these financial statements. The review opinion on the financial statements for the year ended 30 June 2023 included an emphasis of matter paragraph in respect of material uncertainty related to going concern.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards ("IFRS").

Pro Forma Historical Financial Information

You have requested Ernst & Young to review the following pro forma historical financial information of Splitit Group:

- ▶ the pro forma historical consolidated statement of financial position as at 30 June 2023 as set out in Section 6.4 of the Explanatory Memorandum.

(Hereafter the "Pro Forma Historical Financial Information").

(the Historical Financial Information and Pro Forma Historical Financial Information is collectively referred to as the "Financial Information").

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information, specifically the statement of financial position for the half year ended 30 June 2023, of Splitit Group, and adjusted for the effects of pro forma adjustments described in the notes to Section 6.4 of the Explanatory Memorandum.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation being in a manner consistent with Splitit Group accounting policies applied by Splitit in preparing the interim financial statements for the half year ended 30 June 2023, other than that it includes adjustments which have been prepared in a consistent manner as noted in Section 6.2 that reflect the impact of certain transactions as if they occurred as at 30 June 2023.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Explanatory Memorandum in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

3. Directors' Responsibility

The directors of Splitit Group (the "Directors") are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with International Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of Splitit Group comprising:

- ▶ The historical consolidated statement of financial position as at 30 June 2023 as set out in section 6.3.1 of the Explanatory Memorandum;
- ▶ historical consolidated statements of profit and loss and comprehensive income for the financial years ended 31 December 2022 and 31 December 2021 and for the half-years ended 30 June 2023 and 30 June 2022 as set out in section 6.3.2 of the Explanatory Memorandum;
- ▶ historical consolidated statements of cash flows for the financial years ended 31 December 2022 and 31 December 2021 and for the half-years ended 30 June 2023 and 30 June 2022 as set out in section 6.3.3 of the Explanatory Memorandum,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2 of the Explanatory Memorandum.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of Splitit Group comprising:

- ▶ the pro forma historical consolidated statement of financial position as at 30 June 2023 as set out in Section 6.4 of the Explanatory Memorandum,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2 of the Explanatory Memorandum.

Material uncertainty related to going concern – Historical Financial Information

We draw attention to Section 6.2 in the Explanatory Memorandum which describes the principal conditions that raise doubt about Splitit Group's ability to raise additional debt and/or equity funding to continue as a going concern. These conditions indicate the existence of a material uncertainty that may

cast significant doubt about Splitit Group's ability to continue as a going concern and therefore, Splitit Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion on the Historical Financial Information is not modified in respect of this matter.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 6.1 of the Explanatory Memorandum, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

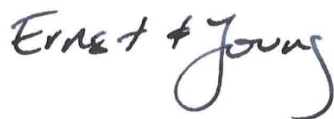
7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Explanatory Memorandum in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young (ABN 75 288 172 749) is not operating under an Australian financial services license when giving financial product advice provided as a result of this report in the Explanatory Memorandum. Ernst & Young does not have any interests in the outcome of the Explanatory Memorandum other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

Annexure B – Amended Articles of Association

SIXTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF

~~Splitit payments Ltd~~ **SPLITIT PAYMENTS LTD.**

ARBN 629 557 982 **SPLITIT LTD.,**

SPLITIT LTD.,

~~Dated 31 JANUARY~~ **DATED [●] 2023**

1. Company Name

The name of the Company is Splitit ~~Payments Ltd ARBN 629 557 982. The Company is referred to as Splitit Ltd. Ltd.~~ and in Hebrew “ספלייט פיימנט בע”מ” for the purposes of Israeli law (the ~~“Company”~~; **“Company”**). The Company is registered as a foreign company in Australia under the name Splitit Payments Ltd. ARBN 629 557 982.

2. Purpose

- 2.1. The purpose of the Company is to engage in any lawful act or activity for which companies may be organized under the ~~Israeli Companies Law (the “Companies Law”)~~.
- 2.2. Pursuant to Section 11 of the Companies Law, the Company may from time to time, by decision of the Board of Directors, donate reasonable amounts of Company funds to a worthy cause, irrespective of whether such donation falls within the Company’s usual business.

3. Interpretation

- 3.1. In these Sixth Amended and Restated Articles of Association (these “**Articles**”), unless the context otherwise requires, the following capitalized terms shall have the following meanings:

| | |
|-------------------------|---|
| <u>Affiliate</u> | <u>means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlled” and “controlling” have meanings correlative thereto. For the avoidance of doubt, none of the Preferred Shareholders or their respective Affiliates shall be deemed to be an Affiliate of the Company or any of its Subsidiaries.</u> |
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| ASX | means ASX Limited. |
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| <u>Board or the Board of Directors</u> | <u>means the board of directors of the Company.</u> |
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| <u>Business Day</u> | <u>means a day, or days on which customer services are provided by a majority of branches of the major commercial banks in New York, New York, and Tel Aviv, Israel.</u> |
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| Chairman | means the Chairman of the Board of Directors. |
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Companies Law

means the ~~Israel~~[Israeli](#) Companies Law, 5759-1999 and all the regulations promulgated under it as shall be in effect from time to time.

**Deemed
Liquidation**

means: (i) a merger, consolidation, recapitalization or similar event of the Company with or into another Person in a single transaction or a series of related transactions, or any other transaction or series of related transactions, as a result of which the Shareholders of the Company holding a majority of the voting securities in the Company immediately prior to such transaction do not own in such capacity, immediately following such transaction or series of related transactions, a majority of the voting securities of the surviving entity; (ii) the sale, lease, transfer, or other disposition, in a single transaction or a series of related transactions, of all or substantially all of assets of the Company (on a consolidated basis with its subsidiaries); (iii) a sale or grant of an exclusive license for all or substantially all of the intellectual property rights of the Company (on a consolidated basis with its subsidiaries); or (iv) a sale of all or a majority of the Shares of the Company to an independent third party; *provided, however* that with respect to each of the aforesaid cases (where applicable) except for a transaction: (a) for the sole purpose of changing the Company's domicile, which neither (y) affects the respective percentage ownership interests of the Company's Shareholders, relative to one another; nor (z) disproportionately alters the rights or obligations of any class of Shares relative to the other classes of Shares; (b) with entities wholly-owned by the Company for as long as such entities remain wholly-owned by the Company; or (c) in which the Shareholders of the Company immediately prior to the transaction maintain, immediately after the transaction, voting control of the surviving entity in the same proportion among them as held immediately prior to such transaction (including, for the avoidance of doubt, any transfers by an existing Shareholder to any of its Permitted Transferees).

Dispose

has the meaning given to that term in the Listing Rules.

**Hypothetical
Liquidation**

means a hypothetical liquidation of all Distributable Proceeds directly to all Shareholders pursuant to Article 8.2.1, assuming a sale of the Company in its entirety or as otherwise determined by the Board (including the affirmative vote of the Motive Directors).

Initial Closing

means the Initial Closing as such term is defined in the Subscription Agreement.

Legal Requirement

~~shall mean~~ **means** all applicable laws, statutes, rules, regulations, orders, ordinances and requirements of all foreign, national, departmental and municipal governments.

Listing Rules

means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

~~Managing Director~~

~~means a Director who holds the office of Managing Director or equivalent.~~

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| Office Holder | means a Director and any other person defined as such in Section 1 of the Companies Law. |
| Ordinary Resolution | Shall have the meaning set forth in Article 39.1. |
| <u>Ordinary Shares Majority Preferred Shareholders</u> | means the <u>Ordinary</u> holders of Preferred Shares representing more than 50% of the Company, nominal value NIS 0.01 per share. <u>Preferred Preference Amount of the Preferred Shares outstanding at any time of determination; provided, that so long as Motive holds Preferred Shares, only Motive shall constitute the Majority Preferred Shareholders.</u> |
| <u>Mandatory Redemption Event</u> | <u>means the occurrence of (i) a Liquidation or (ii) a Deemed Liquidation.</u> |
| <u>Minimum Liquidity Threshold</u> | <u>means an unencumbered cash balance of at least US\$10,000,000, as such condition is set forth in the Company's financing documents as of the date of the adoption of these Articles (the "Credit Agreement").</u> |
| <u>Motive</u> | <u>means MCF2 SPT Aggregator, LP or any of its permitted transferees and assigns hereunder.</u> |
| <u>Office Holder</u> | <u>means a Director and any other person defined as such in Section 1 of the Companies Law.</u> |
| <u>Ordinary Resolution</u> | <u>shall have the meaning set forth in Article 9.1.</u> |
| <u>Ordinary Shares</u> | <u>means the Ordinary Shares of the Company, nominal value NIS 0.01 per share.</u> |
| <u>Original Issue Price</u> | <u>means US\$0.20.</u> |
| <u>pari passu</u> | <u>means, in relation to any other equity securities issued or sold by the Company following the date of these Articles, having a right of payment equal to the right of the holders of equal ranking securities to receive distributions on, liquidate or redeem such <i>pari passu</i> securities, and have equal priority in any manner compared to the holders of such <i>pari passu</i> securities.</u> |
| Person | means an individual, corporation, partnership, joint venture, trust, any other corporate entity and any unincorporated association or organization. |
| <u>Permitted Transferee</u> | <u>means (i) with respect to a Shareholder of the Company who is a natural person, Affiliates of such Shareholder and the spouse or children of such Shareholder (including Affiliates thereof) for so long as such person is part of the same household; and (ii) with respect to a Shareholder of the Company who is not a natural person, any Affiliate of such Shareholder (including, with respect to Motive, any of Motive's direct or indirect limited partners).</u> |

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| <u>Preferred Shares</u> | <u>means the Series A Preferred Shares of the Company, nominal value NIS 0.01 per share.</u> |
| <u>Preferred Shareholders</u> | <u>means, collectively, the holders of any Preferred Shares, and the term “Preferred Shareholder” means any such Person.</u> |
| <u>QPO</u> | <u>means (i) the closing of the Company’s first underwritten public offering on a firm commitment basis by a nationally recognized investment banking organization or organizations pursuant to an effective registration statement (other than a public offering pursuant to a registration statement on Form F/S-4 or Form S-8) of the equity interests of the Company or any parent entity that generates cash proceeds of at least US\$200,000,000 filed under the United States Securities Act of 1933, as amended (the “Securities Act”), covering the offer and sale of Shares, (ii) a transaction where the equity interests of Company (or other Person which then owns, directly or indirectly, 100% of the outstanding equity interests of Company) is publicly registered on any U.S. national securities exchange that generates cash proceeds of at least US\$200,000,000 or (iii) a SPAC Transaction that generates cash proceeds to the Company of at least US\$200,000,000. The foregoing shall also apply, mutatis mutandis, in jurisdictions outside the U.S.</u> |
| <u>Qualifying Sale</u> | <u>means directly or indirectly, a Deemed Liquidation in which the effective equity value of the Company in such transaction is less than US\$370,000,000, as determined by the Board (including, in the event of a transaction not for cash or securities traded on a stock exchange, the affirmative vote of at least one (1) Motive Director, which shall not be unreasonably withheld, conditioned or delayed).</u> |
| <u>Recapitalization Event</u> | <u>means a share combination or subdivision, split or reverse split, distribution of shares on a pro rata basis or any other reclassification, reorganization or recapitalization of the Company’s share capital, including pursuant to Section 350 of the Companies Law where the Shareholders retain their proportionate holdings in the Company on an as converted basis.</u> |
| Registered Shareholders | means only those Shareholders who are registered in the Share Register. |
| Restricted Securities | has the meaning given to that term in the Listing Rules. |
| Securities Law | means the Israeli Securities Law 5728-1968, as amended from time to time, including any regulations promulgated thereunder. |
| <u>Shareholders</u> | <u>means any holders of shares (including the Ordinary Shares and the Preferred Shares) of the Company.</u> |

~~Shareholders~~SPAC
Transaction

~~means any holders of shares of the Company, whether registered in the Company's Shareholders Register or registered with a nominee company as publicly listed Shares of the Company.~~ means a merger or business combination transaction involving a special purpose acquisition company and the Company or one or more of its subsidiaries and resulting in the Company's shares becoming publicly traded on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another internationally recognized securities exchanged, or exchanged for shares in a publicly traded company listed on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another internationally recognized securities exchange, and including the consummation of substantially concurrent private offerings of equity securities of the Company.

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| <u>Shareholders' Agreement</u> | <u>means the Shareholders' Agreement, dated as of the date hereof, by and among the Company, Motive, TIGA Trading Pty Ltd. and Perea Capital Partners, LP.</u> |
| <u>Subscription Agreement</u> | <u>means the Subscription Agreement, dated as of August 14, 2023, by and among the Company and Motive.</u> |
| <u>Subsequent Closing</u> | <u>means the Subsequent Closing as such term is defined in the Subscription Agreement.</u> |
| <u>Transfer</u> | <u>means any sale, assignment, conveyance, pledge, grant of any security interest or gift, or any other disposition or transfer.</u> |

3.2. Other capitalized terms are used as defined elsewhere herein.- Capitalized words and expressions used herein but not defined herein shall have the meaning given to such terms in the Companies Law in force on the date when these Articles or any amendment thereto, as the case may be, first became effective. Words and expressions importing the singular shall include the plural and vice versa. Words and expressions importing the masculine gender shall include the feminine gender.

3.3. The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.

3.4. The specific provisions of these Articles shall supersede the provisions of the Companies Law to the extent permitted under the Companies Law. With respect to any matter that is not specifically addressed in these Articles, the provisions of the Companies Law shall govern.

4. Public Company

The Company is a public company as such term is defined in the Companies Law.-

5. Limitation of Liability

The liability of each ~~shareholder~~Shareholder for the Company's obligations is limited to the unpaid sum, if any, owing to the Company in consideration for the issuance of the shares held by such ~~shareholder~~Shareholder. If at any time the Company shall issue shares with no nominal value, the liability of the Shareholders shall be limited to the payment of the amount which the Shareholders should have paid the Company in respect of each share in accordance with the conditions of such issuance and was not paid to the Company.

SHARE CAPITAL

6. Authorized Share Capital

The share capital of the Company is NIS ~~1020,000,000~~ divided into (i) ~~1,000~~500,000,000 Ordinary Shares ~~of a nominal value of NIS 0.01 each (the "Ordinary~~, and (ii) 500,000,000 Preferred Shares").-

~~7. Ordinary Shares~~

The Ordinary Shares ~~of the Company confer on the holders thereof~~ and the Preferred Shares, and any further shares in the capital of the Company issued hereafter shall be collectively referred to herein as the “Shares” or “shares”. The powers, preferences, rights, restrictions and other matters relating to the Shares of the Company are set forth in these Articles.

~~Ordinary Shares specified in these Articles and all other rights afforded by the Companies Law.~~

7.

Subject to the rights and privileges of the Preferred Shares, the Ordinary Shares shall rank *pari-passu* between them and shall grant their holders equal rights to participate and vote in all meetings of the Shareholders, and to participate in the distribution of

dividends, bonus shares, rights to shares and any surplus upon the liquidation of the Company, as well as any further right, in each case, as explicitly set forth under these Articles.

8. Preferred Shares

The Preferred Shares shall rank senior to the Ordinary Shares or any other equity interests in the Company with respect to (i) the payment of dividends and distribution rights and (ii) any rights upon any Deemed Liquidation or Liquidation (as defined herein). Unless otherwise specified in these Articles, the Preferred Shares confer on the holders thereof all rights accruing to holders of Ordinary Shares in the Company (determined on an as-converted basis), and in addition the Preferred Shares are entitled to the following rights (as well as the other rights granted to the Preferred Shares in these Articles):

8.1. Preferred Dividend

8.1.1. Cumulative Dividends shall accrue automatically on each Preferred Share (such amount to be adjusted appropriately for stock splits, stock dividends, combinations, recapitalizations and the like as determined by the Board (with the consent of the Motive Directors)), on a daily basis in arrears at the Preferred Rate, whether or not such dividends are earned or are declared by the Board (“**Dividends**”), accruing from and after the date of issuance of the applicable Preferred Share through and ending upon the earliest occurrence of (i) a Liquidation, (ii) Deemed Liquidation, or (iii) a conversion pursuant to Article 8.3, in each case, with respect to any particular Preferred Share, at the rate of 8.0% per annum (the “**Preferred Rate**”) of the Original Issue Price compounding quarterly, less an amount of any Dividend Payments (as defined below) previously and actually paid in cash with respect to each such Preferred Share (such accrued amount, the “**Accrued Dividend Amount**”). The Accrued Dividend Amount shall be calculated on the basis of the actual days elapsed in a year of 365 or 366 days, as applicable. The holders of Preferred Shares then outstanding shall be entitled to receive Dividends equal to the Accrued Dividend Amount, prior to and in preference to any declaration or payment of any dividends or distributions on any shares of any other class or series of equity securities in the Company. Notwithstanding anything to the contrary herein, if any dividends or distributions with respect to any Preferred Shares are not declared or are declared but not paid for any reason on or prior to the date such Dividends are declared to be paid by the Board pursuant to these Articles (each such date, a “**Dividend Payment Date**”) with respect to such Dividends, such Dividends shall be added to the Preferred Preference Amount of such Preferred Share as of the Dividend Payment Date; *provided* that, unless a Mandatory Redemption Event, Exit, Sale of Shares Transaction or other similar transaction that would cause a Deemed Liquidation occurs, subject to Article 77, the Company shall be under no obligation to declare and pay Dividends in cash at any time; *provided, further*, that any payment of Dividends shall be in the priority set forth in Article 8.2. The Company shall not declare, pay or set aside any dividends or distributions unless (in addition to the obtaining of any consents required elsewhere in these Articles) the holders of the Preferred Shares then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding Preferred Share in an amount at least equal to the amount of the then Accrued Dividend Amount.

8.2. Distribution Preference

8.2.1. In the event of: (i) any voluntary or involuntary dissolution, liquidation, bankruptcy, or winding-up of the Company (“Liquidation”); (ii) a Deemed Liquidation; or (iii) determination by the Board to make dividends or distributions, including out of the funds of the Company legally available therefor in accordance with Article 77 (it being understood that the Company shall not make any dividend or distribution without a Board determination) (such dividend or distribution, a “Dividend Payment”) (each of the events in clauses (i), (ii), and (iii) a “Distribution Event”), then all assets or proceeds legally available for distribution to the Shareholders of the Company in connection with such Distribution Event (the “Distributable Proceeds”) shall be distributed among the Shareholders according to the following order of preference:

8.2.1.1. First, to all of the holders of Preferred Shares (on a *pari-passu* and *pro rata* basis among themselves), and prior to any payment or distribution to any other Shareholders, an amount per Preferred Share, equal the product of two (2) multiplied by the Original Issue Price less Dividends paid in cash pursuant to Article 8.1 upon the occurrence of a prior Distribution Event (if any), plus the then outstanding Accrued Dividend Amount, in US Dollars (in cash, cash equivalents or, if applicable, securities) (the “Preferred Preference Amount”). If upon the occurrence of such Distribution Event, the Distributable Proceeds shall be insufficient to permit the full payment of the Preferred Preference Amount, then the Distributable Proceeds shall be distributed ratably among all the holders of Preferred Shares only, and in proportion to the preferential amounts such Shareholders are entitled to receive as specified above.

8.2.1.2. Thereafter, if after giving effect to such distributions in Article 8.2.1.1 there are any remaining Distributable Proceeds, following payment in full of the Preferred Preference Amount to all of the holders of Preferred Shares for each Preferred Share held thereby, the remaining Distributable Proceeds, if any, shall be distributed among all the Shareholders (including for the avoidance of doubt, the holders of the Preferred Shares), on a *pro-rata, pari-passu*, as converted basis, based upon the number of Ordinary Shares held by such Shareholder at the time of such Distribution Event, or in the case of holders of Preferred Shares, the number of Ordinary Shares held on an as converted basis.

For the avoidance of doubt, and for illustrative purposes only, if there are (a) fifty (50) Preferred Shares issued and outstanding that convert on a 1:1 basis, and (b) one hundred (100) Ordinary Shares issued and outstanding, the Preferred Shares shall be entitled to participate in any distributions pursuant to this Section 8.2.1.2 based on a ratio of 50/150 of such distributions.

8.2.2. Notwithstanding anything in these Articles to the contrary, and for the avoidance of doubt, the Preferred Shares shall, in all cases (including, without limitation, in connection with any Distribution Event, Mandatory Redemption Event, Sale of Shares Transaction, Exit, public offering, SPAC Transaction, Recapitalization Event or similar transaction or series of related transactions)

receive of the benefit of the economic distribution provisions set forth in Article 8.2.1.

8.2.3. Notwithstanding the foregoing, a Liquidation or Deemed Liquidation shall be deemed a Mandatory Redemption Event and the Preferred Shares shall be redeemed in full pursuant to Article 29.

8.2.4. In the event of non-compliance or anticipated non-compliance with the provisions of Article 8.2 with respect to a transaction constituting a Distribution Event, the Company shall, to the extent in its power, prevent the consummation of such Distribution Event and take active steps to remedy such non-compliance, until such time as it has ensured the parties' compliance with such provisions. Any transaction constituting a Distribution Event and purporting to affect a distribution of Distributable Proceeds in contravention of the provisions of Article 8.2 (or any other distribution of Distributable Proceeds in contravention of Article 8.2) shall be void.

8.2.5. Where all or a portion of the Distributable Proceeds to be distributed pursuant to this Article 8.2 are payable in securities or property other than cash, the value of such portion shall be the fair market value of such securities or property as determined in good faith by the Board, including the affirmative vote of at least one (1) Motive Director (or by the liquidator, in the case of winding up).

8.2.6. In the event of a Deemed Liquidation, if any portion of the consideration payable or distributable to the Shareholders is placed into escrow (or held as a hold-back) or is payable or distributable to the Shareholders subject to contingencies, the purchase agreement or plan of merger or consolidation for such transaction shall provide that (a) the portion of such consideration that is not placed in escrow (or held as a hold-back) or subject to any contingencies shall be allocated in accordance with this Article 8.2, and (b) any remaining consideration that is placed in escrow (or held as a hold-back) or subject to any contingencies which becomes payable or distributable to the Shareholders upon release from escrow (or hold-back) or satisfaction of contingencies shall be allocated in such manner by way of recalculating the total amount of Distributable Proceeds (including amounts distributed at the closing of such transaction) and applying the provisions of Article 8.2 above.

8.2.7. For the avoidance of doubt, any direct or indirect dividend or distribution by the Company to one or more Shareholders (or any other Person) that is not made in accordance with this Article 8 shall require the prior written consent of at least one Motive Director.

8.2.8. Any Distributable Proceeds that become payable to the Shareholders after a previous payment of Distributable Proceeds (other than a payment subject to contingencies covered by Article 8.2.6), shall be allocated in such manner by way of recalculating the total amount of Distributable Proceeds (including all Distributable Proceeds previously distributed) and applying the provisions of Article 8.2 above.

8.3. Conversion

The holders of Preferred Shares shall have conversion rights as follows (the "**Conversion Rights**"):

8.3.1. Right to Convert

8.3.1.1. Each Preferred Share shall be convertible, at the option of the holder of such share, at any time after the date of issuance of such share, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Ordinary Shares of the Company as is determined by dividing the Original Issue Price for such share by the Conversion Price (as defined below) at the time in effect for such share. The initial conversion price per each Preferred Share shall be the Original Issue Price for such share (the “**Conversion Price**”); *provided, however, that the Conversion Price for each Preferred Share shall be subject to adjustment (i) in accordance with any Recapitalization Event (with the approval of a Motive Director) and (ii) pursuant to the anti-dilution provisions set forth herein.*

8.3.1.2. Notwithstanding anything to the contrary herein, all Preferred Shares shall automatically be converted into fully paid and nonassessable Ordinary Shares by dividing the Original Issue Price by the Conversion Price at the time in effect for such Preferred Share upon the date set forth in writing by Motive deciding to convert all Preferred Shares into Ordinary Shares. For the avoidance of doubt, the Preferred Shares shall not be convertible without the prior written consent of the Motive Directors.

8.3.1.3. In the event of a Liquidation or a Deemed Liquidation, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Shares (provided that such payment is made).

8.3.2. Mechanics of Conversion.

8.3.2.1. Notice of Conversion. Before any holder of Preferred Shares shall be entitled to convert its applicable shares into Ordinary Shares, in whole or in part, he, she or it shall surrender the certificate or certificates therefor to the Company (to the extent such Preferred Shares are certificated and held by such holder of Preferred Shares) and shall give written notice to the Company of his, her or its election to convert the same (or any part thereof, except that no such written notice of election to convert shall be necessary in the event of an automatic conversion pursuant to Article 8.3.1.2 hereof). Such conversion shall be deemed to have been made immediately prior to the close of business of the first Business Day following the receipt (as applicable) by the Company of the certificate representing the Preferred Shares to be converted and the holder’s written notice as aforesaid, and the Person or Persons entitled to receive the Ordinary Shares issuable upon such conversion shall thereupon be treated for all purposes as the record holder or holders of such conversion shares as of such date. If the conversion is in connection with an automatic conversion under Article 8.3.1.2, then the conversion shall be deemed to have taken place automatically regardless of whether the certificates representing such shares have been tendered to the Company, but from and after such conversion any such certificates not tendered to the Company shall be deemed to evidence solely the Ordinary Shares

received upon such conversion and the right to receive a certificate for such Ordinary Shares. The Company shall, as soon as practicable after the conversion and surrender of the certificate(s) representing the Preferred Shares converted (as applicable), issue and deliver to such holder of Preferred Shares, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid. In the event that the certificate(s) representing the Preferred Shares to be converted as aforesaid are not delivered to the Company, then the Company shall not be obligated to issue any certificate(s) representing the Ordinary Shares issued upon such conversion, unless the holder of such Preferred Shares notifies the Company in writing that such certificate(s) have been lost, stolen or destroyed and executes an agreement reasonably satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates.

8.3.2.2. Effect of Conversion. All Preferred Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of such conversion, except only the right of the holders thereof to receive Ordinary Shares in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in this Article 8.3 and to receive payment of any dividends declared but unpaid thereon. Any Preferred Shares so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Company may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of Preferred Shares accordingly.

8.3.3. Adjustments to Conversion Price for Diluting Issues.

8.3.3.1. Special Definitions. For purposes of this Article 8, the following definitions shall apply:

8.3.3.1.1. “Option” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Ordinary Shares or Convertible Securities.

8.3.3.1.2. “Original Issue Date” shall mean the date on which the Preferred Shares were issued.

8.3.3.1.3. “Convertible Securities” shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares, but excluding Options.

8.3.3.1.4. “Additional Ordinary Shares” shall mean all Ordinary Shares issued (or, pursuant to Article 8.3.3.1.6 below, deemed to be issued) by the Company after the Original Issue Date, other than (1) the following Ordinary Shares and (2) Ordinary Shares deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, “Exempted Securities”):

- 8.3.3.1.4.1. Ordinary Shares, Options or Convertible Securities issued as a dividend or distribution on Preferred Shares;
- 8.3.3.1.4.2. Ordinary Shares or Convertible Securities issued pursuant to warrants, notes, or other rights to acquire securities of the Company outstanding as of the date hereof;
- 8.3.3.1.4.3. Ordinary Shares, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on Ordinary Shares;
- 8.3.3.1.4.4. Ordinary Shares or Options issued to employees or directors of, or consultants or advisors to, the Company or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Company (including with the approval of a Motive Director), and which are reserved under a plan as of the date hereof or which is hereafter approved by the Board of Directors of the Company (including with the approval of a Motive Director);
- 8.3.3.1.4.5. Ordinary Shares or Options or Convertible Securities issued pursuant to the acquisition of another company or business by the Company by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement or pursuant to the acquisition of an asset, provided that such issuances are approved by the Board of Directors of the Company;
- 8.3.3.1.4.6. Ordinary Shares issued upon conversion of the Preferred Shares; or
- 8.3.3.1.4.7. Ordinary Shares, Options or Convertible Securities which are otherwise excluded by the affirmative vote of the Majority Preferred Shareholders.
- 8.3.3.1.5. No Adjustment of Conversion Price. No adjustment in the Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Ordinary Shares without the prior written consent of the Majority Preferred Shareholders.
- 8.3.3.1.6. Deemed Issuance of Additional Ordinary Shares.
- 8.3.3.1.6.1. If the Company at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Ordinary Shares (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of

such Convertible Securities, shall be deemed to be Additional Ordinary Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

8.3.3.1.6.2. If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price of any series of Preferred Shares pursuant to the terms of Article 8.3.3.1.7, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Company upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price applicable to the Preferred Shares computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price for the Preferred Shares as would have been obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security.

8.3.3.1.6.3. If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price of the Preferred Shares pursuant to the terms of Article 8.3.3.1.7 (either because the consideration per share (determined pursuant to Article 8.3.3.1.8) of the Additional Ordinary Shares subject thereto was equal to or greater than the Conversion Price of the Preferred Shares then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of Ordinary Shares issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Company upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Ordinary Shares subject thereto (determined in the manner provided in Article

8.3.3.1.6.1) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

8.3.3.1.6.4. Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price pursuant to the terms of Article 8.3.3.1.7, the Conversion Price of the Preferred Shares shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

8.3.3.1.6.5. If the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price of the Preferred Shares provided for in this Article 8.3.3.1.6 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Article 8.3.3.1.6). If the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price of the Preferred Shares that would result under the terms of this Article 8.3.3.1.6 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price of the Preferred Shares that such issuance or amendment took place at the time such calculation can first be made.

8.3.3.1.7. Adjustment of Conversion Price Upon Issuance of Additional Ordinary Shares. In the event the Company shall at any time after the Original Issue Date issue Additional Ordinary Shares (including Additional Ordinary Shares deemed to be issued pursuant to Article 8.3.3.1.6), without consideration or for a consideration per share less than the Conversion Price for the Preferred Shares in effect immediately prior to such issue, then the applicable Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

- 8.3.3.1.7.1. “CP₂” shall mean the applicable Conversion Price in effect immediately after such issue of Additional Ordinary Shares;
- 8.3.3.1.7.2. “CP₁” shall mean the applicable Conversion Price in effect immediately prior to such issue of Additional Ordinary Shares;
- 8.3.3.1.7.3. “A” shall mean the number of Ordinary Shares outstanding immediately prior to such issue of Additional Ordinary Shares (treating for this purpose as outstanding all Ordinary Shares issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Shares) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);
- 8.3.3.1.7.4. “B” shall mean the number of Ordinary Shares that would have been issued if such Additional Ordinary Shares had been issued at a price per share equal to CP₁ (determined by dividing the aggregate consideration received by the Company in respect of such issue by CP₁); and
- 8.3.3.1.7.5. “C” shall mean the number of such Additional Ordinary Shares issued in such transaction.
- 8.3.3.1.8. Determination of Consideration. For purposes of this Article 8.3.3, the consideration received by the Company for the issue of any Additional Ordinary Shares shall be computed as follows:
 - 8.3.3.1.8.1. Cash and Property: Such consideration shall: (i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company, excluding amounts paid or payable for accrued interest; (ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Company (including a Motive Director); and (iii) in the event Additional Ordinary Shares are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Company (including a Motive Director).
 - 8.3.3.1.8.2. Options and Convertible Securities. The consideration per share received by the Company for Additional Ordinary Shares deemed to have been issued

pursuant to Article 8.3.3.1.6, relating to Options and Convertible Securities, shall be determined by dividing:

8.3.3.1.8.2.1. The total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

8.3.3.1.8.2.2. the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

8.3.3.1.9. Multiple Closing Dates. In the event the Company shall issue on more than one date Additional Ordinary Shares that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price of each series of Preferred Shares pursuant to the terms of Article 8.3.3, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then, upon the final such issuance, the applicable Conversion Price of each such series shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

8.3.4. Adjustment for Certain Dividends and Distributions. Without limiting the rights of the holders of the Preferred Shares as set forth in these Articles, in the event the Company at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Ordinary Shares entitled to receive, a dividend or other distribution payable on the Ordinary Shares in additional Ordinary Shares, then and in each such event the Conversion Price for each series of Preferred Shares in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price of each such series of Preferred Shares then in effect by a fraction:

8.3.4.1. the numerator of which shall be the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

8.3.4.2. the denominator of which shall be the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Ordinary Shares issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price of each series of Preferred Shares shall be recomputed accordingly as of the close of business on such record date and thereafter the applicable Conversion Price of each such series of Preferred shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Preferred Shares simultaneously receive a dividend or other distribution of Ordinary Shares in a number equal to the number of Ordinary Shares as they would have received if all outstanding Preferred Shares had been converted into Ordinary Shares on the date of such event.

8.3.4.3. Recapitalization Event. If at any time or from time to time there shall be a Recapitalization Event (other than any actions under Article 8.3.3), and other than a distribution of dividends, Liquidation, or Deemed Liquidation to which Articles 8.1 and 8.2 apply, provision shall be made so that the holders of Preferred Shares shall thereafter be entitled to receive upon conversion of the Preferred Shares the number of Ordinary Shares or other securities or property of the Company or otherwise, to which a holder of Ordinary Shares deliverable upon conversion of the Preferred Shares would have been entitled immediately prior to such Recapitalization Event. In any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Company, including the Motive Directors) shall be made in the application of the provisions of this Article 8 with respect to the rights of the holders of Preferred Shares after the Recapitalization Event to the end that the provisions of Article 8 (including adjustment of the Conversion Price then in effect and the number of shares issuable upon conversion of the Preferred Shares) shall be applicable after that event as nearly equivalent as may be practicable.

8.3.5. Taxes. The Company shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of Ordinary Shares upon conversion of Preferred Shares pursuant to this Article 8.3. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of Ordinary Shares in a name other than that in which the Preferred Shares so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid.

8.3.6. No Fractional Shares and Certificates as to Adjustments

8.3.6.1. No fractional shares shall be issued upon conversion of the Preferred Shares, and the number of Ordinary Shares to be issued shall be rounded to the nearest whole share, with remainders of greater than one half rounded up and remainders of one half or less than one half rounded down.

8.3.6.2. Upon the occurrence of each adjustment of the Conversion Price of Preferred Shares pursuant to this Article 8.3, the Company, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Shares a certificate setting forth each adjustment and showing in detail the facts upon which such adjustment is based. The Company shall furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustment, (ii) the Conversion Price at the time in effect, and (iii) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Preferred Share.

8.3.7. Reservation of Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares; and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, then the Company and the Shareholders will take such corporate action as may be necessary to increase its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the Articles of Association. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the Ordinary Shares issuable upon conversion of the Preferred Shares, the Company will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares at such adjusted Conversion Price.

8.4. Voting Rights

8.4.1. While the Company remains admitted to the Official List of the ASX, the holder of a Preferred Share is entitled to vote in the following circumstances (and in no other circumstances): (i) during a period in which a dividend (or part of a dividend) in respect of the Preferred Share is in arrears, (ii) on a proposal to reduce the share capital of the Company, (iii) on a resolution to approve the terms of a buy-back agreement, (iv) on a proposal that affects rights, preferences or privileges attached to the Preferred Share, (v) on a proposal to liquidate, dissolve, or wind up the Company or any of its subsidiaries, (vi) on a proposal for the disposal of all or substantially all of the assets, property, or business of the Company and (vii) during a liquidation, dissolution or winding up of the Company.

8.4.2. All matters entitled to be voted on by the Shareholders shall be voted by the Shareholders together, as a single class, except as otherwise provided herein

or as otherwise required by law or these Articles. For the avoidance of doubt, with respect to any matter which Shareholders are entitled to vote, the Preferred Shares shall be entitled to cast the number of votes equal to the number of whole Ordinary Shares into which the Preferred Shares held by such holder are convertible as of the record date for determining shareholders entitled to vote on such matter.

8.5. Attending General Meetings and Receiving Documents

Holders of Preferred Shares have the same right as the holders of Ordinary Shares to (i) receive notices, reports and audited accounts and (ii) attend General Meetings.

8.9. Increase of Share Capital; Prohibition on Senior or *Pari-Passu* Securities

~~9.1. Subject to the provision of applicable law, the Company may, from time to time, by~~
Subject to Article 93 and unless otherwise provided in these Articles, and subject to the provisions of applicable law, the Company may, from time to time, by the resolution of a majority of the voting securities in the Company (which voting securities shall include all of the issued and outstanding Preferred Shares, voting on an as-converted basis and together with the Ordinary Shares as a single class), in each case, represented at a General Meeting in person or by proxy and voting thereon (such resolution, an “**Ordinary Resolution**.”), increase the share capital of the Company by the creation of new shares.- Any such increase shall be in such amount and shall be divided into shares of such nominal amounts, and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as the shareholders resolution approving the creation of such shares shall provide. -Except to the extent otherwise provided in the shareholders resolution creating such new shares, or in the amendment to these Articles relating to such shares, such new shares shall be subject to all the provisions applicable to the Ordinary Shares.-

9.10. Special Rights; Modifications of Rights

~~9.1.10.1. The~~Subject to Article 93, the Company may, from time to time, by Ordinary Resolution, accept additional contributions of capital and/or provide for shares with such preferred or deferred rights or rights of redemption or other special rights or such restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such Ordinary Resolution; provided, that so long as any Preferred Shares remain outstanding, the Company shall not (i) accept additional contributions of capital with the intent to issue any new equity or debt securities in the Company that rank senior to the Preferred Shares or (ii) issue any new equity or debt securities in the Company that rank senior to the Preferred Shares, in each case, without the prior written consent of the Majority Preferred Shareholders.

10.2. ~~4~~Subject to applicable law, in the event that the Company seeks any additional capital from existing Shareholders or any third-parties, or desires to issue any new equity or debt securities that rank senior to the Preferred Shares, subject to receiving the prior written consent of the Majority Preferred Shareholders, the Majority Preferred Shareholders shall have the right to control any fundraising or issuance processes, including causing the Company and its Board of Directors to take all actions necessary and desirable to effect such fundraise or issuance.

10.3. Subject to Article 93, if at any time the share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by these Articles, may be modified or abrogated by the Company only by Ordinary Resolution (which, for the avoidance of doubt, shall include resolution by the

9.2. Preferred Shares voting together with the Ordinary Shares as if they are voting in a single class), or the sanction of a separate General Meeting of the holders of the shares of such class (a “**Class Meeting**”); ~~provided however that to the maximum extent permitted under applicable law by Ordinary Resolution, and unless otherwise explicitly provided by these Articles: (i) any alteration or change in the rights, preferences, or privileges which affect all the shareholders of the Company, as a single group, without preferences or differences among them; or (ii) any alteration or change in any rights, preferences, or privileges of any class of shares which is applied in the same manner to all the shareholders of the Company, including, for the avoidance of doubt, issuance of additional existing shares or the creation or issuance of any new class or series of shares or any other securities convertible into equity securities of the Company having a preference over, or being on parity with, an existing class of shares (including with respect to voting, dividends or rights upon liquidation), shall not be deemed to be a change of rights of the existing class of shares and shall be approved by the holders of the majority of the voting power represented at the meeting of all shareholders of all classes voting together as a single class, on an as converted basis and such issuance or amendment shall not be deemed to modify or abrogate the rights attached to the previously issued shares or class.”).~~

~~9.3.10.4. Subject to Article 9.2 above~~Notwithstanding anything herein to the contrary, any right or limitation expressly provided for the benefit or protection of a specifically named shareholder or class of shares may not be modified, abrogated or waived without the prior written consent of such shareholder, or majority holders of such class of shares (on an as converted basis).

11. Preemptive Right

11.1. Until an IPO, if the Company proposes to issue or sell New Securities, the Company shall grant, prior to such issuance, to each Preferred Shareholder (each a “Qualified Shareholder”) the right (“Subscription Offer”) to purchase its pro-rata share of the New Securities. A Qualified Shareholder’s pro-rata share, for purposes of this Article 11, shall mean the ratio of the number of Preferred Shares held by such Qualified Shareholder immediately prior to the issuance of the New Securities, in relation to the total number of all Preferred Shares issued and outstanding immediately prior to the issuance of New Securities held by all Preferred Shareholders. Notwithstanding the foregoing, the Company may not propose to issue or sell any New Securities that rank senior to the Preferred Shares without the prior written consent of the Majority Preferred Shareholders.

11.2. For the purposes hereof “New Securities” shall mean any shares or equity securities convertible into shares in the Company, whether now authorized or not, other than Exempted Securities. In this Article 11, an “Exempted Security” shall mean:

- (a) Ordinary Shares (or options therefor) issued to employees or directors of the Company pursuant to a share option plan or any other plan approved by the Board of Directors (including the consent of a Motive Director), or reserved for issuance upon exercise of options under a share option plan as of the date hereof or is hereafter approved by the Board of Directors (including the consent of a Motive Director);
- (b) Ordinary Shares issued upon conversion of the Preferred Shares;
- (c) Ordinary Shares issued pursuant to the closing of the Company’s IPO;
- (d) Preferred Shares issued pursuant to the Subscription Agreement;
- (e) Preferred Shares issued pursuant to the Convertible Note between the Company and TIGA Trading Pty Ltd. and Perea Capital Partners, LP dated July 26, 2023; and
- (f) Securities, which the Majority Preferred Shareholders, acting by way of written consent, exclude from the definition of New Securities in this Article above.

11.3. The Subscription Offer shall be made in writing and shall be sent to each Qualified Shareholder to the address indicated in the Company’s records. The Subscription Offer shall specify the number of the New Securities offered to each Qualified Shareholder, their class and the consideration requested for each New Security.

- 11.4. Each Qualified Shareholders shall have a period of fourteen (14) days from the date a Subscription Offer is delivered thereto (the “**Preemptive Rights Notice Period**”) to notify the Company in writing of its desire to accept the Subscription Offer and to purchase the New Securities offered to it, in whole or in part, in accordance therewith (such notice shall be deemed as an irrevocable offer by such Offeree under the terms specified in the Subscription Offer) (the “**Subscription Notice**”).
- 11.5. A Qualified Shareholder who shall not have delivered a Subscription Notice to the Company within the said fourteen (14)-day period shall be conclusively deemed to have rejected the Subscription Offer and waived its rights under this Article 11 in respect of the applicable issuance of New Securities. A qualified or conditional acceptance of a Subscription Offer shall be conclusively deemed a rejection thereof and a waiver of rights under this Article 11 in respect of the applicable issuance of New Securities.
- 11.6. If all Qualified Shareholders do not exercise in full their pre-emptive right pursuant to this Article 11 to participate in the Subscription Offer, the Company shall immediately notify Motive (so long as it holds the majority of the Preferred Shares) of the same, and in such case, Motive shall have the right, within ten (10) days thereafter, to participate in the Subscription Offer on a pro rata basis with respect to any portion not subscribed for by the other Qualified Shareholders, at the same price and on the same economic terms as the New Securities.
- 11.7. If the Qualified Shareholders do not exercise in full their pre-emptive right pursuant to this Article 11 within the Preemptive Rights Notice Period or shall have provided waivers with respect to all of the New Securities (or any mix between the two cases, resulting in full coverage of the New Securities), then subject to Article 93, the Company shall have ninety (90) days after the expiration of the Preemptive Rights Notice Period to sell the unsold portion of the New Securities at a price and upon terms no more favorable to the purchasers thereof than those specified in the Subscription Notice. If the Company has not sold the New Securities within the said ninety (90) day period, the Company shall not thereafter issue or sell any New Securities without first offering such securities to the Qualified Shareholders pursuant to this Article 11.
- 11.8. The preemptive rights may not be assigned by any Qualified Shareholder to any third party other than to its Permitted Transferees. Upon an exercise of a preemptive right by a Qualified Shareholder, the Qualified Shareholder shall represent to the Company that it is purchasing securities in the Company for the benefit of itself and/or its Permitted Transferees and not for the benefit of any third party other than its Permitted Transferees.

~~10.12.~~ Consolidation, Subdivision, Cancellation and Reduction of Share Capital

~~10.1.12.1.~~ The Subject to Article 93, the Company may, from time to time, by ~~resolution~~ Ordinary Resolution of the shareholders of the Company (subject to the provisions of these Articles and applicable law~~);~~, which Ordinary Resolution shall require the affirmative vote of the Majority Preferred Shareholders:

- ~~i.12.1.1.~~ consolidate and divide all or any of the issued or unissued share capital of the Company into shares of larger nominal value than the then existing shares;

~~ii.~~ 12.1.2. ~~subdivide the shares (issued or unissued) or any class of shares, into shares of smaller nominal value than is fixed by these Articles, and the shareholders resolution whereby any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or~~

~~iii.~~ 12.1.3. ~~cancel any shares which, at the date of the adoption of such shareholders resolution have not been taken or agreed to be taken by any Person, and diminish the amount of the share capital of the Company by the amount of the shares so cancelled.-~~

~~10.2.~~ 12.2. ~~With~~ Subject to Article 93, with respect to any consolidation of issued shares into shares of larger nominal value, and with respect to any other action which may result in fractional shares, the Board of Directors may settle, subject to the Companies Law, any difficulty which may arise with regard thereto, as it deems fit, including, *inter alia*, resort to one or more of the following actions:

~~i.~~ 12.2.1. ~~determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each share of larger nominal value;~~

~~ii.~~ 12.2.2. ~~allot, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional share holdings; and~~

~~iii.~~ 12.2.3. ~~cause the transfer of fractional shares by certain shareholders of the Company to other shareholders thereof so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred, and the Board of Directors is hereby authorized to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this sub-Article-~~ 12.2.3.

SHARES

~~11.~~ 13. Share Register; Registered Holder

~~11.1.~~ 13.1. ~~The Company shall have and manage an updated register of shareholders according to the provisions of the Companies Law (the “Share Register”).~~

~~11.2.~~ 13.2. ~~Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognize any equitable or other claim to, or interest in such share on the part of any other Person. -Without derogating from the aforesaid, a shareholder who is a trustee shall be recorded in the Share Register with a notation as to the trustee’s trusteeship and the trustee shall be deemed a shareholder for the purposes of the Companies Law and shall hold such rights as these Articles dictate.~~

~~12.~~ 14. Allotment of Shares

~~The~~ Subject to Article 8.3.3.1.7 and the other provisions of these Articles, the unissued shares of the Company shall be under the control of the Board of Directors, who shall-

have the power to allot such shares or otherwise dispose of such shares to such Persons, on such terms and conditions (including inter alia terms relating to calls set forth in Article ~~15.6~~17.6 hereof), and either at par or at a premium, or subject to the provisions of the Companies Law, at a discount and/or with payment of commission, - and at such times, as the Board of Directors (with the approval of a Motive Director) may deem fit, and the power to give to any Person the option to acquire from the Company any shares, either at par or at a premium, or, subject as aforesaid, at a discount and/or with payment of commission, during such time and for such consideration as the Board of Directors (with the approval of a Motive Director) may deem fit.

~~13.15.~~15.No Share Certificates Issued

Shareholders are not entitled to receive a share certificate in respect of their shareholding in the Company but rather the shares will be recorded electronically, or digitally in the manner consistent with the Listing Rules.-

~~14.16.~~16.Payment in Installments

If by the terms of allotment or issue of any share, the whole or any part of the price thereof shall be payable in installments, every such installment shall, when due, be paid to the Company by the then registered holder of the share or the Person entitled thereto.

~~15.17.~~17.Calls on Shares

~~15.1.17.1.~~17.1. The Board of Directors may, from time to time, make such calls as it may deem appropriate upon shareholders in respect of any sum unpaid in respect of shares held by such shareholders which is not, by the terms of allotment or issue thereof or otherwise, payable at a fixed time, and each shareholder shall pay the amount of every call so made upon him (and of each installment thereof if the same is payable in installments), to the Person and at the time and place designated by the Board of Directors, as any such time may be thereafter extended or such Person or place changed. -Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all shares in respect of which such call was made.

~~15.2.17.2.~~17.2. Notice of any call for payment by a shareholder shall be given in writing to the shareholder in question not fewer than fourteen (14) days prior to the time of payment, specifying the time and place of payment, and designating the Person to whom such payment shall be made; *provided, however*, that before the time for any such payment, the Board of Directors may, by notice in writing to such shareholder, revoke such call in whole or in part, extend such time, or alter such Person or place. -In the event of a call payable in installments, only one notice thereof need be given.

~~15.3.17.3.~~17.3. If, by the terms of allotment of or issue any share or otherwise, any amount is made payable at any fixed time (whether on account of such share or by way of premium), every such amount shall be payable at such time as if it were a call duly made by the Board of Directors and of which due notice had been given, and all the provisions herein contained with respect to such calls shall apply to each such amount.

~~15.4.17.4.~~17.4. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.

~~15.5.~~17.5. Any amount unpaid in respect of a call shall bear interest from the date on which it is payable until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and at such time as the Board of Directors may prescribe.

~~15.6.~~17.6. Upon the allotment of shares, the Board of Directors may provide for differences among the allottees of such shares as to the amount of calls and/or the times of payment thereof.

~~16.~~18. Prepayment

With the written approval of the Board of Directors, any shareholder may pay to the Company any amount not yet payable in respect of such shareholder's shares, and the Board of Directors may approve the payment of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. -Nothing in this Article ~~16~~ 18 shall derogate from the right of the Board of Directors to make any call before or after receipt by the Company of any such advance.

~~17.~~19. Forfeiture and Surrender

~~17.1.~~19.1. If any shareholder fails to pay any amount payable in respect of a call, or interest thereon as provided for herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board of Directors, may at any time thereafter, so long as the said amount or interest remains unpaid, forfeit all or any of the shares in respect of which said call had been made. -Any expense incurred by the Company in attempting to collect any such amount or interest, including, *inter alia*, attorneys' fees and costs of suit, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.

~~17.2.~~19.2. Upon the adoption of a resolution of forfeiture, the Board of Directors shall cause notice thereof to be given to such shareholder, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall not be less than fourteen (14) days and which may be extended by the Board of Directors), such shares shall be ipso facto forfeited, *provided, however*, that, prior to the expiration of such period, the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall stop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

~~17.3.~~19.3. Whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

~~17.4.~~19.4. The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

~~17.5.~~19.5. Any share forfeited or surrendered as provided herein shall become the property of the Company, and the same, subject to the provisions of these Articles and the Companies Law, may be sold, re-allotted or otherwise disposed of as the Board of Directors deems fit.

19.6. Any shareholder whose shares have been forfeited or surrendered shall cease to be a shareholder in respect of the forfeited or surrendered shares, but shall,-

~~17.6.~~ notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, and the Board of Directors, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall not be under any obligation to do so. ~~-~~In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owing by the shareholder in question (but not yet due) in respect of all shares owned by such shareholder, solely or jointly with another, and in respect of any other matter or transaction whatsoever.

~~17.7.~~19.7. The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems fit, but no such nullification shall stop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article ~~17~~ 19.

~~18.~~20. Lien

~~18.1.~~20.1. Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon the shares registered in the name of each shareholder (without regard to any equitable or other claim or interest in such shares on the part of any other Person), and upon the proceeds of the sale thereof, for such shareholder's debts, liabilities and engagements arising with respect to the payment for such shares issued by the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not. ~~-~~Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.

~~18.2.~~20.2. The Board of Directors may cause the Company to sell any shares subject to such lien when any such debt, liability or engagement has matured, in such manner as the Board of Directors may deem fit, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such shareholder, or such ~~shareholder's~~ shareholder's executors or administrators.

~~18.3.~~20.3. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such shareholder (whether or not the same have matured), or any specific part of the same (as the Company may determine), and the residue (if any) shall be paid to the shareholder, such shareholder's executors, administrators or assigns.

~~19.~~21. Sale After Forfeiture or Surrender, or in Enforcement of Lien

Upon any sale of shares after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint a Person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Share Register in respect of such shares, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after such purchaser's name has been entered in the Share Register in respect of such shares, the validity of the sale shall not be impeached by any Person, and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

~~20.~~22.Redeemable Shares

The Board of Directors may, subject to the prior written approval of the Majority Preferred Shareholders, and subject to the provisions of the Companies Law and the provisions set forth herein, issue redeemable shares and redeem the same on the terms and conditions as the Board of Directors may deem fit.

TRANSFER OF SHARES

~~21.~~23.Effectiveness and Registration.

23.1. No transfer of shares shall be registered unless a proper instrument of transfer (in form and substance satisfactory to the Board of Directors) has been submitted to the Company (or its transfer agent), together with such other evidence of title as the Board of Directors may reasonably require. ~~Until the transferee has been registered in the Share Register in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof.~~ -The Board may refuse to approve and register a Transfer in the event that such Transfer is to a competitor or potential competitor of the Company, as determined by the Board, and/or if the transferee does not agree, in writing, prior to such Transfer, to assume the obligations of the transferor under these Articles and all agreements involving the transferor and the Company, to the extent applicable.

23.2. Subject to Section 23.3, in the event that Shareholder(s) intend to sell Shares that, in the aggregate, constitute at least 7.5% of the Company's shares, on an as-converted basis, the Company shall reasonably cooperate with such sale efforts, including (without limitation) by providing reasonable access for the potential buyer (subject to execution of a confidentiality agreement in customary form) to the management of the Company and to information and documents available to the Company, as is customary in due diligence processes, provided that such a right may only be exercised by all Shareholders once during a (six) 6-month period.

23.3. The Preferred Shares may not be offered, sold or otherwise transferred by the Preferred Shareholders except with the prior written consent of the Board of Directors (including the Motive Directors) and in compliance with applicable Law; *provided*, that this Article 23.3 shall not apply to transfers by Preferred Shareholders to their Affiliates; *provided further*, that, (i) Motive may transfer its Preferred Shares to any Person at any time following the second (2nd) anniversary of the Original Issue Date of such Preferred Shares, and (ii) holders of Preferred Shares, other than Motive, may each transfer their respective Shares to any Person at any time following the second (2nd) anniversary of the Original Issue Date subject to Motive's prior consent, provided however that Motive's consent shall not be required if Motive has transferred all of its Preferred Shares to a Person other than its Permitted Transferee.

~~22.~~24.Suspension of Registration

The Board of Directors (including the consent of the Motive Directors) may in its discretion and subject to applicable law and regulations, close the Share Register to registration of transfer of shares during any year for a period determined by the Board of Directors; (including the consent of the Motive Directors), and no registrations of transfer of shares shall be made by the Company during any such period. The Company shall notify the shareholders with respect to such suspension of registration.

~~23.~~25.Record Date for Notices of General Meeting and Other Action

Notwithstanding any other contrary provision of these Articles, in order that the Company may determine the shareholders entitled to notice of or to vote at any Annual or Special General Meeting or any adjournment thereof, or to express consent to or dissent from any corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of or to take or be the subject of any other action, the Board of Directors may fix in advance, a record date, which shall not be more than forty nor less than four days before the date of such meeting (or any longer or shorter period permitted by law, including regulations promulgated pursuant to the Companies Law).—A determination of shareholders of record entitled to notice of or to vote at a meeting shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for the adjourned meeting.

RESTRICTED SECURITIES

26. Right of First Refusal.

26.1. Subject to Article 93, in the event of a transaction that constitutes a Qualifying Sale, then, upon the earlier of (i) the receipt of the Company of a definitive offer, or (ii) the entry into a binding agreement with respect to such Qualifying Sale, then the Company shall notify Motive in writing no later than five (5) Business Days prior to the occurrence of the foregoing (whether (i) or (ii)), setting forth the identity of the acquiror and the material terms and conditions (including the price, form of consideration and other material economic terms) of such Qualifying Sale (such notice, a “Offer Notice”). Upon receipt of such Offer Notice, Motive shall be granted the right of first refusal to purchase all or any portion of the Shares and/or assets of the Company, as applicable, that are the subject of the Qualifying Sale, on the same terms and conditions as the Qualifying Sale (the “Motive Offer”). Motive shall have thirty (30) days after the receipt of the Offer Notice to accept such Motive Offer by delivering to the Company a notice of acceptance of such Motive Offer. If Motive fails to respond to the offer of a Qualifying Sale within such thirty (30)-day period, then Motive shall be deemed to have waived such right and the Company shall have the right to, subject to Article 93, complete such Qualifying Sale to the original third-party offeror within hundred and twenty (120) days thereafter; provided, that the Qualifying Sale shall be on terms and conditions at least as favorable to the original third-party offeror as the terms and conditions set forth in the Offer Notice. If the Company fails to complete the Qualifying Sale to the potential purchaser within such hundred and twenty (120) day period, then the Company shall not thereafter complete the Qualifying Sale without first offering such transaction to Motive in the manner provided above.

26.2. Notwithstanding any other provision herein to the contrary, Motive may assign its rights under this Article 26 to one or more of its Affiliates; provided, that any such Affiliate shall comply with all the terms and conditions applicable to Motive set forth in this Article 26. In addition, the election by Motive not to exercise its respective rights under this Article 26 in any one instance shall not affect the rights of Motive as to any subsequent Qualifying Sale.

27. Tag-Along Rights.

27.1. Subject to Article 23, if, at any time following the second (2nd) anniversary of the Original Issue Date, Motive proposes to sell all or a portion of its Preferred Shares to any independent third-party (a “Tag-Along Purchaser”) in a single transaction or series of related transactions (a “Tag-Along Sale”), Motive shall first, (i) provide the Company and each Preferred Shareholder with a written notice

of the terms and conditions of such proposed Tag-Along Sale (the “**Tag-Along Notice**”) and (ii) offer each Preferred Shareholder the opportunity to participate in such Tag-Along Sale in accordance with this Article 27 (if electing to participate, a “**Tagging Person**”).

27.2. The Tag-Along Notice shall identify (i) the name of the prospective transferee(s), (ii) the number of Preferred Shares proposed to be sold by Motive (the “**Tag-Along Offer**”), (iii) the form of consideration for which the Tag-Along Sale is proposed to be made, (iv) the aggregate consideration and the consideration per Preferred Share for which the Tag-Along Sale is proposed to be made, (v) the Tag-Along Sale date, and (vi) the fraction, expressed as a percentage, determined by dividing the number of Preferred Shares proposed to be purchased by the Tag-Along Purchaser in such Tag-Along Sale by the number of Preferred Shares held by Motive (the “**Tagging Percentage**”).

27.3. From the date of its receipt of the Tag-Along Notice, a Tagging Person shall have the right (a “**Tag-Along Right**”) exercisable by written notice (“**Tag-Along Response Notice**”) given to Motive within ten (10) days after receipt of the Tag-Along Notice (the “**Tag-Along Notice Period**”), to include in the proposed Tag-Along Sale a number of Preferred Shares held by such Tagging Person, which number of Preferred Shares shall not in any event exceed the Tagging Percentage of the aggregate number of Preferred Shares held by such Tagging Person, at the same price, for the same form of consideration and on the same terms as the Tag-Along Offer. Delivery of the Tag-Along Response Notice shall constitute an irrevocable acceptance of the Tag-Along Offer by the Tagging Members (provided such Tag-Along Sale is consummated in accordance with this Article 27).

27.4. The Tagging Persons shall reasonably cooperate in, and shall take all reasonable actions, requested by Motive that are necessary or desirable to consummate the Tag-Along Sale, including (i) execute and deliver any agreements and instruments prepared in connection with such Tag-Along Sale, (ii) wire transfer instructions for payment of the purchase price for such Preferred Shares of such Tagging Members to be included in the Tag-Along Sale, (iii) cooperating to obtain any necessary or desirable governmental or third-party consents, if applicable, and (iv) make or provide the same representations, warranties, covenants and indemnities as Motive makes or provides in connection with the Tag-Along Sale; *provided, that:*

27.4.1. any representations and warranties to be made by the Tagging Persons in the Tag-Along Sale are limited to matters particular to such Tagging Persons and such Tagging Persons shall not be liable for the inaccuracy of any representation or warranty made by, or for breach of any covenant of, any other Person in connection with the Tag-Along Sale, other than the Company (in which case the liability of the Tagging Person shall be several and not joint), in each case, except to the extent that funds may be paid out of an escrow or deducted from any payable amount (such as holdback or set-off from earn-outs) established to cover inaccuracy of representations or warranties and breach of covenants of the Company or inaccuracy by any shareholder of any representations, warranties and breach of covenants provided by all shareholders in a substantially similar manner;

27.4.2. each Tagging Person’s liability (other than in the case of fraud, intentional breach or willful misconduct) is limited up to the proceeds it receives from the

Tag-Along Sale), plus the amount of any consideration to which such Tagging Person otherwise shall be entitled to but has not yet received (including, without limitation, as a result of an escrow agreement, earn-out or similar arrangement);

27.4.3. each Tagging Person shall be required to bear its proportionate share of any escrows, holdbacks or adjustments under the definitive agreements (including in respect of the purchase price or indemnification obligations); *provided*, that any indemnifications, escrow and holdback arrangements with respect to such Tag-Along Sale shall be pro rata, on a several (and not joint) basis; and

27.4.4. such Tagging Persons shall not be required to undertake any covenant in connection with the Tag-Along Sale limiting the business activities and operations of such Tagging Persons (other than covenants regarding confidentiality and non-publicity in connection with the completion of the Tag-Along Sale).

27.5. If at the termination of the Tag-Along Notice Period, a Preferred Shareholder has not elected to participate in the Tag-Along Sale, such Preferred Shareholder shall be deemed to have irrevocably waived its rights under Article 27.1 with respect to the sale of its Preferred Shares pursuant to such Tag-Along Sale.

27.6. Motive shall attempt to obtain the inclusion in the proposed Tag-Along Sale of the entire number of Preferred Shares which each of the Tagging Members requested to have included in the Tag-Along Sale (as evidenced in the case of Motive by the Tag-Along Notice and in the case of each Tagging Member by such Tagging Member's Tag-Along Response Notice). In the event Motive shall be unable to obtain the inclusion of such entire number of Preferred Shares in the proposed Tag-Along Sale, each Tagging Member shall be allocated a number of Preferred Shares equal to the product of (i) the aggregate number of Preferred Shares that such Tag-Along Purchaser is willing to acquire in the proposed Tag-Along Sale multiplied by (ii) a fraction, the numerator of which shall be equal to the number of Preferred Shares offered to be included by such Tagging Member and the denominator of which shall be the aggregate number of Preferred Shares offered to be included in such Tag-Along Sale by Motive and all Tagging Members.

27.7. The Tag-Along Sale shall take place within 180 days of the date on which all Tag-Along Rights shall have been waived, exercised or expired (the "**Tag-Along Date**"); *provided* that if, at the end such 180-day period after the Tag-Along Date (which 180-day period shall be extended if any of the transactions contemplated by the Tag-Along Offer are subject to any regulatory approval until the expiration of five (5) Business Days after all such approvals (if any) have been received), Motive has not completed the sale of all such Preferred Shares on substantially the same terms and conditions set forth in the Tag-Along Notice, Motive shall not consummate the Tag-Along Sale without again complying with this Article 27, as if no Tag-Along Notice had previously been delivered with respect thereto. Motive shall not be obligated to consummate any proposed Tag-Along Sale and it shall have the sole and absolute discretion to elect to discontinue any proposed Tag-Along Sale at any time (whether prior to or following the delivery of a Tag-Along Notice or otherwise) and, notwithstanding anything to the contrary contained in this Article 27, there shall be no liability on the part of Motive

to the Tagging Members or any other Person, if the sale of Preferred Shares pursuant to this Article 27 is not consummated for whatever reason.

27.8. The provisions of this Article 27 shall not apply to any transfer of Preferred Shares to (i) any Permitted Transferee of Motive, (ii) in connection with an IPO or (iii) any transaction contemplated by Article 11. The provisions of this Article 27 shall terminate upon the consummation of an IPO.

27.9. Motive and each Tagging Member in any Tag-Along Sale will bear (i) its *pro rata* share (based on the relative amount of consideration received by such Preferred Shareholder in such Tag-Along Sale) of any costs and expenses incurred in connection with any proposed Tag-Along Sale to the extent such costs are incurred for the benefit of all Preferred Shareholders, including all attorneys' fees and charges, all accounting fees and charges and all finders, brokerage or investment banking fees, charges or commissions and (ii) any additional costs incurred by Preferred Shareholder in connection with the sale of Preferred Shares to the extent incurred for its own benefit (and not for the benefit of all Preferred Shareholders) in connection with any proposed Tag-Along Sale.

28. Right to Compel a QPO, Deemed Liquidation or M&A Event.

28.1. Unless all of the Preferred Shares have been redeemed, repurchased or otherwise retired on or before the fifth (5th) year anniversary of the Initial Closing, then at any time thereafter, Motive may deliver a written notice (a "**Preferred Sale Notice**") to the Company that Motive is exercising its rights under this Article 28, and upon receipt of the Preferred Sale Notice, Motive shall have the option, in its sole discretion, to cause the Company to redeem all or any portion of its Preferred Shares for cash at a price per Share equal to the Redemption Price as of the date of such Preferred Sale Notice (the "**Preferred Put Option**"), provided that the form of such Preferred Put Option shall be subject to the mutual agreement between the Company and Motive. Upon receipt of such notice, the Company shall use its reasonable best efforts, and subject to applicable Law, to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to effect such Preferred Put Option in accordance with this Article 28, including any of the actions set forth in Article 31. Notwithstanding anything to the contrary set forth in these Articles, in no event shall the Company be permitted to grant a put right or right similar to the Preferred Put Option contemplated by this Article 28.1 to any Person (other than Motive) that would (i) be exercisable by such Person on or before the fifth (5th) year anniversary of the Initial Closing or (ii) adversely affect the economic entitlements of the Preferred Shareholders set forth in Article 8.2.1.

28.2. Notwithstanding the foregoing, upon the earlier of (i) the sixth (6th) year anniversary of the Initial Closing and (ii) at such time as the Company shall have failed to maintain the Minimum Liquidity Threshold for a consecutive period of ten (10) Business Days or the Company is in any material breach of the Credit Agreement (without giving effect to any cure period, amendment or waiver) (such event, an "**Event of Noncompliance**"), Motive may thereafter deliver a written notice (an "**Exit Notice**") to compel, subject to and to the extent not conflicting with the applicable laws: (i) the Company to retain an internationally-recognized investment bank experienced in Exits (an "**Investment Bank**") designated by Motive, and (ii) the Company, the Board of Directors of the Company, and all holders of any class or series of Equity Securities of the Company to initiate and

proceed with (x) a QPO, (y) a Deemed Liquidation, or (z) a bona-fide sale process whereby the net proceeds resulting therefrom would be used to redeem the Preferred Shares at the then applicable Redemption Price in accordance with this these Articles (an “M&A Event”, and any or all of the foregoing events, together with the Preferred Put Option, an “Exit”), in each case, without any further approval on terms and conditions satisfactory to Motive in its sole discretion and to take all other actions in furtherance or support thereof.

28.3. Following the delivery of a Preferred Sale Notice or an Exit Notice, as applicable, Motive shall have the right to accept a *bona fide* offer from a potential buyer (the “Buyer”) to effect such Exit and then:

28.3.1. Such decision shall be binding upon the Company and all of the Shareholders and other equity securities holders of the Company (for the purposes of this Article 28, collectively, the “Remaining Shareholders”) and the Remaining Shareholders will not object to, and to the extent applicable shall vote in favor of (including in all class votes), shall execute the relevant documents in connection with, and shall otherwise take all actions necessary and reasonable to effect, such Exit on the same terms and conditions for all Remaining Shareholders, provided that the proceeds of such Exit shall be distributed in accordance with the provisions of Article 8.2 above.

28.3.2. If the Exit is conditioned upon the sale of all of the securities of the Company to the Buyer (a “Sale of Shares Transaction”), then all Remaining Shareholders (including those Remaining Shareholders who did not accept the Sale of Shares Transaction) shall be required to sell their equity securities in the Sale of Shares Transaction, on the same terms and conditions as those Shareholders who accepted the Sale of Shares Transaction; *provided*, that the proceeds received in the Sale of Shares Transaction shall be distributed in accordance with the provisions of Article 8.2.1 above (and the for the avoidance of doubt, each Preferred Shareholder shall be entitled to be paid out of all proceeds available for distribution resulting from such Exit, and shall receive such proceeds pursuant to, and in accordance with, Article 8.2.1); *provided that*:

(a) any representations and warranties to be made by the Remaining Shareholders in the Sale of Shares Transaction are limited to matters particular to such Remaining Shareholders and such Remaining Shareholders shall not be liable for the inaccuracy of any representation or warranty made by, or for breach of any covenant of, any other Person in connection with the Sale of Shares Transaction, other than the Company (in which case the liability of such Remaining Shareholders shall be several and not joint); in each case, except to the extent that funds may be paid out of an escrow or deducted from any payable amount (such as holdback or set-off from earn-outs) established to cover inaccuracy of representations or warranties and breach of covenants of the Company or inaccuracy by any shareholder of any representations, warranties and breach of covenants provided by all shareholders in a substantially similar manner;

- (b) each shareholder's liability (other than in the case of fraud, intentional breach or willful misconduct) is limited up to the proceeds it receives from the Sale of Shares Transaction;
- (c) any liability, escrow and holdback of proceeds of a Sale of Shares Transaction is allocated on a pro-rata basis among all shareholders (pro-rata on the basis of the total proceeds to be distributed thereto, taking into consideration any liquidation preferences provided as part of such distribution as set forth in, and subject to, Article 8.2 above);
- (d) such Remaining Shareholders shall not be required to undertake any covenant in connection with the Sale of Shares Transaction limiting the business activities and operations of such Remaining Shareholders and/or its Affiliates (other than covenants regarding confidentiality and non-publicity in connection with the completion of the Sale of Shares Transaction); and
- (e) such Remaining Shareholders shall not be required to amend, extend or terminate any contractual or commercial relationship with the Company, the acquirer in the Sale of Shares Transaction, or their respective Affiliates, in connection with such Sale of Shares Transaction (except in accordance with the terms of any such contractual or commercial relationship, and except for any shareholders, investors, share purchase and similar agreements made in connection with such shareholder's investment or equity interest in the Company).

28.3.3. In the case of any Exit, the Company and its subsidiaries shall use reasonable efforts to effect the Exit, including (i) cooperating with the Investment Bank and Motive in the evaluation of such Exit, including reviewing and considering in good faith any offers received from potential acquirors, responding in good faith to any bona fide offers received from potential acquirors, and together with its advisors, negotiating reasonably, and in good faith the terms of any potential Exit, (ii) facilitating a customary due diligence process in respect of any such Exit, which may include establishing, populating and maintaining a data room, preparing and attending management presentations, responding to due diligence inquiries, providing potential acquirors and their advisors with access to the Company's books and records and personnel and requesting receipt of indications of interest from potential acquirors in connection therewith, subject to the entry of customary confidentiality agreements, (iii) executing customary documents consistent with the consummation of any such Exit, (iv) preparing of a market due diligence report and quality of earnings report, (v) making required governmental filings and using reasonable efforts to obtain required third-party consents necessary to consummate any such Exit, (vi) providing any financial or other information reasonably required by the proposed acquirors in connection therewith and (vii) taking or causing to be taken such other actions as may be reasonably necessary or reasonably desirable in order to effect clauses (i) through (vii).

28.3.4. In connection with a QPO, each Shareholder shall agree to accept any restrictions on transfer of some or all of its Shares, for any period after the QPO to the extent determined by the Company's Board of Directors (including the Motive Directors), in consultation with the Investment Bank, to be necessary or advisable to ensure the success and maximize the value of such QPO; provided that (i) in the case of any restrictions on the transfer that apply to only a portion of the Company's Shares, such restrictions shall apply to all Shareholders on a pro rata basis, in accordance with the percentage of Shares held by such shareholders, and (ii) the release of any such restrictions on such Shares shall also apply on a pro rata basis, in accordance with the percentage of Shares held by such shareholders. The Company will retain independent legal counsel of appropriate expertise, selected by the Company and reasonably acceptable to Motive, to advise the Company and Motive on such QPO. The Company will instruct such legal counsel to prepare all necessary documentation in connection with the QPO.

28.3.5. Without limiting the rights of the Majority Preferred Shareholders to consent to a public offering, QPO or SPAC Transaction, to the extent the Majority Preferred Shareholders agree to convert their Preferred Shares into Ordinary Shares, such Preferred Shares shall be so converted based upon the number of Ordinary Shares they would be entitled to receive in a Hypothetical Liquidation in such a public offering, QPO or SPAC Transaction.

28.3.6. In the event that a Remaining Shareholder fails to surrender its share certificate, warrant or any other certificate of such equity instrument ("Certificate"), as applicable, in connection with the consummation of an Exit pursuant to this Article 28, such Certificate, shall be deemed cancelled, and the Company shall be authorized to issue a new Certificate, in the name of the Buyer and the Board shall be authorized to establish an escrow account, for the benefit of such Remaining Shareholder, into which the consideration for such securities represented by such cancelled Certificate shall be deposited and to appoint a trustee to administer such account until such time as such Remaining Shareholder shall surrender its Certificate or otherwise present evidence to the Company's satisfaction that such Certificate was lost, stolen or destroyed or shall otherwise comply with the conditions for release then set by the Board. If any of the Remaining Shareholders fails to execute and/or deliver the appropriate documentation required to effect the proposed Exit in accordance with this Article 28, it is hereby agreed that such Remaining Shareholder shall be deemed to have given an irrevocable proxy and power of attorney to such person as shall be designated by the Board (the "**Bring Along Proxy**") to accept the proposed Exit on behalf of such Remaining Shareholder and any additional obligations applicable to all shareholders, including, without limitation, escrow and indemnification obligations, and at the closing of the proposed Exit, to transfer all such Remaining Shareholders' shares to the Buyer. Without derogating from the generality of the foregoing, each Remaining Shareholder hereby irrevocably appoints, to the full extent permitted by applicable law, such Bring Along Proxy as the sole and exclusive attorney and proxy of such Remaining Shareholder, with the power to act alone and with full power of substitution, to: (i) vote (at any general meeting or class meeting) and exercise all voting and related rights, to the full extent Remaining Shareholder is entitled to do so, with respect to all of the shares in

the Company that are beneficially owned by such Remaining Shareholder, and all other securities of the Company that are beneficially owned or will be owned by such Remaining Shareholder, and all other securities of the Company issued or issuable in respect thereof (the “Securities”), in favor of the Exit and any additional matter necessary to complete the proposed Exit; and (ii) execute and/or deliver the appropriate documentation required to effect the proposed Exit, including, without limitation, a deed of transfer of shares or any other instrument of transfer, all if and to the extent such Remaining Shareholder fails to vote all of such Remaining Shareholder’s Securities or execute and deliver such documents and instruments in accordance with the provisions of this Article within three (3) days of the Company’s or the Majority Preferred Shareholders’ written request. This irrevocable consent shall be valid and in full force and effect for the purposes of this Article 28.

28.3.7. In connection with any Exit contemplated by this Article 28, the Company shall use its reasonable best efforts to facilitate such Exit and take any action necessary or appropriate to remove promptly any impediments to its ability to consummate such Exit, including any of the actions set forth in Article 31.

28.4. All reasonable out-of-pocket costs and expenses incurred by Motive and the Company in connection with any proposed Exit pursuant to this Article 28, including all attorneys’ fees and expenses, all accounting fees and charges and all finders, brokerage or investment banking fees, charges or commissions, shall be paid or reimbursed by the Company.

29. Mandatory Redemptions.

29.1. In the event of a Mandatory Redemption Event, the Company shall redeem all (but not less than all) of the Preferred Shares (such redemption, a “**Mandatory Redemption**”) on the applicable date of a Mandatory Redemption Event (the “**Mandatory Redemption Date**”) for cash, to the extent permitted by law, at a price per Preferred Share equal to the applicable Redemption Price on such Mandatory Redemption Date. If, on the Mandatory Redemption Date, the Company is not so permitted by law to redeem all of the outstanding Preferred Shares, then, the Company shall redeem such Preferred Shares for cash to the fullest extent permitted in accordance with Article 31.

29.2. Mandatory Redemption Mechanics. In the event that, pursuant to Article 29.1, the Company is required to make a Mandatory Redemption, prior to any anticipated Mandatory Redemption Event, the Company shall send a notice (the “**Mandatory Redemption Notice**”) to each of the Preferred Shareholders, which shall indicate:

29.2.1. that the Mandatory Redemption Event is expected to occur, that the Preferred Shares are expected to be redeemed pursuant to this section and that all Preferred Shares will be redeemed, in each case, subject to the occurrence of such Mandatory Redemption Event;

29.2.2. the number of Preferred Shares being redeemed, the Redemption Date and the expected Redemption Price; and

29.2.3. that unless the Company defaults in depositing the amount of the Redemption Price for each Share to be redeemed in accordance with Article 30.2 (if applicable), or such payment is prevented for any reason, any

Preferred Shares shall cease to accrue Dividends after the Mandatory Redemption Date.

30. Redemption Payments

30.1. Redemption Price. The total price for each Preferred Share redeemed pursuant to Articles 28 or 29 on any Redemption Date shall be an amount equal to the distribution amounts such Preferred Shareholder would be entitled to receive for each Preferred Share pursuant to Article 8.2.1 upon the occurrence of a Hypothetical Liquidation (the “Redemption Price”).

30.2. Deposit of Redemption Price. On the applicable Redemption Date, the Company shall deposit with each Preferred Shareholder money sufficient to pay the applicable Redemption Price of all such Preferred Shareholder’s Preferred Shares to be redeemed on such Redemption Date. The Company shall have been deemed to satisfy and discharge its obligations hereunder upon the receipt by the Preferred Shares of the Redemption Price for all outstanding Preferred Shares.

31. Redemption Efforts

In the event that the Company is not permitted by law to redeem or otherwise unable to redeem the Preferred Shares in connection with either (a) the Preferred Put Option (b) an M&A Event, or (c) any Mandatory Redemption Event on the applicable Mandatory Redemption Date, the Company shall use reasonable best efforts to take any action necessary or appropriate to remove promptly any impediments to its ability to redeem the Preferred Shares required to be so redeemed for cash, including (i) to the extent permitted by law, reducing the stated capital of the Company or revaluing the assets of the Company to their fair market values under applicable law if such revaluation would create surplus sufficient to make all or any portion of such Mandatory Redemption Event and (ii) if the Company has sufficient surplus but insufficient cash to effect such Mandatory Redemption, borrowing the cash necessary to make such Mandatory Redemption Event.

RESTRICTED SECURITIES

~~24.~~32. The holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, those Restricted Securities during the escrow period relating to those Restricted Securities except as permitted by the Listing Rules or ASX (as defined below).

~~25.~~33. The Company must refuse to acknowledge a Disposal (including, without limitation, registering a transfer) of Restricted Securities during the escrow period relating to those Restricted Securities except as permitted by the Listing Rules or ASX.

~~26.~~34. If a holder of Restricted Securities breaches a restriction deed or a provision of these Articles restricting a Disposal of those securities, the holder will not be entitled to any Dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues. However, those Restricted Securities shall not be treated as or taken to be a separate class of share for any purpose.

~~27.~~35. If the Restricted Securities are in the same class as quoted securities, the shareholder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company’s issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities.

~~28.~~36.A holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.

~~-Articles 32 through 36 above shall only apply so long as the Company is admitted to the Official List of the ASX.~~

TRANSMISSION OF SHARES

~~29.~~37.Decedents' Shares

Upon the death of a Shareholder, the Company shall recognize the custodian or administrator of the estate or executor of the will, and in the absence of such, the lawful heirs of the Shareholder, as the only holders of the right for the shares of the deceased Shareholder, after receipt of evidence to the entitlement thereto, as determined by the Board of Directors. In case of a share registered in the names of two or more holders, the Company may recognize the survivor as the sole owner thereof unless and until the provisions of the preceding sentence have been effectively invoked.

~~30.~~38.Receivers and Liquidators

The Company may recognize the receiver or liquidator of any corporate Shareholder in liquidation or dissolution, or the receiver or trustee in bankruptcy of any Shareholder, as being entitled to the shares registered in the name of such Shareholder, after receipt of evidence to the entitlement thereto, as determined by the Board of Directors.

~~31.~~39.Notwithstanding the foregoing, subject to the provisions of the Companies Law and the provisions of these Articles, if it is proven to the Company to the satisfaction of the Board of Directors and by means to be determined by the Board of Directors, that the conditions in law for the endorsement of a right in the shares registered in the Share Register in the name of a Shareholder, exist, the Company will recognize the endorsee and the endorsee only as holding the right of the said shares.

GENERAL MEETINGS

~~32.~~40.Annual General Meeting

~~32.1.~~40.1.Subject to the provisions of the Companies Law, the Company shall hold an Annual General Meeting once each calendar year, but not later than fifteen (15) months after the last preceding Annual General Meeting. An Annual General Meeting shall be held at such place or places either within or outside of the State of Israel, or by using any technology that complies with Article ~~36.1.~~44.1., as may be determined by the Board of Directors, and if the Annual General Meeting is to be held in two or more places, the Board of Directors may determine the technology that will be used to facilitate the Annual General Meeting.

~~32.2.~~40.2.The agenda at any Annual General Meeting shall include, inter alia, and as applicable:-

1. Review of the ~~Company's~~Company's annual financial statements.-
2. Appointment of members to the Board of Directors.—, other than the Motive Directors.
3. Appointment of the Company's Auditor (as defined below) and report of the terms of its engagement.-
4. Any other matter that the Board of Directors has decided to bring before the Shareholders.-

33.41. Special General Meetings

~~33.1.41.1.~~ All General Meetings other than Annual General Meetings shall be called ~~"Special General Meetings."~~

~~33.2.41.2.~~ The Board of Directors may, whenever it deems fit, convene a Special General Meeting at such time, and at such place or places within or outside of the State of Israel and/or by using any technology, as may be determined by the Board of Directors, and shall be obligated to do so upon requisition in writing in accordance with applicable law.

34.42. Shareholder Proposals

~~34.1.42.1.~~ A shareholder (a **"Proposing Shareholder"**) holding one percent or more of the outstanding voting rights in the Company (including, for the avoidance of doubt, the voting rights attached to the Preferred Shares, which shall apply on an as-converted basis) may request, subject to the provisions of Section ~~66(b)~~ of the Companies Law, that the Board of Directors include a proposal on the agenda of a General Meeting to be held in the future, provided that the Proposing Shareholder gives timely notice of such request in writing (a **"Proposal Request"**) to the Company and the Proposal Request complies with all the requirements of this Article ~~34.42~~, these Articles and applicable law and securities exchange rules. To be considered timely, a Proposal Request must be delivered, either in person or by certified mail, postage prepaid, and received at the principal executive office of the Company, no less than sixty (60) ~~days~~ prior to the date of issuance of the Company's proxy statement summoning a General Meeting.

42.2. The Proposal Request shall set forth all the following: (i) ~~the~~ name, business address, telephone number and fax number or email address of the Proposing Shareholder (or each member of the group constituting the Proposing Shareholder, as the case may be) and, if an entity, the name(s) of the person(s) that controls or manages such entity; (ii) ~~the~~ number of Ordinary Shares held by the Proposing Shareholder, directly or indirectly, and, if any of such Ordinary Shares are held indirectly, an explanation of how they are held and by whom, and, if such Proposing Shareholder is not the holder of record of any such Ordinary Shares, a written statement from the holder of record or authorized bank, broker, depository or other nominee, as the case may be, indicating the number of shares the Proposing Shareholder is entitled to vote as of a date that is no more than ten-~~34.2.~~ (10) ~~days~~ prior to the date of delivery of the Proposal Request; (iii) ~~any~~ agreements, arrangements, understandings or relationships between the Proposing Shareholder and any other person with respect to any securities of the Company or the subject matter of the Proposal Request; (iv) ~~the~~ Proposing Shareholder's purpose in making the Proposal Request; (v) ~~the~~ complete text in the English language of the resolution that the Proposing Shareholder proposes to be voted upon at the General Meeting and, if the Proposing Shareholder wishes to have a statement in support of the Proposing Shareholder's proposal included in the Company's proxy statement, a copy of such statement, which shall be in the English language; and (vi) ~~a~~ statement of whether the Proposing Shareholder has a personal interest in the proposal and, if so, a description in reasonable detail of such personal interest.

42.3. If the proposal of the Proposing Shareholder is to nominate a candidate for election to the Board of Directors, the Proposal Request shall set forth, in addition-

~~34.3.~~ to the requirements set forth in Article ~~34.2~~42.2, the following: (i) ~~a~~ declaration signed by the nominee and the other information required under Section ~~224B~~ of the Companies Law; (ii) ~~to the extent not otherwise provided in the Request Proposal, all the declarations, documents and other information required pursuant to the Companies Law and any other law to which the Company shall be subject at that time, including the rules of every securities exchange on which the Company's shares are listed for trade at that time, in order to propose the candidate for election and in order for him to be appointed as a director;~~ (iii) ~~a~~ representation of whether the nominee meets the objective criteria for an independent director of the Company under the listing rules of the securities exchange on which the shares are then listed, and if not, an explanation of why not, and (iv) ~~a~~ statement signed by the nominee that he consents to be named in the Company's notices and proxy materials relating to the General Meeting and, if elected, to serve on the Board of Directors.

~~34.4.~~42.4. In addition to the forgoing, the Proposing Shareholder shall promptly provide any other information reasonably requested by the Company. The Company shall be entitled to publish information provided by a Proposing Shareholder pursuant to this Article ~~34~~42, and the Proposing Shareholder shall be responsible for the accuracy thereof.

~~34.5.~~42.5. The information required pursuant to this Article ~~34~~42 shall be updated as of (i) the record date of the General Meeting, (ii) five business days before the General Meeting, and (iii) as of the General Meeting, and any adjournment or postponement thereof.

~~34.6.~~42.6. A Proposing Shareholder holding (i) ~~five percent (5%)~~ or more of the outstanding voting rights in the Company or (ii) ~~five percent (5%)~~ or more of the outstanding share capital and one percent (1%) ~~or more of the voting rights in the Company, may request, subject to the provisions of Section 63(b)(2) of the Companies Law, that the Board of Directors convene a Special General Meeting, provided that the request complies with all the applicable requirements of a "Proposal Request" set forth in this Article 34~~ above, these Articles and applicable laws and securities exchange rules.

~~35.~~43. Notice of General Meetings; Failure to Give Notice

~~35.1.~~43.1. No notices of General Meetings shall be required to be given to Shareholders other than the Registered Shareholders. Notices of General Meetings shall be given as required by the provisions of the Companies Law and other applicable laws.

~~35.2.~~43.2. The accidental omission to give notice of a meeting to any shareholder, or the non-receipt of notice sent to such shareholder, shall not invalidate the proceedings at such meeting.

~~35.3.~~43.3. No shareholder present, in person or by proxy, at the commencement of a General Meeting shall be entitled to seek the revocation of any proceedings or resolutions adopted at such General Meeting on account of any defect in the notice of such meeting relating to the time or the place thereof.

~~36.~~44. General Meeting at more than one place or virtually

~~36.1.~~44.1. A General Meeting may be held in two or more places linked together by any technology that:

~~i.44.1.1.~~ gives the Shareholders as a whole in those places a reasonable opportunity to participate in proceedings; and

~~ii.44.1.2.~~ enables the Chairman of that General Meeting to be aware of proceedings in each place; and

~~iii.44.1.3.~~ complies with all applicable laws and regulations.

~~36.2.44.2.~~ If a General Meeting is held in two or more places under Article ~~36.1~~44.1:

~~i.44.2.1.~~ a Shareholder present at one of the places is taken to be present at that General Meeting; and

~~ii.44.2.2.~~ that General Meeting will be deemed to be held at the place stated in the notice of General Meeting, or, failing statement of a place in the notice of General Meeting, as determined by the Chairman of that meeting.

~~36.3.44.3.~~ Subject to any applicable law:

~~i.44.3.1.~~ the Company may hold a General Meeting using any technology approved by the Board of Directors that give the Shareholders as a whole a reasonable opportunity to participate; and

~~ii.44.3.2.~~ a General Meeting conducted using such technology may be held at multiple places or not held at any specified place.

~~36.4.44.4.~~ If, before or during a General Meeting, any technical difficulty occurs, such that the Shareholders as a whole do not have a reasonable opportunity to participate, the Chairman of that meeting may:

~~i.44.4.1.~~ adjourn the meeting until the technical difficulty is remedied; or

~~ii.44.4.2.~~ where a quorum remains present (either at the place at which the Chairman is present or by technology contemplated by this Article ~~36.4~~44) and able to participate, subject to applicable law, continue the meeting.

PROCEEDINGS AT GENERAL MEETINGS

~~37.45.~~ Quorum

~~37.1.45.1.~~ In the absence of contrary provisions in these Articles, ~~-~~ two or more shareholders holding shares conferring in the aggregate at least 10% of the voting power of the Company (not in default in payment of any sum referred to in these Articles), who are entitled to vote at the General Meeting, present in person (including by corporate representative), by direct vote, by proxy or by attorney, and including the Majority Preferred Shareholders, shall constitute a quorum at a General Meeting. ~~-~~ No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the requisite quorum under these Articles for such General Meeting or such adjourned meeting, as the case may be, is present when the meeting proceeds to business. General Meetings may be held telephonically or by any other means of communication, provided that each shareholder participating in such meeting can hear all of the other shareholders participating in such meeting. ~~-~~

~~45.2.~~ If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Board-

of Directors may determine. ~~No business~~ The requisite quorum at such adjourned General Meeting shall be transacted at two or more shareholders holding shares conferring in the aggregate at least 10% of the voting power of the Company (not in default in payment of any sum referred to in these Articles), who are entitled to vote at the General Meeting, present in person (including by corporate representative), by direct vote, by proxy or by attorney, and including the Majority Preferred Shareholders.

~~37.2.~~ 45.3. If within half an hour from the time appointed for the adjourned meeting, ~~except business that might lawfully have been transacted at~~ the requisite quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as originally called ~~the Board of Directors may determine~~. At such adjourned meeting, if the original meeting was convened upon requisition under Section 63 or Section 64 of the Companies Law, one or more Shareholders, present in person or by proxy, and holding the number of shares required for making such requisition, shall constitute a quorum, but in any other case at such adjourned meeting, any present shareholders in person or by proxy shall constitute a quorum.-

45.4. No business shall be transacted at any adjourned meeting, except business that might lawfully have been transacted at the meeting as originally called.

~~38.~~ 46. Chairman

The Chairman of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If at any meeting such Chairman is not present within fifteen (15) minutes after the time fixed for holding the meeting or is unable or unwilling to act as Chairman, any director appointed for such purpose by the Board of Directors, shall chair such General Meeting of the Company. The office of Chairman shall not entitle the holder thereof to vote at any General Meeting nor shall it entitle such holder to a second or casting vote. (without derogating, however, from the rights of such Chairman to vote as a Shareholder or proxy of a Shareholder if, in fact, the Chairman is also a Shareholder or such proxy).

~~39.~~ 47. Adoption of Resolutions at General Meetings

~~39.1.~~ 47.1. Unless otherwise required by any Legal Requirement or provided for in these Articles, including Article 93, all resolutions by the General Meeting will be adopted by an Ordinary Resolution. An Ordinary Resolution shall be deemed adopted if approved by the holders of a majority of the voting power represented at a General Meeting in person or by proxy and voting thereon, which resolution shall include the voting power of the Ordinary Shares and Preferred Shares (calculated on an as-converted basis), together voting as a single class.

~~39.2.~~ 47.2. Every issue submitted to a General Meeting shall be decided by a show of hands or by a written ballot, as determined by the Board of Directors and applicable law. If a written ballot is demanded by any shareholder present in person or by proxy and entitled to vote at the meeting, the same shall be decided by such ballot. A written ballot may be demanded before the proposed resolution is voted upon or immediately after the declaration by the Chairman of the results of the vote by a show of hands.-

~~39.3.~~ 47.3. A declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of that fact, absent manifest error.

~~39.4.~~47.4. Subject to the provisions of the Companies Law, a defect in convening or conducting a General Meeting, including a defect deriving from the non-fulfillment of any provision or condition set forth in the Companies Law or these Articles, including with regard to the manner of convening or conducting the General Meeting, shall not disqualify any resolution passed at the General Meeting and shall not affect the discussions or decisions which took place thereat.-

~~40.~~48. Power to Adjourn

~~40.1.~~48.1. The Chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called: (for avoidance of doubt, the requisite quorum in such adjourned meeting shall be in accordance with Article 45 above). Subject to these Articles, it shall not be necessary to give any notice of an adjournment unless the meeting is adjourned for more than twenty-one (21)-days, in which event notice thereof shall be given in the manner required for the meeting as originally called.

~~40.2.~~48.2. Where a General Meeting has been adjourned without changing its agenda, to a date which is not more than twenty-one (21)-days, notices shall be given for the new date, as early as possible, and by no later than seventy-two (72)-hours before the General Meeting.

~~41.~~49. Voting Power

Subject to the provisions of Article ~~42.1~~50.1 and subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every shareholder shall have one vote for each Ordinary Share, on an as-converted basis, held by such shareholder of record or in his name with an “exchange member” and held of record by a “nominees company” (as such terms are defined under Section 1 of the Companies Law), on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means. For the avoidance of doubt, each Preferred Shareholder shall have one vote for each Ordinary Share such Preferred Shareholder would receive upon a conversion of the Preferred Shares at the time of such General Meeting.

~~42.~~50. Voting Rights

~~42.1.~~50.1. No shareholder shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), unless all calls and other sums then payable by such shareholder in respect of such shareholder's shares in the Company have been paid.

~~42.2.~~50.2. A company or other corporate body being a shareholder of the Company may, by resolution of the managing body or the applicable organ thereof, authorize any person to be its representative at any meeting of the Company. Any person so authorized shall be entitled to exercise on behalf of such shareholder all the power that the latter could have exercised if it were an individual shareholder. -Upon the request of the Chairman of the meeting, written evidence of such authorization (in form acceptable to the Chairman) shall be delivered to the Chairman at the meeting.

~~42.3.~~50.3.Any shareholder entitled to vote may vote either personally or by proxy (who need not be a shareholder of the Company), or, if the shareholder is a company or other corporate body, by a representative authorized pursuant to Article~~42.2~~ 50.2.

~~42.4.~~50.4.If two or more Persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holder; and for this purpose seniority shall be determined by the order in which the names stand in the Share Register.

PROXIES

~~43.51.~~Instrument of Appointment

~~43.1.~~51.1. The instrument appointing a proxy shall be in writing and shall be in such form as may be approved by the Board of Directors, including a form which provides for a continuing proxy until the occurrence of such date or event as is specified in the proxy. ~~It shall be duly signed by the appointer, a duly authorized attorney of the appointer, or an agent thereof, with the stamp or printed name of the company or incorporated entity.~~

~~43.2.~~51.2. Unless otherwise prescribed by the Board of Directors, the instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered to the Company (at its registered office, or at its principal place of business or at the offices of its registrar and/or transfer agent or at such place as the Board of Directors may specify) not less than forty-eight (48) hours (or such shorter period as may be determined by the Board of Directors or the Chairman of the General Meeting) before the time fixed for such meeting. -

~~43.3.~~51.3. An instrument appointing a proxy shall be deemed revoked (i) upon receipt by the Company of written notice signed by the person signing such instrument or by the shareholder appointing such proxy canceling the appointment thereunder (or the authority pursuant to which such instrument was signed) or of an instrument appointing a different proxy (and such other documents, if any, required under Article ~~43.2~~51.2 for such new appointment), provided such notice of cancellation or instrument appointing a different proxy were so received at the place and within the time for delivery of the instrument revoked thereby as referred to in Article ~~43.2~~51.2 hereof, or (ii) if the appointing shareholder is present in person at the meeting for which such instrument of proxy was delivered, upon receipt by the Company of written notice from such shareholder of the revocation of such appointment, or if and when such shareholder actually votes at such meeting. ~~A vote cast in accordance with an instrument appointing a proxy shall be valid notwithstanding the revocation or purported cancellation of the appointment, or the presence in person or vote of the appointing shareholder at a meeting for which it was rendered, unless such instrument of appointment was deemed revoked in accordance with the foregoing provisions of this Article ~~43.3~~51.3 at or prior to the time such vote was cast.~~

~~44.52.~~Effect of Death of Appointer or Revocation of Appointment

A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the previous death, liquidation or winding-up of the appointing shareholder (or of such shareholder's attorney-in-fact, if any, who signed such instrument), or the revocation of the appointment or the transfer of the share in respect of which the vote is cast, provided no written intimation of such death, liquidation, winding-up, revocation or transfer shall

have been received by the Company or by the Chairman of the meeting before such vote is cast and provided, further, that the appointing shareholder, if present in person at said meeting, may revoke the appointment by means of a writing, oral notification to the Chairman, or otherwise.

~~45.~~53. Class Meetings

Subject to the provision of the Companies Law and other applicable laws, the provisions of these Articles relating to General Meetings shall apply, *mutatis mutandis*, to any Class Meeting.

BOARD OF DIRECTORS

~~46.~~54. Powers of Board of Directors

The Board of Directors shall determine the Company's policies, oversee the activities of the Chief Executive Officer, and take such other actions as are described in Section 92 of the Companies Law. In the absence of a Chief Executive Officer and other senior executive officers of the Company, the Board of Directors shall manage the business of the Company. The authority conferred on the Board of Directors by this Article ~~46~~ 54 shall be subject to the provisions of the Companies Law and of these Articles ~~—~~, including Article 93.

~~47.~~55. Exercise of Powers of Directors

~~47.1.~~55.1. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all the authorities, powers, and discretions vested in or exercisable by the Board of Directors.

~~47.2.~~55.2. ~~A~~ Subject to Article 93, a resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a majority of the Directors present when such resolution is put to a vote, lawfully entitled to vote thereon and voting thereon. ~~—~~

~~47.3.~~55.3. A resolution in writing signed by all Directors then in office and lawfully entitled to vote thereon or to which all such Directors have given their consent (by e-mail, facsimile, letter or otherwise) and which has been signed by the Chairman of the Board of Directors shall be deemed to have been unanimously adopted by a meeting of the Board of Directors duly convened and held.

~~48.~~56. Delegation of Powers

56.1. Subject to ~~Section 112 of~~ the Companies Law, the Board of Directors may delegate any or all of its powers to committees, each consisting of two (2) or more Directors (unless instructed otherwise by applicable law), one (1) of which shall be a Motive Director and one of which shall be a non-Motive Director, and, in addition, shall create such committees as required under the Companies Law, and it may from time to time revoke such delegation or alter the composition of any such committee. Any committee so formed (in these Articles referred to as a "**Committee of the Board of Directors**") shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such Committee of the Board of Directors shall, *mutatis mutandis*, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any regulations adopted by the Board of Directors under this Article. Unless otherwise expressly provided by the Board of Directors in delegating powers to a Committee ~~—~~

~~48.1.~~ of the Board of Directors, such Committee shall not be empowered to further delegate such powers.

~~48.2.~~56.2. Without derogating from the provisions of Article ~~62~~, 69, and subject to the Company's Delegation of Authority Policy, the Board of Directors may, subject to the provisions of the Companies Law, from time to time appoint a Secretary to the Company, as well as officers, agents, employees and independent contractors, as the Board of Directors may deem appropriate, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the terms and conditions of employment, of all such persons, and may require security in such cases and in such amounts as it deems appropriate.

~~48.3.~~56.3. The Board of Directors may from time to time, by power of attorney or otherwise, appoint any Person to be the attorney or attorneys of the Company at law or in fact for such purpose and with such powers, authorities and discretions, and for such period and subject to such conditions, as it deems fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors may deem fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

~~49.~~57. Number of Directors

~~49.1.~~57.1. The Board of Directors shall consist of ~~up to a maximum of 9~~seven (7) directors (including, to the extent the Company is organized under the Companies Law, not more than two (2) External Directors, as defined in the Companies Law) (individually a “**Director**” and collectively, the “**Directors**”). ~~Subject to the aforesaid, the number of Directors shall be determined, from time to time, by a majority of the Directors then in office; provided that no determination in respect of a decrease in the number of Directors shall shorten the term of any incumbent Director. ”),~~ to be appointed as follows:

57.1.1. For as long as Motive and any of its Affiliates and Permitted Transferees collectively own any Preferred Shares, (i) as of the Initial Closing, Motive shall be entitled to appoint and remove three (3) members, and (ii) as of the Subsequent Closing, Motive shall be entitled to designate, appoint and/or remove a majority of the members of the Board of Directors (the “**Motive Directors**”) (and the Company shall take any actions as will be necessary to facilitate the appointment of the Motive Directors such that the Motive Directors shall constitute a majority of the Board);

57.1.2. The appointment and removal of any other member of the Board (excluding External Directors, if applicable, and the Managing Director) shall be made by a simple majority vote of the then current members of the Board of Directors; provided, however, that (i) any increase in the number of members of the Board of Directors, or (ii) the appointment and removal of any Motive Directors shall, in each case, require the prior written consent of Motive.

~~49.2.~~57.1.3. The Company shall appoint External Directors as and to the extent required by, and they shall hold office according to, the Companies Law, as long as the Company is required by the Companies Law to appoint External Directors.

57.1.4. The Chief Executive Officer of the Company shall serve as “Managing Director”. The Managing Director shall serve as a director, *ex officio*, unless

the General Meeting, by a Shareholders' resolution, shall remove the
Managing Director from office as a director.

~~50.~~58.Appointment and Removal of Directors

~~50.1.~~58.1. The Directors, other than External Directors (who will be chosen and appointed, will serve and whose term will expire in accordance with applicable law), shall be appointed in accordance with the provisions of this Article.

~~50.2. Directors, other than External Directors, shall be elected at the Annual General Meeting by the vote of a Shareholders' resolution, and each director shall serve, subject to Article 54 hereof, and with respect to a Director appointed pursuant to Article 54 hereof, subject to such Article. The General Meeting, by a Shareholders' resolution, shall be entitled to remove any Director(s) from office, to elect director(s) in place of the Director(s) so removed or to fill any vacancy, however created, on the Board of Directors.~~

~~50.3.~~58.2. The Company shall appoint as directors only persons who are competent to serve as directors according to any applicable law. Notwithstanding the foregoing, an individual who himself or a corporation in which he has control and has received compensation by Motive, Motive's Affiliates or any Motive's portfolio companies during the two (2) years prior to such appointment, shall not be appointed as a non-Motive director.

~~51.~~59. Commencement of Directorship

Without derogating from Article ~~50~~58, the term of office of a Director shall commence as of the date of his appointment or election, or on a later date if so specified in his appointment or election.

~~52.~~60. Qualification of Directors

No Person shall be disqualified to serve as a Director by reason of not holding shares in the Company or by reason of having served as a Director in the past.

~~53. Continuing Directors in the Event of Vacancies~~

~~The Board of Directors may at any time and from time to time appoint any person as a Director to fill a vacancy (whether such vacancy is due to a Director no longer serving or due to the number of Directors serving being less than the maximum number stated in Article 49 hereof). The office of a Director that was appointed by the Board of Directors to fill any vacancy shall only be for the remaining period of time during which the Director whose service has ended was filled would have held office.~~

~~54.~~61. Vacation of Office and Rotation of Directors-

~~54.1.~~61.1. The office of a Director shall be vacated by his written resignation.- Such resignation shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

61.2. The office of a Director shall be vacated, *ipso facto*, upon the occurrence of any of the following: (i) such Director's death, (ii) such Director is convicted of a crime as described in Section 232 of the Companies Law, (iii) such director is no longer fit to serve as a director in accordance with Section ~~228~~(a) of the Companies Law, (iv) such Director is removed by a court of law in accordance with Section 233 of the Companies Law, (v) such Director becomes legally incompetent, (vi) if such Director is an individual, such Director is declared bankrupt, (vii) if such Director is a corporate entity, upon its winding-up or liquidation, whether voluntary or involuntary, (viii) if such director's term of office has expired, (ix) with respect to External Director – if such Directors no longer meets the requirements set forth in Section 240 to the Companies Law, or ~~54.2.~~ (x) if such director is prohibited by applicable law or the Listing Rules from serving as a director of the Company.

~~54.3. A Director, excluding the Managing Director, must retire from office as Director no later than the longer of:~~

- ~~i. the third Annual General Meeting of the Company; or~~
- ~~ii. three (3) years, following that Director's last election or appointment.~~

~~This Article applies from the time of the Company's admission to the official list of the ASX. Subject to Article 53.4, a Director appointed prior to the Company's admission to the official list of the ASX must not hold office (without re-election) past the third Annual General Meeting following the Company's admission to the official list of the ASX or 3 years following the Company's admission to the official list of the ASX, whichever is longer.~~

~~54.4. At least one (1) Director, excluding the Managing Director, must stand for election or re-election at each Annual General Meeting.~~

~~54.5.1.1.1. The Managing Director shall serve as a director, ex officio, unless the General Meeting, by a Shareholders' resolution, shall remove the Managing Director from office as a director.~~

~~54.6. A Director who retires under Article 54.3 is eligible for re-election. A Director who retires under Article 54.3 at an Annual General Meeting shall retain office until his successor is appointed and in any event until dissolution of that meeting.~~

~~55.~~62. Remuneration of Directors

The Directors shall be paid ~~any~~ remuneration by the Company for such Director's services as a member of the Board of Directors, provided that such remuneration has been approved pursuant to the provisions of the Companies Law. The Directors shall also be entitled to ~~the~~ reimbursement for out-of-pocket and travel expenses incurred in connection with the performance of their services to the Company.—

~~56.~~63. Conflict of Interests

Subject to the provisions of the Companies Law, the Company may enter into any contract or otherwise transact any business with any Office Holder in which contract or business such Office Holder has a personal interest, directly or indirectly; and may enter into any contract or otherwise transact any business with any third party in which contract or business an Office Holder has a personal interest, directly or indirectly;—

provided, however, that such Director shall refrain from voting on such matter where a personal interest exists, unless such voting is permitted by the Companies Law. The Board of Directors shall be entitled to delegate its approval power under Section-271 of the Companies Law to a Committee of the Board of Directors or to such person it deems appropriate, whether generally, with respect to a certain contract or transaction or with respect to certain types of contracts or transactions, and the power of such committee or person shall be regarded as another method of approval within the meaning of Section-271 of the Companies Law.

PROCEEDINGS OF THE BOARD OF DIRECTORS

~~57.64.~~Meetings

~~57.1.64.1.~~ The Board of Directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Directors deem fit. Meetings of the Board of Directors may be held by telephone or by any other means of communication provided that each Director participating in such meeting can hear all of the other Directors participating in such meeting.

~~57.2.64.2.~~ The Chairman of the Board of Directors, and, in the absence of a Chairman, any Director, may convene a meeting of the Board of Directors, but not less than two ~~(2) days written notice shall be given of any meeting, unless such notice is waived in writing by all of the Directors as to a particular meeting.~~
(2) days written notice shall be given of any meeting, unless such notice is waived in writing by all of the Directors as to a particular meeting.

~~58.65.~~Quorum

~~58.1.65.1.~~ Provided notice of a meeting of the Board of Directors has been provided in accordance with these Articles, a quorum at a meeting of the Board of Directors shall be constituted by the presence, in person or represented by an Alternate Director, of a majority of the Directors then in office who are lawfully entitled to participate in the meeting. ~~-,~~ provided that such majority includes at least one (1) Motive Director.

~~58.2.65.2.~~ If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such time, date and place as the Chairman may determine, or, in his absence, by the Directors present at the convened meeting, provided that no fewer than two (2) days' written notice shall have been provided to each of the Directors of such meeting. No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, a majority of the Directors present in person or represented by an Alternate Director shall constitute a quorum.

~~59.66.~~Chairman of the Board of Directors-

The Board of Directors, by a decision taken by a majority of the Directors may from time to time elect one of its members to be the Chairman of the Board of Directors, remove such Chairman from office and appoint another in his place. -The Chairman of the Board of Directors shall preside at every meeting of the Board of Directors, but if there is no such Chairman, or if at any meeting the Chairman is not present within fifteen- (15) minutes of the time fixed for the meeting, or if the appointed Chairman is unable or unwilling to take the chair, the Directors present shall choose one of their number to be the chairman of such meeting. -The office of Chairman shall not entitle such Director to a second or casting vote.-

~~60.67.~~Validity of Acts Despite Defects

Subject to the provisions of the Companies Law, all acts done bona fide at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any Person acting as Director, shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meetings or any of them or any person(s) acting as aforesaid, or that the persons were disqualified, be as valid as if there were no such defect or disqualification.-

MINUTES

~~61.~~68.Minutes

~~61.1.~~68.1.Minutes of each General Meeting and of each meeting of the Board of Directors (or any committee thereof) shall be recorded and duly entered in books provided for that purpose. Such minutes shall, in all events, set forth the names of the persons present at the meeting and all resolutions adopted thereat.

~~61.2.~~68.2.Any minutes as aforesaid, if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting, shall constitute prima facie evidence of the matters recorded therein.

CHIEF EXECUTIVE OFFICER

~~62.~~69.Chief Executive Officer

~~62.1.~~69.1.The Board of Directors may from time to time appoint, remove and replace a person as Chief Executive Officer of the Company, and may confer upon such appointed person, and from time to time modify or revoke, such title (including General Manager, Managing Director, Director General or any similar or dissimilar title). The appointment of the Chief Executive Officer may be either for a fixed term or without any limitation of time. The Board of Directors may from time to time remove or dismiss the Chief Executive Officer from office and appoint another or others in the Chief Executive Officer's place.-

~~62.2.~~69.2.The Chief Executive Officer shall manage the business of the Company, subject to the policies established by the Board of Directors, such limitations and restrictions as are set forth in these Articles or as the Board of Directors may from time to time prescribe, and the provisions of the Companies Law.-

~~62.3.~~69.3.The Board of Directors (and, so long as required by applicable law, the Compensation Committee and the Shareholders unless exempted from Shareholder approval) may from time to time determine the Chief Executive Officer's salary and other terms and conditions of the Chief Executive Officer's employment, subject to the provisions of the Companies Law. Subject to the provisions of the Companies Law, all Company employees shall be subordinate, directly or indirectly, to the Chief Executive Officer of the Company. The Chief Executive Officer of the Company shall have the right remove any Company employee from his position and/or terminate the employment of any such employee with the Company and, subject to the provisions of the Companies Law, may delegate such powers to other employees of the Company.

EXEMPTION FROM LIABILITY, INDEMNIFICATION AND INSURANCE

70. Subject to the provisions of the Companies Law, the Company may indemnify its Office Holders to the fullest extent permitted by applicable law, in respect of any liability imposed on the Office Holder or incurred by him in respect of any act or-

~~63.~~ omission or alleged act or omission (each, an “**Action**”) performed by him in his capacity as an Office Holder, with respect to any of the following:-

~~63.1.~~70.1.A financial liability imposed on him/her in favor of another person in any judgment, including any settlement confirmed as judgment and an arbitrator's award which has been confirmed by the court;-

~~63.2.~~70.2.Reasonable litigation expenses, including without limitation attorney's fees, incurred by an Office Holder due to an investigation or proceeding conducted against him by an authority authorized to conduct such investigation or proceeding, and which is Concluded Without The Filing Of An Indictment (as defined in the Companies Law) against the Office Holder , and without a Financial Obligation In Lieu of Criminal Proceedings (as defined in the Companies Law), or which Concluded Without The Filing Of An Indictment against the Office Holder but with the Financial Obligation In Lieu of Criminal Proceedings for an offense which does not require a proof of criminal intent or in connection with a financial sanction;-

~~63.3.~~70.3.Reasonable litigation expenses, including legal fees, incurred by an Office Holder, or which the Office Holder is obligated to pay under a court order, in a proceeding brought against the Office Holder by the Company, or on its behalf, or by another person, or in any criminal proceeding in which the Office Holder is acquitted, or in any criminal proceeding in which the Office Holder was convicted of an offense that does not require proof of criminal intent; and

~~63.4.~~70.4.A financial obligation imposed upon an Office Holder and reasonable litigation expenses, including without limitation reasonable attorney fees, expended by the Office Holder as a result of an Administrative Proceeding (as defined below) instituted against the Office Holder. Without derogating from the generality of the foregoing, such obligation or expense will include a payment which the Office Holder is obligated to make to an injured party as set forth in Section ~~52~~(54)(a)(1)(a) of the Securities Law, and expenses that the Office Holder incurred in connection with a proceeding under Chapters H’3, H’4 or I’1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.

In these Articles, “**Administrative Proceeding**” shall mean a proceeding pursuant to Chapter H’3 (Imposition of Financial Sanctions by the Securities Authority), H’4 (Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) or I’1 (Arrangement to Prevent the Initiation of Proceedings or to Conclude Proceedings, Subject to Conditions) of the Securities Law.-

~~64.~~71.Subject to the provisions of the Companies Law, the Company may undertake to indemnify an Office Holder as aforesaid: (i) prospectively, provided that for the purpose of Article ~~63~~70 the undertaking is limited to categories of events which in the opinion of the Board can be foreseen when the undertaking to indemnify is given, in view of the Company's current activities at the time and to an amount set by the Board as reasonable under the circumstances, and (ii) retroactively.

~~65.~~72.Subject to the provisions of any Law, the Company may procure, for the benefit of any of its Office Holders, Office Holders' liability insurance with respect to any of the following:

~~65.1.~~72.1.A breach of the duty of care owed to the Company or any other person;

- ~~65.2.~~72.2.A breach of the duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that the action would not injure the Company; or
- ~~65.3.~~72.3.A financial liability imposed on an Office Holder in favor of a third party, in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company; or
- ~~65.4.~~72.4.A financial obligation imposed upon an Office Holder and reasonable litigation expenses, including without limitation attorney fees, expended by the Office Holder as a result of an Administrative Proceeding instituted against him. Without derogating from the generality of the foregoing, such obligation or expense will include a payment which the Office Holder is obligated to make to an injured party as set forth in Section ~~52~~(54)(a)(1)(a) of the Securities Law and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.
- ~~66.~~73.Subject to the provisions of any Law, the Company may exempt, in advance, by a Board resolution, Office Holders from all or part of their responsibilities for damages due to their violation or future violation of their duty of care to the Company. Notwithstanding the foregoing, the Company may not release an Office Holder from his or her duty of care in connection with a Prohibited Distribution (as such term is defined in the Companies Law).
- ~~67.~~74.In accordance with the provisions of Section 263 of the Companies Law, Articles ~~63 through 66~~70 through 73 shall not apply under any of the following circumstances:
- ~~67.1.~~74.1.A breach of an Office Holder's duty of loyalty, except as specified in Article ~~65.2~~72.2.;
- ~~67.2.~~74.2.A reckless or intentional violation of an Office Holder's duty of care excluding negligence;
- ~~67.3.~~74.3.An intentional action or omission intended to reap a personal gain illegally;-
- ~~67.4.~~74.4.A fine or forfeit levied on an Office Holder.
- ~~68.~~75.Any amendment to the Companies Law, the Securities Law or any other applicable law, statute or rule adversely affecting the right of any Office Holder to be indemnified or insured pursuant to Articles ~~63 and 65~~70 and 72 above shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Office Holder for any act or omission occurring prior to such amendment, unless otherwise provided by the Companies Law, the Securities Law or such other applicable law, statute or rule.

RIGHTS OF SIGNATURE AND STAMP

~~69.~~76.Rights of Signature and Stamp

- ~~69.1.~~76.1.The Board of Directors shall be entitled to authorize any Person (who need not be Director) to act and sign on behalf of the Company, and the acts and signature of such Person on behalf of the Company, together with the Company's stamp or next to the Company's name in print or handwriting, shall bind the Company insofar as such Person acted and signed within the scope of such Person's authority.
- ~~69.2.~~76.2.The Company shall have at least one official stamp.

DIVIDENDS

70.77. Declaration of Dividends

~~The~~Subject to Articles 8.1 and 93, the Board of Directors may from time to time declare, (which such declaration shall require the approval of the Motive Directors), and cause the Company to pay, such interim or final dividend as may appear to the Board of Directors to be justified by the profits of the Company and as permitted by the applicable law. ~~The Board of Directors shall determine the time for payment of such dividends, both interim and final, and the record date for determining the shareholders entitled thereto.;~~ provided, that upon declaration of any dividend, such dividends shall be only be paid in accordance with Articles 8.1 and 8.2.

71. Payment in Specie

~~Upon the resolution of the Board of Directors, a dividend may be paid, wholly or partly, by the distribution of specific assets of the Company or by distribution of paid up shares, debentures or debenture stock of the Company or of any other companies, or in any one or more of such ways.~~

72. Implementation of Powers under Articles 70 and 71

~~For the purpose of giving full effect to any resolution under Articles 70 or 71, the Board of Directors may settle any difficulty which may arise in regard to the distribution as it deems expedient, and, in particular, may determine the value for distribution of any specific assets, and may determine that cash payments shall be made to any shareholders, or that fractions of less value than the nominal value of one share may be disregarded in order to adjust the rights of all parties, and may vest any such cash, shares, debentures, debenture stock or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board of Directors.~~

73. Deductions from Dividends

~~The Board of Directors may deduct from any dividend or other moneys payable to any shareholder in respect of a share any and all sums of money then payable by such shareholder to the Company on account of calls, in accordance with Article 15 above, or otherwise in respect of such share.~~

74. Retention of Dividends

~~74.1. The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.~~

~~74.2. The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any Person is, under Article 29 or 30, entitled to become a shareholder, until such person shall become a shareholder in respect of such share.~~

75.78. Unclaimed Dividends

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board of Directors (with the approval of the Motive Directors) for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of three (3) years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company; *provided, however*, that the Board of

Directors (with the approval of the Motive Directors) may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a Person who would have been entitled thereto had the same not reverted to the Company.

~~76.~~79.Mechanics of Payment

Any dividend or other moneys payable in cash in respect of a share may be paid by check sent through the post to, or left at, the registered address of the Person entitled thereto or by transfer to a bank account specified by such Person (or, if two or more Persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to any one of such Persons or to such Person's bank account), or to such Person and at such address as the Person entitled thereto may by writing direct. -Every such check shall be made payable to the order of the Person to whom it is sent, or to such Person as the Person entitled thereto as aforesaid may direct, and payment of the check by the banker upon whom it is drawn shall be a good discharge to the Company. -Every such check shall be sent at the risk of the Person entitled to the money represented thereby. No unpaid dividend or interest shall bear interest as against the Company.

~~77.~~80.Receipt from a Joint Holder

If two or more Persons are registered as joint holders of any share, or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, any one of such Persons may give effectual receipts for any dividend or other moneys payable or property distributable in respect of such share.

MERGERS

~~A~~MERGERS

~~78.~~81.Subject to Articles 93, a merger of the Company requires approval by the Board of Directors (which such approval shall require the affirmative vote of at least one (1) Motive Director) and by a simple majority vote at the General Meeting, except as otherwise required by the provisions of the Companies Law.-

ACCOUNTS

~~79.~~82.Books of Account

The Board of Directors shall cause accurate books of account to be kept in accordance with the provisions of the Companies Law and of any other applicable law. Such books of account shall be kept at the registered office of the Company, or at such other place or places as the Board of Directors may deem appropriate, and they shall always be open to inspection by all Directors. No shareholder, not being a Director, shall have any right to inspect any account or book or other similar document of the Company, except as otherwise provided by agreement with the Company, or as conferred by applicable law, or as authorized by the Board of Directors.

~~80.~~83. Fiscal Year

The Company's fiscal year shall commence on January 1st and end on the following December 31st.

~~81.~~84. Audit

~~81.1.~~84.1. As soon as practicable after the end of each fiscal year of the Company, the Company shall prepare a consolidated balance sheet of the Company, as at the end of such fiscal year, and a consolidated statement of income and a consolidated statement of cash flows of the Company, for such year, all prepared in accordance with generally accepted accounting principles consistently applied (the "**Annual Financial Statements**"). The Annual Financial Statements shall be audited for correctness by the Company's auditor, or at the request of the Board of Directors by a firm of Independent Certified Public Accountants (the "**Auditor**").

~~81.2.~~84.2. From the date of the provision to the shareholders of a notice of an Annual General Meeting, and until the Annual General Meeting, the Company shall maintain at its principal office a copy of the Annual Financial Statements and shall make the Annual Financial Statements available to any shareholder who requests access to or a copy of the Annual Financial Statements, in accordance with the Companies Law.

~~82.~~85. Auditors

~~82.1.~~85.1. The shareholders of the Company shall appoint an Auditor of the Company at the Annual General Meeting. -Such appointment shall be in force until the end of the fiscal year for which the appointment is made, or for a longer period if so resolved at the Annual General Meeting, but in no event for a period of more than three (3) fiscal years. Subject to the provisions of the Companies Law, the shareholders of the Company may remove the Auditor at any time.

~~82.2.~~85.2. The appointment, authorities, rights and duties of the Auditor of the Company shall be regulated by applicable law.-

~~82.3.~~85.3. The Board of Directors shall determine the remuneration of the Auditor and report to the Shareholders on such remuneration at the Annual General Meeting.

~~83.~~86. Internal Auditor

~~83.1.~~86.1. The internal auditor of the Company shall be appointed in accordance with the rules and regulations of the Companies Law, and shall report to the Chairman or as otherwise determined by the Board of Directors. Notwithstanding the forgoing, in even that that the Chairman is an executive officer of the Company, the internal auditor shall report to the chairman of the Company's Audit Committee.

86.2. The internal auditor shall file with the Audit Committee (unless decided otherwise by the Board of Directors) a proposal for an annual or other periodic work plan,-

~~83.2.~~ which shall be approved by the Audit Committee (unless decided otherwise by the Board of Directors).

NOTICES

~~84.~~87. Subject to applicable law, notice or any other document which the Company shall deliver and which it is entitled or required to give pursuant to the provisions of these Articles and/or the applicable law shall be delivered by the Company to any Person, in any one of the following manners as the Company may choose: in person, by mail, transmission by fax or in electronic form (including through the Internet). Notwithstanding anything to the contrary contained herein and subject to the requirements of applicable law, a notice to a Shareholder may alternatively be served, as general notice to all Shareholders, in accordance with the rules and regulations of any applicable securities authority with jurisdiction over the Company or in accordance with the rules of any securities exchange on which the shares are then listed.

Any notice or other document which shall be sent only by mail shall be deemed to have reached its destination forty eight hours (48) after the day of mailing if sent by registered mail or regular mail, or when actually received by the addressee if sooner than forty-eight (48) hours, as the case may be, after it has been mailed, or when actually tendered in person to such shareholder (or to the Secretary of the Company, as the case may be) or on the first day after transmission if transmitted by fax or in electronic form.

Should it be required to prove delivery, it shall be sufficient to prove that the notice or document sent contains the correct mailing, e-mail, or fax details as registered in the Share Register or any other address which the Shareholder submitted in writing to the Company as the address and fax or e-mail details for the submission of notices or other documents.

~~85.~~88. All notices to be given to the shareholders shall, with respect to any share to which Persons are jointly entitled, be given to whichever of such Persons is named first in the Share Register, and any notice so given shall be sufficient notice to the holders of such share.

~~86.~~89. Any notice or other document served upon or sent to any shareholder by publication in accordance with these Articles shall, notwithstanding that he be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to be duly served or sent in respect of any shares held by him (either alone or jointly with others) until some other person is registered in his stead as the holder or joint holder of such shares, and such service or sending shall be a sufficient service on or sending to his heirs, executors, administrators or assigns and all other persons (if any) interested in such share.

~~87.~~90. Any shareholder whose address is not described in the Share Register, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company.

~~88.~~91. Where a given number of days' notice, or notice extending over any period, is required to be given, the day of service shall be counted in such number of days or other period.

~~89.~~92. Any notice served, in accordance with the provisions of sub-articles ~~84-88~~87-91, on a trustee, registered as such in accordance with the provisions of Article ~~11~~13, shall constitute a sufficient notice to the beneficiaries of such trustee.

PROTECTIVE PROVISIONS

93. Protective Provisions.

For so long as any Preferred Shares are outstanding, the Company shall not (in any case, directly or indirectly, whether by merger, consolidation, operation of law or otherwise), and shall cause each of its subsidiaries not to, without first having obtained the written consent of the Majority Preferred Shareholders:

93.1. issue any new, reclassify any existing share capital into, or issue to any person (other than an entity that is a wholly-owned subsidiary of the Company) any share capital in a manner that adversely affects the rights, designations, preferences, powers and/or the relative, participating, optional or other special rights, or the restrictions provided for the benefit of the Preferred Shares, provided that: the issuance of any new equity or debt securities in the Company that rank *pari passu* with or junior to the Preferred Shares shall not, based upon such *pari passu* ranking, be deemed to adversely affect the rights, designations, preferences, powers and/or the relative, participating, optional or other special rights, or the restrictions provided for the benefit of the Preferred Shares; provided, however, that any newly issued equity or debt securities in the Company that rank *pari passu* with or junior to the Preferred Shares shall not be entitled to receive any shareholder rights that are more favorable to such securities in comparison to the Preferred Shares (e.g., veto rights, information rights, registration rights, directors appointment right or otherwise) without the prior written consent of Motive;

93.2. amend, alter, repeal or otherwise modify any provision of, or add any provision to, these Articles in a manner that would adversely affect any of the rights, preferences or privileges of the holders of Preferred Shares, provided that amendment providing for the foregoing shall not be deemed so adversely affecting: the issuance of any new equity or debt securities in the Company that rank *pari passu* with or junior to the Preferred Shares shall not, based upon such *pari passu* ranking, be deemed to adversely affect the rights, designations, preferences, powers and/or the relative, participating, optional or other special rights, or the restrictions provided for the benefit of the Preferred Shares; provided, however, that any newly issued equity or debt securities in the Company that rank *pari passu* with or junior to the Preferred Shares shall not be entitled to receive any shareholder rights that are more favorable to such securities in comparison to the Preferred Shares (e.g., veto rights, information rights, registration rights, directors appointment right or otherwise) without the prior written consent of Motive;

93.3. authorize any new shares, reclassify any existing shares or issue any equity securities convertible into shares, or reclassify any outstanding shares into a different class of equity securities, in each case, in a manner that would rank senior to the Preferred Shares or adversely affect any of the rights, preferences or privileges of the holders of Preferred Shares;

93.4. declare or pay any dividends or make any distributions of cash, property or securities of the Company in respect of its share capital, or apply any of its assets to the redemption, retirement, purchase or other acquisition of its share capital or to the repayment of Indebtedness, directly or indirectly, through subsidiaries or otherwise;

93.5. incur or obligate itself to incur (whether contingent or otherwise), any Indebtedness (or guarantee of Indebtedness), other obligations or capital leases,

or liens in order to secure any such Indebtedness, other obligations or capital leases, in each case, in excess of US\$500,000 in the aggregate;

- 93.6. authorize, incur or issue, or obligate itself to incur or issue (whether contingent or otherwise) any convertible debt or other debt with any equity participation, any securities convertible into or exercisable or exchangeable for any equity securities, or any other equity security in a manner that would rank senior to the Preferred Shares or adversely affect any of the rights, preferences or privileges of the holders of Preferred Shares, in each case, as to liquidation, sale or merger preferences, redemption or dividends, or permit any subsidiary of the Company to issue any share capital, or securities convertible into or exercisable or exchangeable for share capital or other securities of such subsidiary, to any person or entity other than the Company or increase the size of the incentive equity pool or otherwise authorize, incur, issue, or obligate itself to incur or issue any other incentive, change of control, phantom incentive or other incentive pools;
- 93.7. the creation of any pledge or security interest in any material asset of the Company;
- 93.8. acquire or enter into an agreement to acquire any interest in or assets of any company or business (whether by a purchase of assets, purchase of shares, merger, amalgamation, consolidation or otherwise);
- 93.9. purchase, repurchase or redeem any Ordinary Shares (other than pursuant to equity incentive agreements approved by the Preferred Shareholders) or any other equity interests of the Company or its subsidiaries on a non-pro rata basis, other than the Preferred Shares and such shares issued in connection with a Rescue Financing pursuant to Section 1.04 of the Shareholders' Agreement, in each case, to the extent permitted hereunder;
- 93.10. effect any Deemed Liquidation;
- 93.11. consummate a public offering of the Company's Shares (primary and/or secondary), whether or not registered under the Securities Act, or a SPAC Transaction ("IPO"); provided, that for the avoidance of doubt and without limitation to the foregoing, the conversion of each Preferred Share into an Ordinary Share in connection with an IPO shall be calculated based upon the amount that each Preferred Share would be entitled to receive in a Hypothetical Liquidation;
- 93.12. form or designate any of the Company's subsidiaries as an "unrestricted subsidiary";
- 93.13. enter into, amend or modify any transaction or group of related transactions (including the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any affiliate or "related party" of the Company or any loans or other transactions with any directors or officers of the Company;
- 93.14. commence or settle any litigation, arbitration or other proceeding, in each case, that involves a liability to the Company in excess of US\$500,000, or that involves a guilty plea or any other acknowledgment of criminal wrongdoing or that could have a material adverse effect on the Company and its subsidiaries, taken as a whole;
- 93.15. make any material change in the nature of its business of the Company and its subsidiaries as conducted as of the Initial Closing other than activities directly

related thereto or similar, complimentary or related businesses or activities or acquire any properties or assets that are not reasonably related to the conduct of such business activities;

93.16. the voluntary liquidation or dissolution of the Company or the cessation of a substantial part of the Company's business;

93.17. amend in any material manner or terminate the existing management compensation plan, or implement a new management compensation plan; or

93.18. any increase or decrease of the number of members of the Board.

Further, the Company shall not, by amendment, alteration or repeal of this Articles (whether by merger, consolidation, operation of law, or otherwise) or through any Deemed Liquidation, any event described in Article 93 hereof, or any other reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, agreement or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company and shall at all times in good faith assist in the carrying out of all the provisions of this Article 93 and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holders of the Preferred Shares against impairment. Any successor to the Company shall agree in writing, as a condition to such succession, to carry out and observe the obligations of the Company hereunder with respect to the Preferred Shares.

For purposes of this Article 93, "Indebtedness" shall mean, without duplication, (i) all indebtedness of the Company or its subsidiaries for borrowed money, (ii) all indebtedness evidenced by bonds, debentures, notes or similar instruments (other than, for the avoidance of doubt, performance or surety bonds or similar instruments), (iii) all obligations of the Company or its subsidiaries as a lessee under existing capital leases which have been or are required to be recorded as liabilities on a balance sheet of the Company or its subsidiaries in accordance with IFRS, (iv) all indebtedness secured by a lien, security interest, mortgage or similar encumbrance on the property of the Company or its subsidiaries, whether or not such indebtedness shall be assumed by the Company or its subsidiaries (with the amount thereof being measured as the fair market value of such property), (v) all obligations of the Company or its subsidiaries to pay the deferred purchase price of property or services (excluding trade accounts payable and accrued expenses in the ordinary course of business and purchase price adjustments, including earn-outs or other holdback amounts), and (vi) all obligations, contingent or otherwise, with respect to letters of credit (whether or not drawn), banker's acceptances and surety and performance bonds, permit bonds and other similar obligations issued for the Company's or its subsidiaries' account.

ASX Listing LISTING

~~90.94.~~ If the Company is admitted to the Official List of the ASX, the following clauses apply:

~~90.1.94.1.~~ Notwithstanding anything contained in these Articles, if the Listing Rules prohibit an act being done, the act shall not be done;-

~~90.2.94.2.~~ Nothing contained in these Articles prevents an act being done that the Listing Rules require to be done;

~~90.3.94.3.~~ If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);-

~~90.4.~~94.4. If the Listing Rules require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision;-

~~90.5.~~94.5. If the Listing Rules require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision;-

~~90.6.~~94.6. If any provision of these Articles is or becomes inconsistent with the Listing Rules, these Articles are deemed not to contain that provision to the extent of the inconsistency.-

~~NON-MARKETABLE PARCELS~~

NON-MARKETABLE PARCELS

~~91.~~95. The Company may sell the shares of a shareholder who has less than a Marketable Parcel of those shares on the following conditions:

~~91.1.~~95.1. The Company may do so only once in any 12-month period.

~~91.2.~~95.2. The Company must notify the shareholder in writing of its intention in the manner authorized by Articles ~~84 through 89~~87 through 92 above.

~~91.3.~~95.3. The shareholder must be given at least six (6) weeks from the date the notice is sent in which to tell the Company that the shareholder wishes to retain the holding.

~~91.4.~~95.4. If the shareholder tells the Company under Article ~~91.3~~95.3 that the shareholder wishes to retain the holding, the Company is not permitted to sell it.

~~91.5.~~95.5. The Company's power to sell lapses following the announcement of a Takeover (as defined in the Listing Rules). -The procedure may be started again after the close of the offers made under the Takeover.-

~~91.6.~~95.6. The Company must ensure that it or the purchaser pays the costs of the sale.

~~92.~~96. Subject to Article ~~91~~95, the Listing Rules and the ASX Settlement Operating Rules, the Company may sell the shares under Articles ~~91 through 97~~95 through 101 on the terms and in the manner the Directors think appropriate.

~~93.~~97. Where any shares are sold under Articles ~~91~~95 through ~~97.~~101., the Directors may:

~~93.1.~~97.1. receive the purchase money or consideration given for the shares on the sale;

~~93.2.~~97.2. effect a transfer of the shares and, if necessary, execute, or appoint a person to execute, on behalf of the former shareholder an instrument of transfer of the shares or any other instrument for the purpose of giving effect to the sale; and

~~93.3.~~97.3. register as the shareholder of the shares the person to whom the shares have been sold.

~~94.~~98. The title of a person to whom shares are sold under Articles ~~90 through 96~~95 through 101 is not affected by an irregularity or invalidity in connection with that sale.

~~95.~~99. The remedy of any person aggrieved by a sale of shares under Articles ~~90 through 96~~95 through 101 is limited to damages only and is against the Company exclusively.

~~96.~~100. The Company may deduct from the proceeds of a sale of shares under Articles ~~91~~95 through ~~97.~~101. all sums of money presently payable by the former shareholder to the Company for calls due and payable and apply the amount deducted in or towards satisfaction of the money owing.

101. A statement in writing signed by a Director or Secretary of the Company to the

effect that a share in the Company has been duly sold under Articles ~~90~~⁹⁵ through ~~96~~¹⁰¹ on a date stated in the statement, is conclusive evidence of the facts stated in the statement-

~~97.~~ as against all Persons claiming to be entitled to the share and of the right of the Company to sell the share.

~~98.~~102. In Articles ~~94~~95 through ~~97~~101 above:

“**ASX Settlement**” means ASX Settlement Pty Ltd (ABN 49 008 504 532).

“**ASX Settlement Operating Rules**” means the operating rules (however described) of ASX Settlement.

-“**Marketable Parcel**” has the meaning given to that term in the Listing Rules.

103. Articles 95 through 102 above shall only apply so long as the Company is admitted to the Official List of the ASX.

Annexure C – Director Indemnification Letter

DEED OF INDEMNITY, INSURANCE AND ACCESS

[Name]

SplitIt Ltd

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DETAILS

Date [REDACTED] 2022

Parties

Recipient

Name [NAME]
Address [ADDRESS]
Email [Address]

Company

Name Splitit Ltd
Registration Number 514193291
Address Ha'Arbaa 30, Tel Aviv - Jaffa Israel 6473926
Email legal@splitit.com
Attention Chief Legal Officer

BACKGROUND

- A It is intended that the Recipient be appointed as an Officer of the Company, a Relevant Company and/or an Outside Entity (as applicable).
- B The Articles of Association authorize the Company to indemnify and advance expenses to its Officers to the fullest extent permitted by law, including without limitation the Companies Law.
- C The Audit Committee and the Board, have approved the terms of this Deed and have authorized the Company to enter into an agreement containing such terms with the Recipient, as required under applicable provisions of Israeli law.
- D Without derogating from the Company's right to indemnify the Recipient retroactively pursuant to the Articles of Association, from the Effective Date, the Company has agreed to:
- (i) indemnify the Recipient in respect of certain liabilities and expenses incurred by the Recipient specified in Sections D(i)(a) and D(i)(b) below (the "**Indemnifiable Expenses**") and that may be imposed on the Recipient due to an act performed or failure to act by him in his capacity as an Officer of the Company, a Relevant Company and/or an Outside Entity, with respect to:
 - (a) a financial liability imposed on Recipient in favour of a third party in a judgment (which third parties include, without limitation and to the fullest extent permitted by applicable law, any governmental entity), including a compromise judgment given as a result of a settlement or an arbitrator's award which has been confirmed by a court;
 - (b) all reasonable litigation expenses expended by the Recipient or charged to the Recipient by a court, including attorneys' fees and all other costs, expenses and obligations incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, to be a witness, or participate, in any action, suit, proceeding, alternative dispute resolution mechanism, hearing, inquiry or investigation instituted against the Recipient by the Company or on its behalf or by another person, or in any criminal proceedings in which the Recipient is

acquitted, or in any criminal proceedings of a crime which does not require proof of *mens rea* (criminal intent) in which the Recipient is convicted, all in respect of actions taken by the Recipient in his capacity as an Officer of the Company, a Relevant Company and/or or an Outside Entity;

- (c) all reasonable litigation expenses, including attorneys' fees, actually expended by the Recipient due to an investigation or a proceeding instituted against the Recipient by an authority qualified to administrate such investigation or proceeding, where such investigation or proceeding is "concluded without the filing of an indictment against the Recipient" (as defined in the Companies Law) and "without any financial obligation imposed on the Recipient in lieu of criminal proceedings" (as defined in the Companies Law), or that is concluded without the filing of an indictment against the Recipient, but with financial obligation imposed on the Recipient in lieu of criminal proceedings with respect to a crime that does not require proof of *mens rea* (criminal intent), or in connection with a financial sanction ("*Itzum Caspi*"), all in respect of actions taken by the Recipient in his capacity as an Officer of the Company, a Relevant Company and/or or an Outside Entity;
 - (d) a payment which the Officer is obligated to make to an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law, 5728-1968 (the "**Securities Law**"), and expenses that the Officer incurred in connection with a proceeding under Chapters H'3, H'4, or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees; and
 - (e) any other event, occurrence or circumstances in respect of which the Company may lawfully indemnify an Officer of the Company, a Relevant Company and/or or an Outside Entity;
- (ii) insure the Recipient against certain risks the Recipient is exposed to as an Officer of the Company, a Relevant Company and/or or an Outside Entity; and
 - (iii) grant a right of access to certain Company Records to the Recipient, on the terms and conditions of this Deed.

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

Definitions

- 1.1 In this Deed the following terms shall bear the following meanings:

Access Period means in relation to the Company or a Relevant Company or an Outside Entity, the period commencing on the Effective Date and expiring on the End Date.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691, trading as the Australian Securities Exchange or the stock market of ASX, as the context requires.

Audit Committee means the risk and audit committee of the Company established by the Board.

Articles of Association means the articles of association of the Company as amended from time to time.

Board means, in relation to the Company, the board of directors of the Company, in relation to each Relevant Company means the board of directors of the Relevant Company and in relation to each Outside Entity means the board of directors of the Outside Entity.

Business Day means a day on which banks are open for general banking business in Israel.

Companies Law means the Israeli Companies Law, 5759-1999.

Company Records means in relation to the Company, each Relevant Company and each Outside Entity, as applicable:

- (a) all records (in any form) which the Company, each Relevant Company or each Outside Entity, as applicable:
 - (i) is required to keep by law or regulations (including applicable listing rules); or
 - (ii) circulates to the Recipient or other Officers of the Company, each Relevant Company or each Outside Entity, as applicable, for the purposes of meetings of:
 - (A) the Board;
 - (B) a subcommittee of the Board;
 - (C) any other governance or operational committee; or
 - (D) the shareholders of the Company, each Relevant Company or each Outside Entity, as applicable,

and includes, without limitation:

- (iii) financial reports or financial records;
- (iv) monthly or periodical board papers;
- (v) any papers circulated to any governance or operational committee;
- (vi) submissions, agendas, minutes of any meeting of the board, subcommittee or other governance or operational committee;
- (vii) letters, memoranda and correspondence between the Company, each Relevant Company or each Outside Entity, as applicable, and third parties, such as regulatory authorities and legal and other advisers to the Company, each Relevant Company or each Outside Entity, as applicable;
- (viii) copies of other documents prepared for the Board, made available to any Recipient of the Company, each Relevant Company or

each Outside Entity, or referred to in any of the documents above;
and

- (ix) legal advices or opinions obtained by the Company, each Relevant Company or each Outside Entity, as applicable.

Costs means any damages, amount paid pursuant to a settlement, fines, penalties, costs (including any adverse costs orders and costs on an indemnity basis, charges, fees and expenses, including, without limitation, legal fees, costs and disbursements assessed on a solicitor/own client basis without the necessity of taxation.

Deed means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

Effective Date means, subject to the requisite Shareholder approval, which the Company shall endeavour to obtain, the earlier of:

- (a) the Company receiving the Recipient's consent to act as an Officer of:
 - i. the Company;
 - ii. a Relevant Company; and
 - iii. an Outside Entity; or
- (b) the Recipient becoming an Officer of:
 - i. the Company;
 - ii. a Relevant Company; and
 - iii. an Outside Entity.

End Date means the later of:

- (a) the date that is 7 years after the Retirement Date; and
- (b) if any action or proceedings have been commenced prior to the date that is 7 years after the Retirement Date, the date that the action or proceedings has been formally resolved.

Indemnity means the indemnity granted by the Company in favour of the Recipient in clause 2.

Indemnifiable Events means the events listed in **Schedule A** hereto.

Insolvency Provision means any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

Insurance Policy means any insurance policy to be procured under clause 3.1.

Insurance Run-Off Period means that period commencing on the Retirement Date and expiring on the End Date.

Legal Expenses means any liability for costs, charges or expenses incurred:

- (a) in defending any proceedings relating to the Recipient's position with the Company or a Relevant Company or an Outside Entity, whether civil or criminal, in which judgment is given in the Recipient's favour or in which the Recipient is acquitted or which are withdrawn or discontinued before judgment;
- (b) in connection with any administrative proceedings relating to the Recipient's position with the Company or a Relevant Company or an Outside Entity, except proceedings which give rise to civil or criminal proceedings against the Recipient in which judgment is not given in the Recipient's favour or in which the Recipient is not acquitted or which arise out of conduct involving a lack of good faith; or
- (c) in connection with any proceedings relating to the Recipient's position with the Company or a Relevant Company or an Outside Entity, whether civil or criminal, in which relief is granted to the Recipient by the court.

Officer means as such term (*nosei misrah*) is defined in the Companies Law.

Outside Entity means a body corporate or other entity of which the Recipient has been appointed as an Officer either at the request of the Company or a Relevant Company or in connection with the Recipient's role as an Officer of the Company or a Relevant Company.

Policies means the Insurance Policy and any further insurance policy or policies procured in relation to the Insurance Run-Off Period under clauses 3.1 to 3.8 "**Policy**" means any of these.

Privilege has the meaning given in clause.

Relevant Company means any Subsidiary of the Company.

Relevant Papers has the meaning given in clause 4.2.

Retention Period means a period:

- (a) commencing on the later of:
 - (i) the date being seven years before the date of this Deed; or
 - (ii) the date of the incorporation of the Company, a Relevant Company or an Outside Entity;and
- (b) expiring on the End Date.

Retirement Date means:

- (a) in respect of the Company, the earlier of the date on which:
 - (i) the Recipient;
 - (A) withdraws their consent to act;
 - (B) is removed; or

- (C) resigns (except where the Recipient retires from office and seeks re-election pursuant to the Company's, Relevant Company's or Outside Entity's Articles of Association, as applicable, and is duly re-elected),

as an Officer of the Company; or

- (ii) the Recipient is disqualified from holding such office by operation of law, as a matter of contract or for any other reason whatsoever;

Shareholder means the holder of a fully paid ordinary share in the Company.

Subsidiary has the meaning given in the Companies Law and refers to any corporation of that kind whenever it becomes a subsidiary.

Term means the period commencing on the Effective Date and expiring on the Retirement Date.

General

1.2 In this Deed, unless the context otherwise requires:

- 1.2.1 a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislation or legislative provision;
- 1.2.2 the singular includes the plural and vice versa;
- 1.2.3 a reference to an individual or person includes a corporation, firm, partnership, joint venture, association, authority, trust, state or government and vice versa;
- 1.2.4 a reference to any gender includes all genders;
- 1.2.5 a reference to a recital or clause is to a recital or clause of this Deed;
- 1.2.6 a recital forms part of this Deed;
- 1.2.7 a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, notated, supplemented or replaced from time to time;
- 1.2.8 a reference to any party to this Deed or any other document or arrangement includes that party's executors, administrators, substitutes and successors;
- 1.2.9 a reference to "dollar" or "\$" is to Australian dollars; and
- 1.2.10 where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning.

Headings

In this Deed, headings are for convenience of reference only and do not affect interpretation.

Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed

is not a Business Day, that act, matter or thing may be done on the next Business Day.

2 INDEMNITY

Liabilities and Costs

- 2.1 Subject to clause 2.2 and 2.3, with effect from the Effective Date and to the maximum extent permitted by law and regulations (including applicable listing rules), the Company agrees to indemnify and keep indemnified the Recipient against, and agrees to reimburse and compensate the Recipient for:
- 2.1.1 all liabilities, losses, expenses, damages or charges incurred by the Recipient as an Officer of the Company solely in connection with the Indemnifiable Events;
 - 2.1.2 all liabilities, losses, expenses, damages or charges incurred by the Recipient as an Officer of a Relevant Company solely in connection with the Indemnifiable Events;
 - 2.1.3 all liabilities, losses, expenses, damages or charges incurred by the Recipient as an Officer of an Outside Entity solely in connection with the Indemnifiable Events; and
 - 2.1.4 without limiting subparagraphs 2.1.1, 2.1.2, 2.1.3, if so requested by Recipient, and subject to the Company's reimbursement right set forth below, the Company shall and hereby undertakes to advance an amount (or amounts) estimated by the Company to cover Recipient's reasonable Legal Expenses incurred by the Recipient as an Officer of the Company or as an Officer of a Relevant Company or as an Officer of an Outside Entity as applicable, with respect to which Recipient is entitled to be indemnified under subparagraphs 2.1.1, 2.1.2, 2.1.3 above.

Other Indemnities

- 2.2 The Recipient must repay to the Company any amount paid to the Recipient under this Deed to the extent that the Recipient receives money or is reimbursed under the Policies maintained by the Company under clause 3 of this Deed or any other contract of insurance, or otherwise from any third party (including to the extent applicable an Outside Entity), in respect of any matters the subject of a payment or advance from the Company under this Deed. The Recipient must repay any such amount within 30 days after receipt of the relevant payment.

Limitation on Indemnity

- 2.3 In relation to the indemnity given by the Company under clause 2.1, the Indemnity does not apply to the extent that the Indemnity is prohibited by the Companies Law or any applicable law, regulations and listing rules.
- 2.3.1 Reserved
- 2.4 In cases in which it might be determined that the Recipient is not entitled to be indemnified according to this Deed, the advance of Recipient's Expenses as described in Section 2.1.4 above, shall only be paid to the Recipient by the Company after the Recipient had provided the Company, in advance, with satisfactory guaranties (as determined by the Company in its sole discretion).

Continuation of Indemnity

- 2.5 The Company acknowledges that the Indemnity in:
- 2.5.1 clause 2.1.1 continues in full force and effect without limit in point of time, as Recipient shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding or any inquiry or investigation, whether civil, criminal or investigative, in relation to any act, omission, matter or event occurring while the Recipient is an Officer of the Company and arising out of the Recipient's service as an Officer even if the Recipient has ceased to be an Officer of the Company before any claim is made under the Indemnity;
 - 2.5.2 clause 2.1.2 continues in full force and effect without limit in point of time, as Recipient shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding or any inquiry or investigation, whether civil, criminal or investigative, in relation to any act, omission, matter or event occurring while the Recipient is an Officer of the Relevant Company and arising out of the Recipient's service as an Officer even if the Recipient has ceased to be an Officer of the Relevant Company; and
 - 2.5.3 clause 2.1.3 continues in full force and effect without limit in point of time, as Recipient shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding or any inquiry or investigation, whether civil, criminal or investigative, in relation to any act, omission, matter or event occurring while the Recipient is an Officer of the Outside Entity and arising out of the Recipient's service as an Officer even if the Recipient has ceased to be an Officer of the Outside Entity.

Nature of Indemnities

- 2.6 Any indemnity in this Deed:
- 2.6.1 is a continuing obligation despite the satisfaction of any payment or other obligation in connection with this Deed, any settlement or any other thing;
 - 2.6.2 is independent of any other obligations under this Deed; and
 - 2.6.3 continues after this Deed, or any obligation arising under it, ends.

Payment under the Indemnity

- 2.7 It is not necessary for the Recipient to incur expense or make payment before enforcing the Indemnity. The liability for the Company under the Indemnity arises simultaneously with the liability of the Recipient and upon demand by the Recipient, the Company must pay the Recipient any sum due and payable by it pursuant to the Indemnity.

Liability not Affected

- 2.8 The liability of the Company under this Deed will not be waived or affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release either from such liability, including the Recipient granting time, waiver or other indulgence or concession to, or making any composition or compromise with the Company, unless otherwise provided in writing and signed by the Recipient.

Void or Voidable Transactions

- 2.9 If:

- 2.9.1 the Recipient has at any time released or discharged the Company from its obligations under this Deed in reliance on a payment, receipt or other transaction to or in favour of the Recipient; or
- 2.9.2 any payment or other transaction to or in favour of the Recipient has the effect of releasing or discharging the Company from its obligations under this Deed; and
- 2.9.3 that payment, receipt or other transaction is subsequently claimed by any person to be void, voidable or capable of being set aside for any reason, including under an Insolvency Provision or under the general law; and
- 2.9.4 that claim is upheld, conceded or compromised, then:
 - 2.9.4.1 restitution of rights: the Recipient will immediately become entitled against the Company to all such rights as the Recipient had immediately before that release or discharge;
 - 2.9.4.2 restore Recipient's position: the Company must immediately do all things and execute all documents as the Recipient may reasonably require to restore to the Recipient all those rights; and
 - 2.9.4.3 indemnity: the Company must indemnify and keep indemnified the Recipient against costs, losses and expenses suffered or incurred by the Recipient in or in connection with any negotiations or proceedings relating to the claim or as a result of the upholding, concession or compromise of the claim.

Specific Limitations on Indemnification

- 2.10 Subject to the provisions of the Companies Law and notwithstanding anything to the contrary in this Deed, the Company shall not indemnify or advance Costs or Legal Expenses to the Recipient or release the Recipient with respect to any of the following:
 - 2.10.1 Breach of Fiduciary Duty. A breach of the Recipient's fiduciary duty, except, to the extent permitted under the Companies Law, for a breach of a fiduciary duty while the Recipient acted in good faith and had reasonable grounds to assume that such act would not harm the Company's interests;
 - 2.10.2 Breach of Duty of Care. A wilful and intentional or reckless breach of the duty of care towards the Company.
 - 2.10.3 Personal Gain. An action taken by the Recipient with the intent of realizing unlawful personal gain.
 - 2.10.4 Fine or Penalty. A fine, a civil fine, financial sanction ("*Itzum Caspi*"), or ransom ("*Kofer*") imposed upon the Recipient for an offense.
 - 2.10.5 Counterclaim. A counterclaim made by the Company or in its name in connection with a claim against the Company filed by the Recipient.
 - 2.10.6 Unlawful Indemnification. To indemnify the Recipient if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.
 - 2.10.7 Non-cooperation. Non-cooperating Recipient, unwillingness to provide the Company with such information and cooperation as it may reasonably require.

- 2.11 If, when and to the extent that a final judicial determination is made, as to which all rights of appeal therefrom have been exhausted or lapsed, that the Recipient would not be permitted to be so indemnified as provided under this Deed, the Company shall be entitled to be reimbursed by Recipient (who hereby agrees to reimburse the Company) for all such amounts theretofore paid.

Reimbursement

- 2.12 The Company shall not be liable under this Deed to make any payment in connection with any claim made against Recipient to the extent Recipient has otherwise actually received payment (under any valid and collectable insurance policy or under a valid and enforceable indemnity clause or agreement (excluding this Deed), or otherwise) of the amounts otherwise indemnifiable hereunder, except in respect of any excess beyond the payment under such insurance, clause or agreement. Any amounts paid to Recipient under such insurance policy or otherwise after the Company has indemnified the Recipient for such liability or Cost shall be repaid to the Company promptly upon receipt by Recipient.

3 INSURANCE

- 3.1 Subject to clause 3.5 and to the extent permitted by law and regulations (including applicable listing rules), the Company must during the Term and the Insurance Run Off Period pay the premium for (or ensure the payment of premiums for) an insurance policy which insures the Recipient against liabilities that may be incurred by the Recipient acting directly or indirectly as an Officer of the Company, as an Officer of a Relevant Company or as an Officer of an Outside Entity (as applicable) solely in connection with the Indemnifiable Events and providing coverage in amounts as determined by the Board of Directors of the Company in its sole discretion.
- 3.2 The Insurance Policy to be effected under clause 3.1 must:
- 3.2.1 be effected with a reputable and solvent insurer (other than the Company, a Relevant Company or an Outside Entity (as applicable)); and
 - 3.2.2 insure the Recipient for Costs incurred by the Recipient in defending proceedings, whether civil or criminal and whatever their outcome, except to the extent that the Company may be unable to obtain insurance to defend criminal proceedings where the Recipient is not acquitted, all subject to applicable law.

Subrogation or Action against the Company

- 3.3 Unless the Company agrees otherwise, the Insurance Policy will contain a provision waiving all rights of subrogation or action against the Company.

Insurance Run-Off Period

- 3.4 During the Insurance Run-Off Period the Company must ensure that the Recipient is at all times covered under the Insurance Policy, or a further insurance policy on terms not materially less favourable to the Recipient than the terms of the Insurance Policy operating at the Retirement Date, except to the extent such insurance is unable to be procured at a reasonable cost or is otherwise unavailable to the Company, as determined by the Company in compliance with clause 3.1 to clause 3.8 (inclusive).

Maintenance and Production of Policy

3.5 The Company will:

- 3.5.1 to the extent permitted by law and regulations (including applicable listing rules), maintain the Policies;
- 3.5.2 to the extent permitted by law and regulations (including applicable listing rules), duly and punctually pay or cause to be paid all premiums and other money payable by it under the Policies, and if the Company cannot lawfully pay any part of the premium under the Policies it must give the Recipient notice of that fact and give the Recipient a reasonable opportunity to contribute to that part of the premium to the extent to which that part is attributable to the Recipient (if such contribution is necessary for the Policies to be effective);
- 3.5.3 perform, observe and fulfil those terms of the Policies to be performed, observed or fulfilled by it;
- 3.5.4 produce to the Recipient copies of the Policies and certificates of currency or the receipts for the payment of each premium and all other money payable in respect of each Policy (or other evidence of payment satisfactory to the Recipient) on or before the due date for renewal; and
- 3.5.5 ensure that no Policy is capable of being avoided as against the Recipient as a result of a breach of the duty of disclosure by any party or person other than the Recipient.

Copy of Policy

- 3.6 The Company must, at the request of the Recipient and as soon as practicable after that request, deliver to the Recipient copies of all documents relating to each Policy, including a certified copy of each proposal form under which the application for insurance was made, the relevant Policy, all renewal certificates, certificates of currency and endorsement slips.

Full Disclosure and Compliance with Policies

- 3.7 To the extent required by the relevant Policy, the Recipient will disclose to the Company and the Company will disclose to the proposed insurer all facts material to the insurer's risk before entering into a Policy.

Not Prejudice Insurance

- 3.8 Neither the Company nor the Recipient will cause or permit anything to be done which may:

3.8.1 render any part of a Policy void, voidable or otherwise unenforceable; or

3.8.2 hinder or prevent the recovery of any money in respect of a Policy,

and the Company will use its reasonable endeavours not to vary any terms so as to render them materially less favourable to the Recipient or cancel the Policy without the prior written consent of the Recipient, unless generally accepted industry practice amongst reputable brokers dictates otherwise.

4 RECIPIENT'S RIGHT TO HAVE ACCESS TO COMPANY RECORDS

Company's Obligation to Retain

- 4.1 The Company must, and must procure each Relevant Company and (to the greatest extent reasonably possible) each Outside Entity, to:
 - 4.1.1 keep a complete set of all records to which the Recipient is entitled to access under clause 4.2 to 4.5, in order and in suitable, secure custody for the Retention Period; and
 - 4.1.2 nominate a person or persons from time to time to take custody of the Company Records and regulate access to them.

Recipient's Right to have Access

- 4.2 Subject to clause 4.4, throughout the Access Period and prior to the Retirement Date, the Recipient is entitled, during office hours (or at such other times which the parties agree), to have access to and inspect the Company Records or records which have been either prepared for, or provided to the Recipient during the Retention Period, and, in each case, are relevant to:
 - 4.2.1 the Recipient's holding of office as an Officer in respect of the Company or a Relevant Company or an Outside Entity; or
 - 4.2.2 any claim which the Recipient reasonably anticipates may be made by or against the Recipient in relation to matters arising in the course of the Recipient acting in connection with the affairs of the Company or a Relevant Company or an Outside Entity or otherwise concerning or relating to the Recipient's holding of office as a director in respect of the Company or a Relevant Company or an Outside Entity,

(such records to be referred to as the Relevant Papers) and the Company must procure that each Relevant Company and (to the greatest extent reasonably possible) each Outside Entity provides access to the Recipient as prescribed in this clause 4.2 to 4.5.
- 4.3 Subject to Section 4.4 below, the Recipient is entitled during the Access Period to make and receive a copy of any of the Company Records or the Relevant Papers at the cost of the Company.
- 4.4 Notwithstanding the foregoing provisions of this clause 4.2 to 4.5, the Recipient shall only be entitled to access to, and to receive copies of, Relevant Papers, on a strict need-to-know basis and for the purpose of fulfilling the Recipient's duty as an Officer of the Company, a Relevant Company or an Outside Entity, as applicable.
- 4.5 Subject to Section 4.4 above, during such part of the Access Period which follows the Retirement Date, the Recipient shall be entitled to such access to Company Records and to copies of the same, save that in addition to such rights, the Recipient shall also be entitled during office hours (or at such other times which the parties agree), to have access to any Company Records which had previously been provided to the Recipient.

5 NOTIFICATION AND SETTLEMENT OF LIABILITIES

Recipient to Notify Company

- 5.1 The Recipient must:
 - 5.1.1 notify the Company if proceedings are anticipated, threatened or commenced

against the Recipient (including any proceedings by or against the Company and any subsidiary thereof) which may give rise to a liability of the Company, a Relevant Company and/or an Outside Entity immediately after becoming aware of the same. The omission so to notify the Company will not relieve it from any liability unless and to the extent that such failure to provide notice materially prejudices the Company's or Recipient's ability to defend such action. Notice to the Company shall be directed in writing to the Chairman of the Board of Directors' of the Company at the address shown in this Deed (or such other address as the Company shall designate in writing to Recipient) or if the Recipient is then the Chairman of the Board of Directors', such notice shall be directed to the Chief Executive Officer of the Company. In addition, the Recipient must advise the Company on an ongoing and current basis concerning all events, which the Recipient suspect may give rise to the initiation of legal proceedings against him; and

- 5.1.2 not settle or compromise any claim referred to in clause 5.1.1 or make any admission or payment in relation to such a claim without the prior written consent of the Company, and will provide the Company, with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of the Recipient in connection with such proceedings unless the Recipient receives legal advice that to do so may cause substantial or material prejudice to the interests of the Recipient.

Company to Notify Recipient

- 5.2 The Company will immediately notify the Recipient if:

- 5.2.1 proceedings are anticipated, threatened or commenced against the Company or a Relevant Company; and

- 5.2.2 such proceedings or the facts giving rise to them may:

- 5.2.2.1 result in a claim against the Recipient; or

- 5.2.2.2 require the Recipient to consider his/her legal position,

and will provide the Recipient with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company or the Relevant Company in connection with such proceedings unless the Company or the Relevant Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company or the Relevant Company (as the case may be).

Defense of Claim

- 5.3 With respect to any action, suit or proceeding as to which Recipient notifies the Company of the commencement thereof:

- 5.3.1 the Company will be entitled to participate therein at its own expense;

- 5.3.2 except in the event that there is a conflict of interest between the Company and the Recipient in the conduct of the defense of such action, suit or proceeding, to the extent that it may wish, the Company jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof. After notice from the Company to the Recipient of its election to assume the defense thereof, the Company will not be liable to Recipient under this Deed for any legal or other expenses subsequently incurred by

Recipient in connection with the defense thereof except as provided above. Recipient shall have the right to employ its counsel in such action, suit or proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of the Recipient;

- 5.3.3 the Company shall not be liable to indemnify the Recipient under this Deed for any amounts paid in settlement of any action or claim effected without its written consent. The Company shall not settle any action or claim in any manner which would impose any penalty or limitation on the Recipient without the Recipient's written consent provided that the Recipient's consent shall not be required if the settlement includes a complete release of Recipient, does not contain any admittance of wrong-doing by Recipient, and is monetary only; and
- 5.3.4 in the case of criminal proceedings the Company and/or its legal counsel will not have the right to plead guilty in the Recipient's name or agree to a plea-bargain in the Recipient's name without the Recipient's prior written consent. Neither the Company nor the Recipient will unreasonably withhold their consent to any proposed settlement. Furthermore, in a civil proceeding (whether before a court or as a part of a compromise arrangement), the Company and/or its counsel will not have the right to admit to any occurrences that are not indemnifiable pursuant to this Deed and/or pursuant to law, without the Recipient's written consent. However, the aforesaid will not prevent the Company and/or its counsel as aforesaid, with the approval of the Company, coming to a financial arrangement with a plaintiff in a civil proceeding without the Recipient consent so long as such arrangement will not be an admittance of a wrong doing not indemnifiable pursuant to this Deed.

6 SUBROGATION

- 6.1 In the event of payment under this Deed, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Recipient, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

7 COMPANY MERGER

- 7.1 Where the Company merges with another entity by way of scheme of arrangement or in any other way where the Company ceases to exist then the Company will use its reasonable endeavours to ensure that the merged entity succeeds to and assumes the Company's obligations under this Deed.

8 SHAREHOLDER APPROVAL A CONDITION PRECEDENT

- 8.1 Where the Company is required by the Companies Law, or is otherwise required by law or regulations (including applicable listing rules), to seek the approval of its shareholders for the provision and payment of the premium for an insurance policy insuring the Recipient during the Insurance Run-Off Period under this Deed, the provisions of this Deed which would contravene the Companies Law or other law or regulations (including applicable listing rules) but for such approval, will not become operative until such approval has been obtained. In such circumstances, the Company will provide all reasonable assistance to the Recipient to obtain such approval of shareholders.

9 FURTHER ASSURANCES

- 9.1 The Company must do all other things which the Recipient reasonably considers to be necessary or desirable from the Recipient's perspective to:
- 9.1.1 better secure to the Recipient the benefit of the protections conferred by this Deed; or
 - 9.1.2 perfect or improve the rights and powers afforded or created, or intended to be afforded or created by this Deed.

10 COSTS AND DUTIES

Costs

- 10.1 The Company will bear the costs in relation to the negotiation, preparation and execution of this Deed.

11 NOTICES

Notices

- 11.1 Any notice or other communication which must be given, served or made under or in connection with this Deed:
- 11.1.1 must be in writing in order to be valid;
 - 11.1.2 is sufficient if executed by the party giving, serving or making the notice or on its behalf by any attorney, director, secretary, other duly authorised officer or solicitor of such party;
 - 11.1.3 will be deemed to have been duly served, given or made in relation to a person if it is delivered or posted by prepaid post to the address, sent by email to the address or sent by facsimile to the number of that person detailed below (or at such other address or number as is notified in writing by that person to the other parties from time to time); and
 - 11.1.4 will be deemed to be served, given or made:
 - 11.1.4.1 (in the case of prepaid post) on the second business day after the date of posting;

- 11.1.4.2 (in the case of facsimile) on receipt of a transmission report confirming successful transmission;
- 11.1.4.3 (in the case of email) at the time shown in the delivery confirmation report generated by the sender's email system which indicates that the email was sent to the recipient's email address; and
- 11.1.4.4 (in the case of delivery by hand) on delivery.

Address for Service

- 11.2 The parties' respective addresses numbers and email addresses for service of notices or other communications under this Deed are:

- 11.2.1 The Company:

- Address: Ha Arbaa 30, Tel Aviv - Jaffa Israel 6473926
 - Email: legal@splitit.com

- 11.2.2 Recipient:

- Address: [name]
 - Email: [address]

12 GENERAL

Governing Law

- 12.1 This Deed is governed by and is to be construed according to the laws of Israel.

Jurisdiction

- 12.2 Acceptance of jurisdiction: Each of the parties irrevocably submits to and accepts generally and unconditionally, the non-exclusive jurisdiction of the courts and appellate courts of Tel Aviv, Israel with respect to any legal action or proceedings which may be brought at any time relating in any way to this Deed.
- 12.3 No objection to inconvenient forum: Each of the parties irrevocably waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

Entire Agreement and Termination

- 12.4 This Deed represents the entire agreement between the parties; and there are no other agreements, contracts or understandings between the parties with respect to the subject matter of this Deed. No termination or cancellation of this Deed shall be effective unless in writing and signed by both parties hereto.

Severability

- 12.5 Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions. Furthermore, if such invalid or unenforceable undertaking may be modified or amended so as to be valid and enforceable as a matter of law, such undertakings will be deemed to have been modified or amended, and any competent court or arbitrator are

hereby authorized to modify or amend such undertaking, so as to be valid and enforceable to the maximum extent permitted by law.

Amendments

- 12.6 This Deed may not be supplemented, modified, amended or otherwise varied except by a document in writing signed by or on behalf of each of the parties.

Waiver

- 12.7 No waiver or indulgence by any party to this Deed is binding on the parties unless it is in writing. No waiver of one breach of any term or condition of this Deed will operate as a waiver of another breach of the same or any other term or condition of this Deed.

Binding Effect

- 12.8 The right to be indemnified under this Deed shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors. This Deed shall continue in effect during the Term, regardless of whether the Recipient continues to serve as an Officer of the Company or of any other enterprise at the Company's request. The Company's undertaking under this Deed shall remain in full force and effect at all times, and shall continue to apply towards the Recipient after he ceases to serve as an Officer with respect to Costs imposed as a result of Indemnifiable Events which occurred during the time he served, and in his capacity as an Officer.
- 12.9 For the avoidance of doubt, this Deed shall not be construed as an agreement for the benefit of a third party, including an insurance company.

Non-Exclusivity

- 12.10 The rights of the Recipient hereunder shall not be deemed exclusive of any other rights he/she may have under the Articles of Association or applicable law or otherwise.

Further Acts

- 12.11 The parties will promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by any other party to carry out and effect the intent and purpose of this Deed.

Approvals

- 12.12 Subject to any law to the contrary, where the doing or execution of any act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

Assignment

- 12.13 None of the parties may assign any of its rights and obligations under this Deed without the prior written consent of the other parties.

Counterparts

- 12.14 This Deed may be executed in any number of counterparts all of which taken together constitute one and the same document.

EXECUTION

Executed as a Deed of Indemnity.

Executed as a deed by **SplitIt Ltd**
Registration No. 514193291 in accordance
with its constituent documents and place of
incorporation:

.....
Signature of Chief Executive Officer

.....
Signature of director/company secretary

.....
Name of Chief Executive Officer (print)

.....
Name of director/company secretary (print)

Signed, sealed and delivered by **[Name]** in
the presence of:

.....
Signature of witness

.....
Signature of **[Name]**

.....
Name of witness (print)

Schedule A

TYPE OF EVENTS

1. Negotiations, execution, delivery and performance of agreements on behalf of the Company including, inter alia: Any claim or demand made by a customer, suppliers, contractors or other third parties transacting any form of business with the Company, its subsidiaries or affiliates, in the ordinary course of their business, relating to the negotiations or performance of such transactions, representations or inducements provided in connection thereto or otherwise.
2. Any claim or demand made in connection with any transaction not in the ordinary course of business of either the Company, its subsidiaries or affiliates or the party making such claim, including the sale, lease or purchase of any assets or business.
3. Anti-competitive acts and acts of commercial wrongdoing.
4. Acts in regard of invasion of privacy including with respect to databases and acts in regard of slander and defamation.
5. Any claim or demand made for actual or alleged infringement, misappropriation or misuse of any third party's intellectual property rights including, but not limited to confidential information, patents, copyrights, design rights, service marks, trade secrets, copyrights, misappropriation of ideas by the Company, its subsidiaries or affiliates.
6. Actions taken in connection with the intellectual property of the Company and its protection, including the registration or assertion of rights to intellectual property and the defense of claims relating thereof.
7. Participation and/or non-participation at the Company's board meetings (or committees of the Board), bona fide expression of opinion and/or voting and/or abstention from voting at the Company's board (or board committee) meetings.
8. Approval of corporate actions including the approval of the acts of the Company's management, their guidance and their supervision.
9. Claims of failure to exercise business judgement and a reasonable level of proficiency, expertise and care in regard of the Company's business.
10. Violations of securities laws of any jurisdiction, including without limitation, fraudulent disclosure claims, failure to comply with ASX and/or the Israeli Securities Authority and/or any stock exchange disclosure or other rules and any other claims relating to relationships with investors, debt holders, shareholders and the investment community.
11. Any claim or demand made under any securities laws, including the Australian Corporations Act 2001 (Cth), or regulations or by reference thereto, or related to the failure to disclose any information in the manner or time such information is required to be disclosed pursuant to such laws, or related to inadequate or improper disclosure of information to shareholders, or prospective shareholders, or related to the purchasing, holding or disposition of securities of the Company or any other investment activity involving or affected by such securities, including any actions relating to an offer or issuance of securities of the Company or of its subsidiaries and/or affiliates to the public by prospectus or privately by private placement, in Israel or abroad, including the details that shall be set forth in the documents in connection with execution thereof.
12. Violations of laws requiring the Company to obtain regulatory and governmental licenses, permits and authorizations or laws related to any governmental grants in any jurisdiction.

13. Claims in connection with publishing or providing any information, including any filings with any governmental authorities, on behalf of the Company in the circumstances required under any applicable laws.
14. Any claim or demand made by employees, consultants, agents or other individuals or entities employed by or providing services to the Company relating to compensation owed to them or damages or liabilities suffered by them in connection with such employment or service.
15. Resolutions and/or actions relating to employment matters of the Company and/or its subsidiaries and/or affiliates.
16. Events, pertaining to the employment conditions of employees and to the employer – employee relations, including the promotion of workers, handling pension arrangements, insurance and saving funds, options and other benefits.
17. Any claim or demand made by any lenders or other creditors or for moneys borrowed by, or other indebtedness of, the Company, its subsidiaries or affiliates.
18. Any claim or demand made by any third party suffering any personal injury and/or bodily injury and/or property damage to business or personal property through any act or omission attributed to the Company, its subsidiaries or affiliates, or their respective employees, agents or other persons acting or allegedly acting on their behalf.
19. Any claim or demand made directly or indirectly in connection with complete or partial failure, by the Company or any subsidiary or affiliate thereof, or their respective directors, officers and employees, to pay, report, keep applicable records or otherwise, of any foreign, federal, state, country, local, municipal or city taxes or other compulsory payments of any nature whatsoever, including without limitation, income, sales, use, transfer, excise, value added, registration, severance, stamp, occupation, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll or employee withholding or other withholding, including any interest, penalty or addition thereto, whether disputed or not.
20. Any claim or demand made by purchasers, holders, lessors or other users of products or assets of the Company, or individuals treated with such products, for damages or losses related to such use or treatment.
21. Any administrative, regulatory or judicial actions, orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations proceedings or notices of noncompliance or violation by any governmental entity or other person alleging potential responsibility or liability (including potential responsibility or liability for costs of enforcement, investigation, cleanup, governmental response, removal or remediation, for natural resources damages, property damage, personal injuries, or penalties or contribution, indemnification, cost recovery, compensation, or injunctive relief) arising out of, based on or related to (x) the presence of, release spill, emission, leaking, dumping, pouring, deposit, disposal, discharge, leaching or migration into the environment (each a “Release”) or threatened Release of, or exposure to, any hazardous, toxic, explosive or radioactive substance, wastes or other substances or wastes of any nature regulated pursuant to any environmental law, at any location, whether or not owned, operated, leased or managed by the Company or any of its subsidiaries, or (y) circumstances forming the basis of any violation of any environmental law, environmental permit, license, registration or other authorization required under applicable environmental and/or public health law.
22. Actions in connection with the Company’s testing of products and/or in connection with the sale, distribution, license or use of such products.

23. Resolutions and/or actions relating to a merger of the company and/or of its subsidiaries and/or affiliates, the issuance of shares or securities exercisable into shares of the Company, changing the share capital of the Company, formation of subsidiaries, reorganization, winding up or sale of all or part of the business, operations or shares the Company.
24. Resolutions and/or actions relating to investments in the Company and/or its subsidiaries and/or affiliated companies and/or the purchase or sale of assets, including the purchase or sale of companies and/or businesses, and/or investments in corporate or other entities and/or investments in traded securities and/or any other form of investment.
25. Act or omission resulting in the failure to maintain appropriate insurance and/or inadequate safety measures and/or a malpractice of risk management.
26. Review and approval of the Company's financial statements, including any action, consent or approval related to or arising from the foregoing, including, without limitations, execution of certificates for the benefit of third parties related to the financial statements.
27. All actions, consents and approvals relating to a distribution of dividends, in cash or otherwise.
28. Any administrative, regulatory or judicial actions, orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of noncompliance or violation by any governmental entity or other person alleging the failure to comply with any statute, law, ordinance, rule, regulation, order or decree of any of its subsidiaries and/or affiliates, or any of their respective business operations.
29. Any claim or demand, not covered by any of the categories of events described above, which, pursuant to any applicable law, a person serving in a capacity of an Officer of the Company may be held liable to any government or agency thereof, or any person or entity, in connection with actions taken by such person serving in such Officer.

* Any reference in this Schedule A to the Company shall include the Company, the Relevant Company and the Outside Entity.

Glossary

| Term | Meaning |
|--|---|
| A\$ | Means Australian dollars. |
| AAS | Means Australian Accounting Standards, issued by the AASB. |
| AASB | Means Australian Accounting Standards Board. |
| Amended Articles of Association | Means the form of Articles of Association to be adopted by Splitit as set out in Annexure B. |
| Ancillary Proposals | Means the proposal to approve certain shareholder resolutions, as described in section 5.4. |
| Anti-Money Laundering and Counter Terrorism Financing Act | Means the <i>Anti-Money Laundering and Counter Terrorism Financing Act 2006</i> (Cth). |
| ASIC | Means the Australian Securities and Investments Commission. |
| ASX | Means ASX Limited (ABN 98 008 624 691) or the market operated by it, as the context requires. |
| ASX-listed Options | Means the options issued under on 5 October 2022 under the Prospectus dated 23 September 2022 and which are listed on the official list of the ASX. |
| ASX Listing Rules | Means the listing rules of the ASX and any other rules of the ASX. |
| ATO | Means the Australian Taxation Office. |
| Business Day | Means any day that is each of the following: (a) a “Business Day” within the meaning given in the ASX Listing Rules; and (b) a day that banks are open for business in Sydney, New South Wales. |
| Card Networks | Means the card networks operated by Visa and Mastercard. |
| Cayman Companies Act | Means the Companies Act (as revised) of the Cayman Islands. |
| CHESS | Means the Clearing House Electronic Sub-register System, operated in accordance with the Corporations Act. |
| Closing of Books | Means the closing of Splitit Register for any dealings in Splitit Shares which shall take place following the Delisting but reasonably in advance of the Effective Date pursuant to the Merger Agreement, as described in section 8.15. |
| Closing of Books Date | Means the date upon which the Closing of Books will occur. |

| Term | Meaning |
|-----------------------------------|--|
| Closing of Books Notice | Means the written notice provided to the Splitit Shareholders 14 days in advance of the Closing of Books, which will be provided to the Splitit Shareholders appearing on the Register on the date of issuing such notice, as described in section 8.15. |
| Convertible Note Agreement | Means the agreement governing the issue of the Convertible Notes. |
| Convertible Notes | Means the convertible notes issued to each of TIGA Trading Pty Ltd and Perea Capital Partners, LP, on the terms announced to ASX on 26 July 2023. |
| Corporations Act | Means the <i>Corporations Act 2001</i> (Cth). |
| Delisting | Means the delisting of Splitit from the Official List of the ASX. |
| Delisting Date | Means the date on which the delisting is formally approved by the ASX. |
| Delisting Proposal | Means the proposal to remove Splitit from the Official List of the ASX, as described in section 5.2. |
| EBITDA | Means earnings before interest, taxes, depreciation and amortisation. |
| Effective | Means the Redomicile Proposal becoming effective upon fulfillment of all conditions precedent (or waiver thereof to the extent permitted) in accordance with the Merger Agreement. |
| Effective Date | In relation to the Redomicile Proposal, means the date on which a certificate evidencing the merger is issued by the Registrar in accordance with the Israeli Companies Law. |
| Employee Options | Means the options granted under the Splitit Equity Plans. |
| EY | Means Ernst & Young, an independent chartered accounting partnership. |
| Exchange Agent | Means the exchange agent appointed by Splitit and Splitit Cayman pursuant to the Merger Agreement. |
| Explanatory Memorandum | Means this document dated 9 October 2023, which includes the Notice of Extraordinary General Meeting, explanatory statement and accompanying materials in connection with the Transaction Proposal to be provided to Splitit Shareholders. |
| Foreign Shareholder | Means a Splitit Shareholder whose Registered Address is in any jurisdiction other than Australia. |
| Goldman Sachs or GS | Means Goldman Sachs Bank USA. |
| Goldman Sachs Facility | Means the warehouse financing facility provided to the Splitit Group by Goldman Sachs as defined in section 4.4. |
| Government Agency | Means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, |

| Term | Meaning |
|---|---|
| | tribunal, agency or entity in any part of the world and includes ASX, ASIC, and the ATO. |
| Historical Financial Information | Has the meaning given to it in section 6.1. |
| Historical Income Statements | Has the meaning given to it in section 6.1. |
| Historical Statements of Cash Flows | Has the meaning given to it in section 6.1. |
| Historical Statement of Financial Position | Has the meaning given to it in section 6.1. |
| IAS | Means the International Accounting Standards, as issued by the IASB. |
| IASB | Means the International Accounting Standards Board. |
| IFRS | Means the International Financial Reporting Standards as issued by the IASB. |
| Independent Limited Assurance Report | Means the report of Ernst & Young set out in Annexure A. |
| Israeli Companies Law | Means the Israeli Companies Law 5759-1999. |
| Letter of Transmittal | Means the letter to be signed and returned by Shareholders as described in section 5.3.1. |
| Medallion Signature Guarantee | Means a signature guarantee by an eligible institution such as a brokerage firm, commercial bank, trust company, national bank, credit union, etc., that is participating in an approved medallion signature guarantee program. |
| Meeting or Shareholder Meeting | Means the extraordinary general meeting of Splitit Shareholders, which is proposed to occur on Monday, 13 November 2023. |
| Merchant Fees | Has the meaning given to it in section 4.1.5. |
| Merger Agreement | Means the agreement entered into between Splitit, Splitit Cayman and Merger Sub, dated 14 August 2023. |
| Merger Sub | Means Divide Israel Merger Sub Ltd (Israel company number 516820503). |
| Motive | Means MCF2 SPT Aggregator, LP, a Cayman Islands exempted limited partnership controlled or under common control by funds advised by Motive Partners and its affiliates. |
| Motive Information | Means the information regarding Motive and Motive's intentions in respect of Splitit Cayman following the implementation of the Transaction Proposal, being: <ul style="list-style-type: none"> (a) the information contained in paragraph 2 of "Responsibility for information" in the Important Notices section; |

| Term | Meaning |
|------|---|
| | <ul style="list-style-type: none"> (b) the information contained in section 2 (Who is Motive Partners?); (c) the information contained in footnote 3 in section 2 (What effect will the Placement Proposal have on the control of Splitit?); (d) the information contained in paragraph 5 of the Letter to Splitit Shareholders, section 2 (What is the Placement Proposal?), section 3.1.1(a) (Placement of Preference Shares) and section 5.1.1 (Terms of placement), in each case, as it relates to the source of funds for the Placement Proposal; (e) the information contained in section 2 (Who are the Splitit Directors and Proposed Splitit Directors?) as it relates to the Proposed Splitit Directors to be appointed by Motive; (f) the information contained in section 3.1.1(b) (Who is Motive?); (g) the information contained in section 3.1.3(b) (Who is Splitit Cayman?); (h) the information contained in section 3.2.2 (Investment from a top-tier financial sponsor); (i) the information contained in footnote 6 in section 3.3.4(a) (The Placement Proposal will have a diluting effect); (j) the information in paragraph 4 of section 3.4.7 (Risk in relation to compliance of Redomicile Proposal with foreign securities laws and potential forced disposal of Splitit Shares) as it relates to Motive's intentions; (k) the information contained in section 4.6.1 (Splitit board and senior management team), as it relates to the Proposed Splitit Directors to be appointed by Motive and Motive's intentions for senior management; (l) the information contained in section 4.6.2 (Proposed Splitit Cayman Board and senior management team), as it relates to Proposed Splitit Directors to be appointed by Motive and Motive's intentions for senior management; (m) the information contained in section 4.6.3 (Interests of directors in Splitit Cayman), as it relates to Proposed Splitit Directors to be appointed by Motive; (n) the information contained in section 4.6.4 (Proposed Splitit Cayman Directors' interest and remuneration following implementation of the Redomicile Proposal), as it relates to post Redomicile Proposal arrangements for executive and non-executive directors; (o) the information contained in section 4.7 (Related party transactions), as it relates to Proposed Splitit Directors to be appointed by Motive; (p) the information contained in section 4.8(b) (Corporate governance arrangements of Splitit Cayman following Redomicile Proposal); |

| Term | Meaning |
|---|--|
| | <p>(q) the information contained in section 8.4 (Changes between interim Splitit and Splitit Cayman Articles of Association);</p> <p>(r) the information contained section 8.6.5 (Share capital of Splitit Group before and after Transaction Proposal), as it relates to Motive's existing equity interests in Splitit Cayman;</p> <p>(s) the information contained in section 8.7 (Splitit Shares held by the Splitit Directors and Proposed Splitit Directors), as it relates to Proposed Splitit Directors to be appointed by Motive;</p> <p>(t) the information contained in section 8.8 (Interests of experts and advisers), as it relates to Splitit Cayman's advisers; and</p> <p>(u) the information contained in section 8.13 (Expenses of Transaction Proposal), as it relates to Splitit Cayman's costs.</p> |
| MSV | Means Merchant Sales Volume. |
| Notice of Meeting or Notice | Means the notice of meeting to which this Explanatory Memorandum forms Annexure A. |
| Optionholder | Means a person who is recorded in the Register or the register of Splitit Cayman as the holder of Options. |
| Options | <p>Means ASX-listed Options and other options including Employee Options and Performance Rights in:</p> <p>(a) up to the Redomicile Proposal Effective Date, Splitit; and</p> <p>(b) on and from the Redomicile Proposal Effective Date, Splitit Cayman,</p> <p>as the context requires.</p> |
| Participate | Means to receive Splitit Cayman Shares under the Redomicile Proposal. |
| Payment Processors | Has the meaning given to it in section 4.1.3(a)(i). |
| Perea | Means Perea Capital Partners, LP. |
| Performance Rights | Means each performance right or restricted share unit entitling the holder thereof to receive a Splitit Share in respect of each right or unit subject to such award, granted under the Splitit Equity Plans. |
| Placement Proposal or Placement | Means the proposal to issue Preference Shares to Motive in exchange for an equity investment, as described in section 5.1. |
| Preference Shares | Means the preference shares in Splitit and having the terms summarised in section 8.6.2. |
| Pro Forma Historical Financial Information | Has the meaning given to it in section 6.1. |
| Proposed Splitit Directors | Means the individuals proposed to be appointed to the board of Splitit, as described in section 4.6.1(a). |

| Term | Meaning |
|---|--|
| Record Date | Has the meaning given to it in section 8.15. |
| Redomicile Implementation Date | Means the date on which the Redomicile Proposal is implemented. |
| Redomicile Proposal | Means the proposal to redomicile Splitit from Israel to the Cayman Islands by way of a reverse triangular merger under the Israeli Companies Law and the applicable regulations promulgated thereunder, as described in section 5.3. |
| Register | Means the register of Splitit Shareholders. |
| Registered Address | In relation to a Splitit Shareholder, means the Splitit Shareholder's address in the Register. |
| Registry | Means Automic Pty Ltd. |
| Related Body Corporate | Has the meaning given to it in the Corporations Act, but as if each reference to "body corporate" includes a proprietary company, a partnership or a trust. |
| Splitit | Means Splitit Payments Ltd (ARBN 629 557 982). |
| Splitit Articles of Association | Means the current Articles of Association of Splitit. |
| Splitit Board or Board | Means the board of Splitit Directors. |
| Splitit Business | Means the business conducted by the Splitit Group and described in section 4. |
| Splitit Cayman | Means Divide Cayman Limited (Cayman Islands incorporation number 400757). |
| Splitit Cayman Articles of Association | Means the Articles of Association of Splitit Cayman. |
| Splitit Cayman Board | Means the board of Proposed Splitit Cayman Directors. |
| Splitit Cayman Securities | Means a security in Splitit Cayman. |
| Splitit Cayman Share | Means a fully paid ordinary share or preferred share in Splitit Cayman, as applicable. |
| Splitit Cayman Shareholder | Means a person registered as the holder of a Splitit Cayman Share, including any person jointly registered. |
| Splitit Directors | Means the directors of Splitit. |
| Splitit Equity Plans | Means the 2013 Share Option Plan and the 2018 Share Incentive Plan as Amended and Supplemented on 28 April 2022. |
| Splitit Group or Group | Means: |

| Term | Meaning |
|---|--|
| | <p>(a) up to the Redomicile Proposal Effective Date, Splitit and its Related Bodies Corporate.</p> <p>(b) on and from the Redomicile Proposal Effective Date, Splitit Cayman and its Related Bodies Corporate.</p> |
| Splitit Group's Accounting Policies | Has the meaning given to it in section 6.2. |
| Splitit Payment Platform or Splitit Platform | Has the meaning given to it in section 4.1.1. |
| Splitit Share or Share | Means a fully paid ordinary share of Splitit, and Splitit Shareholding has a corresponding meaning. |
| Splitit Shareholder or Shareholder | Means a person who is recorded in the Register or the share register of Splitit Cayman as the holder of a Splitit Share or as the holder of a Splitit Cayman Share, as the case may be. |
| Splitit UK | Has the meaning given in section 4.3. |
| Splitit USA | Has the meaning given in section 4.3. |
| Subscription Agreement | Means the subscription agreement entered into between Splitit and Motive, summarised in section 8.2.1. |
| Thorney | Means TIGA Trading Pty Ltd. |
| Tranche 1 | Has the meaning given to it in section 5.1.1. |
| Tranche 2 | Has the meaning given to it in section 5.1.1. |
| Transaction Proposal | Means the Placement Proposal, Delisting Proposal, Redomicile Proposal and Ancillary Proposals. |
| Transaction Proposal Resolutions or Resolution | Means the resolutions tabled in the Notice of Extraordinary General Meeting in respect of the Transaction Proposal. |
| Transaction Documents | Means the Merger Agreement and Subscription Agreement. |
| US\$ | Means United States dollars. |
| US Securities Act | Means the <i>United States Securities Act of 1933</i> , as amended. |
| US Shareholder | Has the meaning given to it in section 7.3. |
| Voting Form | Means the voting form accompanying this Notice of Extraordinary General Meeting. |
| Warrants | Means the warrants issued to Goldman Sachs under the Goldman Sachs Facility. |
| YoY | Means year-over-year. |
| 102 Share | Means a Splitit Share issued pursuant to the Splitit Equity Plans either upon the exercise of Company Options or vesting of Company |

| Term | Meaning |
|--------------------|--|
| | Performance Rights and at the Effective Date held by the 102 Trustee. |
| 102 Trustee | Means the trustee appointed under the Splitit Equity Plans for the purpose of Section 102 of the Israeli Income Tax Ordinance. |

Corporate directory

SPLITIT

Registered and principal office (Israel)

40 Tuval Street
Ramat Gan Israel 5252247
Email: info@splitit.com

Registry office (Australia)

Level 42, Rialto South Tower
525 Collins Street
Melbourne VIC 3186
Telephone: +61 3 9614 2444

Australian legal and tax adviser

King & Wood Mallesons
Level 27, 447 Collins Street
Melbourne VIC 3000
Australia

Israeli legal and tax adviser

Herzog Fox & Neeman
Yitzhak Sadeh Street 6
Tel Aviv, Israel

United States tax adviser

Eversheds Sutherland (US) LLP
700 Sixth Street, NW, Suite 700
Washington, DC 20001-3980

Investigating Accountant

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000

Splitit Shareholder Information Line

1300 290 69 (within Australia) or +61 2 9066 4081 (outside Australia) at any time from 9.00am to 5.00pm (Sydney time) Monday to Friday

SPLITIT CAYMAN

Registered office (Cayman Islands)

Maples Corporate Services Limited
Ugland House
South Church Street
PO Box 309
Grand Cayman KY1-1104
Cayman Islands

Principal office (Israel)

40 Tuval Street
Ramat Gan Israel 5252247
Email: info@splitit.com

Australian legal adviser

Gilbert + Tobin
Level 16, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000
Australia

Israeli legal adviser

Gornitzky & Co.
Vitania Tel-Aviv Tower
20 Haharash St. 6761310
Tel Aviv, Israel

United States legal adviser

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
United States

Cayman Islands legal adviser

Maples and Calder (Cayman) LLP
Ugland House
South Church Street
PO Box 309
Grand Cayman KY1-1104
Cayman Islands

Your vote or proxy voting instruction must be received by **09.00am (AEDT) on Saturday, 11 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR VOTE OR APPOINT A PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – HOW YOU WISH TO VOTE - SELECT ONE OPTION ONLY

Direct Vote - If you mark the box to select a direct vote you should indicate your direct voting instruction in step 2 by marking either FOR, AGAINST or ABSTAIN for each item. If you do not mark a voting instruction for any or all resolutions your vote will be invalid.

Appoint a proxy - If you wish to appoint a proxy to attend the Meeting and vote on your behalf DO NOT tick the box for a direct vote. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Voting Forms together. If you require an additional Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Voting Form:

Online

Use your computer or smartphone to vote online or appoint a proxy at

<https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

