



12 October 2015

ASX Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

2015 NOTICE OF ANNUAL GENERAL MEETING

Emerchants Limited (**ASX: EML**) advises that the Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form will be despatched to Emerchants' shareholders today in relation to its Annual General Meeting which will be held at 10.00 am (Sydney time) on Thursday, 12 November 2015, at the Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales.

Copies of the above documents are attached to this announcement and are also available on Emerchants' website at www.emerchants.com.au

Emerchants' 2015 Annual Report has also been mailed to Emerchants' shareholders who have elected to receive a printed copy. The 2015 Annual Report was previously lodged with ASX and is available on Emerchants' website.

For further information please contact:

Louise Bolger, Company Secretary
T: (07) 3607 0100

ABOUT EMERCHANTS

Emerchants is a payments solutions provider of prepaid financial card products and services in Australia. By using their proprietary payments software and processing platform, the Company provides its clients with innovative financial service payment solutions for reloadable and non-reloadable prepaid card programs, in Australia and in the United Kingdom and Europe through its wholly owned subsidiary, Store Financial Europe. Emerchants has offices in Brisbane, Australia and Birmingham, United Kingdom.

For more information please visit: www.emerchants.com.au

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Emerchants Limited ACN | 104 757 904

www.emerchants.com.au

Notice of annual general meeting

Emerchants Limited ACN 104 757 904

Notice is given that the annual general meeting of Emerchants Limited (**Company**) will be held at:

Location	Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales, 2000
Date	Thursday, 12 November 2015
Time	10.00 am (Sydney time)

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the Directors and the Company's auditor for the financial year ended 30 June 2015.

Directors' remuneration report

To consider and, if in favour, to pass the following resolution under section 250R(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**):

- 1 'That the Remuneration Report for the financial year ended 30 June 2015 be adopted.'

Note: This resolution will be decided as if it were an ordinary (majority) resolution, but under section 250R(3) of the Corporations Act the vote is advisory only and does not bind the Directors. Key Management Personnel (**KMP**) whose remuneration details are contained in the Remuneration Report (and their closely related parties) are restricted from voting on this resolution under section 250R(4) of the Corporations Act.

Re-election of Directors

To consider and, if in favour, to pass the following resolutions as ordinary resolutions:

- 2 'That Robert Browning, who retires from office under rule 3.6(a) of the Constitution and Listing Rule 14.5, and being eligible, be re-elected as a Director.'

Note: Information about the candidate appears in the Explanatory Memorandum.

- 3 'That Tony Adcock, who retires from office under rule 3.6(a) of the Constitution and Listing Rule 14.5, and being eligible, be re-elected as a Director.'

Note: Information about each candidate appears in the Explanatory Memorandum.

- 4 'That David Liddy, who retires from office under rule 3.6(a) of the Constitution and Listing Rule 14.5, and being eligible, be re-elected as a Director.'

Note: Information about each candidate appears in the Explanatory Memorandum.

Special business

Ratification and approval of the previous issue of Emerchants Shares

To consider and, if in favour, to pass the following resolutions as ordinary resolutions:

- 5 'That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the previous issue of 3,051,392 Emerchants Shares under the terms of the SFUK Share Sale Agreement, as detailed in the Explanatory Memorandum.'

Note: DKS-SG Investments, LLC and any of its associates are restricted from voting on the above resolution.

- 6 'That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the previous issue of 2,768,624 Emerchants Shares under the terms of the SFUK Share Sale Agreement, as detailed in the Explanatory Memorandum.'

Note: DKS-SG Investments, LLC and any of its associates are restricted from voting on the above resolution.

Ratification and approval of the previous grant of options under the ESOP

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 7 'That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the previous grant of 300,000 options at an exercise price of \$0.56, and the issue of up to 300,000 Emerchants Shares on exercise of those options, as detailed in the Explanatory Memorandum.'

Note: Any person who participated in the grant of options and any associate of that person are restricted from voting on the above resolution.

- 8 'That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the previous grant of 1,500,000 options, each with a nil exercise price, and the issue of up to 300,000 Emerchants Shares on exercise of those options, as detailed in the Explanatory Memorandum.'

Note: Any person who participated in the grant of options and any associate of that person are restricted from voting on the above resolution.

Approval for the issue of Emerchants Shares to a related party

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 9 'That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, Shareholders approve the issue of 250,000 Emerchants Shares to Mr Robert Browning, as detailed in the Explanatory Memorandum.'

Note: Robert Browning and any of his associates are restricted from voting on the above resolution.

- 10 'That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, Shareholders approve the issue 1,305,084 Emerchants Shares to Mr Thomas Cregan, as detailed in the Explanatory Memorandum.'

Note: Mr Thomas Cregan and any of his associates are restricted from voting on this resolution.

Approval of the ESOP

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 11 'That, for the purposes of Listing Rule 7.2 (Exception 9) and all other purposes, approval be given in relation to the issue of securities under the ESOP, as described in the Explanatory Memorandum.'

Note: Any Director, except one who is ineligible to participate in any employee incentive scheme, and any associate of that Director, are restricted from voting on this resolution.

Approval of additional capacity to issue Emerchants Shares under Listing Rule 7.1A

To consider and, if in favour, to pass the following resolution as a special resolution:

- 12 'That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities under Listing Rule 7.1A, on the terms set out in the Explanatory Memorandum.'

Note: Any person who may participate in this issue or who otherwise might obtain a benefit, other than as a Shareholder, if the resolution is passed, and any associate of that person, are restricted from voting on this resolution.

Dated 12 October 2015

By order of the Board



Louise Bolger
Company secretary

Notes

- (a) A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) KMP (or their closely related parties) (as defined in the Corporations Act) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:
 - (i) the proxy is the person chairing the Meeting; and
 - (ii) the proxy appointment expressly authorises the person chairing the Meeting to vote undirected proxies on that resolution.
- (e) If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- (f) If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands.
- (g) If the proxy is the chair of the Meeting, the proxy must vote on a poll or must vote the way specified in the proxy form.
- (h) If the proxy is not the chair of the Meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- (i) If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the Meeting and a poll is demanded and either:
 - (i) the proxy is not recorded as attending; or
 - (ii) the proxy does not vote,
 the chair of the Meeting is deemed the proxy for that resolution.
- (j) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- (k) The Company has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting or an adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at on 7.00 pm (Sydney time) on Tuesday, 10 November 2015.
- (l) If you have any queries on how to cast your votes, please call Louise Bolger on (07) 3607 0100 during business hours.

Voting restrictions

The Company will, in accordance with the Listing Rules and Corporations Act, disregard any votes cast:

Resolution 1 – Directors Remuneration Report	by or on behalf of a member of the Key Management Personnel or a closely related party of the Key Management Personnel. If you are a member of Key Management Personnel or closely related relative of a member of Key Management Personnel (or acting on behalf of them) and purport to cast a vote that will be disregarded by the Company, you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.
Resolution 5 – Ratification and approval of the previous issue of Emerchants Shares to DKS-SG Investments, LLC	by or on behalf of DKS-SG Investments, LLC and any of its associates.
Resolution 6 – Ratification and approval of the previous issue of Emerchants Shares to DKS-SG Investments, LLC	by or on behalf of DKS-SG Investments, LLC and any of its associates.
Resolution 7 – Ratification and approval of the previous issue of options under the ESOP	by or on behalf of any person who participated in the issue of the options and any associate of that person.
Resolution 8 – Ratification and approval of the previous issue of options under the ESOP	by or on behalf of any person who participated in the issue of the options and any associate of that person.

Resolution 9 – Approval for the issue of Emerchants Shares to a related party	by or on behalf of Mr Robert Browning and any of his associates.
Resolution 0 – Approval for the issue of Emerchants Shares to a related party	by or on behalf of Mr Thomas Cregan and any of his associates.
Resolution 11 – Approval of the ESOP	by or on behalf of a Director and any of their associates, except a Director who is ineligible to participate in any employee incentive scheme in relation to the entity.
Resolution 12 – Approval of additional capacity to issue Emerchants Shares under Listing Rule 7.1A	by or on behalf of a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associate of that person.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory memorandum

Emerchants Limited ACN 104 757 904

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales, 2000 at 10.00 am (Sydney time) on Thursday, 12 November 2015.

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

Part A – Ordinary business

Ordinary business

Financial statements and reports

- 1 The Corporations Act requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting. In addition, the Constitution provides for these reports to be received and considered at the Meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given reasonable opportunity at the Meeting to raise questions and make comments on these reports.
- 4 In addition to asking questions at the Meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor Deloitte Touche Tohmatsu if the question is relevant to:
 - (a) the content of the auditor's report; or
 - (b) the conduct of its audit of the annual financial report to be considered at the Meeting.
- 5 Under section 250PA(1) of the Corporations Act a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.
- 6 Written questions for the auditor must be delivered by 5.00 pm (Sydney time) on Thursday, 5 November 2015. Please send any written questions for Deloitte Touche Tohmatsu to:

The Company Secretary
Emerchants Limited
Level 2, 26 Commercial Road
Newstead QLD 4006

Resolution 1: Directors' Remuneration Report

- 7 The Corporations Act requires that the section of the Directors' report dealing with the remuneration of each member of the KMP of the Company (**Remuneration Report**) be put to a vote of Shareholders for adoption.
- 8 The resolution of Shareholders is advisory only and is not binding on the Company.
- 9 The Remuneration Report is in the Annual Report. It is also available on the Emerchants' website (<http://investor.emerchants.com.au/investors>). It:
- (a) explains the Board's policies on the nature and level of remuneration paid to Directors, Company secretaries and senior executives within the Emerchants group;
 - (b) discusses the link between the Board's policies and Emerchants' performance;
 - (c) sets out the remuneration details for each Director and for each member of Emerchants' senior executive management team; and
 - (d) makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.
- 10 The chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

Directors' Recommendation

- 11 The Directors recommend that you vote in favour of this resolution 1.

Note: If you appoint a Director or member of the Key Management Personnel as your proxy for this resolution, you MUST direct your proxy how to vote, otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

Resolutions 2, 3 and 4: Re-election of Directors

- 12 Listing Rule 14.5 states that a public listed company must hold an election of directors each year. Rule 3.6(c) of the Constitution requires that an election of Directors occur at each annual general meeting. In accordance with Rule 3.6(a) of the Constitution, a Director must retire from office at the third annual general meeting after the Director was elected or last re-elected. In addition, as per Listing Rule 14.4, no director of a publicly listed company may hold office, without re-election, past:
- (a) the third annual general meeting following that director's appointment; or
 - (b) three years,
- whichever is longer.

Resolution 2 – Re-election of Robert Browning

- 13 Mr Robert Browning is required to retire from office under the Listing Rules and Rule 3.6(a) of the Constitution as he was elected at the Company's 2012 annual general meeting. Being eligible, Mr Browning will stand for re-election as a non-executive director of the Company at the Annual General Meeting.

- 14 Mr Browning holds an MBA from the University of Phoenix and a Masters in International Business Management from Massachusetts Institute of Technology.
- 15 He has over 30 years' experience in executive management roles. As managing director of Alinta Limited for over six years and Austal Limited for three years, he oversaw the successful development of corporate strategy and operational business plans.

Directors' recommendation

- 16 The Directors (with Mr Robert Browning abstaining) recommend the re-election of Mr Robert Browning to the Board.

Resolution 3 – Re-election of Tony Adcock

- 17 Mr Tony Adcock is required to retire from office under the Listing Rules and Rule 3.6(a) of the Constitution as he was elected at the Company's 2012 annual general meeting. Being eligible, Mr Adcock will stand for re-election as a non-executive director of the Company at the Annual General Meeting.
- 18 Mr Adcock holds an MBA from the University of Hull and a Bachelor of Science (Honours) from Keele University. He is also a Fellow of the Australian Institute of Company Directors.
- 19 Mr Adcock has extensive international banking, capital markets and financial services experience at board, operational and consulting levels. He is a former Managing Partner of the Birchman Group Asia Pacific, an international management consulting firm, and Founding Director of Red Pill Performance Consultants Pty Ltd, which provides executive coaching, high performing teams and strategic management consulting services. Prior to founding Red Pill Performance Consultants Pty Ltd, he was a Partner in PricewaterhouseCoopers Consulting and IBM Business Consulting Services, running a business across the Asia Pacific. He is also a director of Discovery Resources Ltd, another ASX listed company, and a member of the Company's Audit and Risk Committee.

Directors' recommendation

- 20 The Directors (with Mr Tony Adcock abstaining) recommend the re-election of Mr Tony Adcock to the Board.

Resolution 4 – Re-election of David Liddy

- 21 Mr David Liddy is required to retire from office under the Listing Rules and Rule 3.6(a) of the Constitution having been elected at the Company's 2012 annual general meeting. Being eligible, Mr Liddy will stand for re-election as a non-executive director of the Company at the Annual General Meeting.
- 22 Mr Liddy holds an MBA from Macquarie University. He is a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.
- 23 Mr Liddy has over 43 years' experience in banking, including international postings in London and Hong Kong. He was managing director and chief executive officer of Bank of Queensland from April 2001 to August 2011, and is currently a director of two other ASX listed companies, being Collection House Limited and Steadfast Group Limited. Mr Liddy is also a member of the Company's Audit and Risk Committee.

Directors' recommendation

- 24 The Directors (with Mr David Liddy abstaining) recommend the re-election of Mr David Liddy to the Board.

Part B - Special business

Resolutions 5 and 6 – Ratification and approval of the previous issue of Emerchants Shares

- 25 The purpose of resolutions 5 and 6 is for Shareholders to approve and ratify, under Listing Rule 7.4, certain security issues which occurred during the 12 months before the date of the Annual General Meeting and which count toward the Company's 15% limit under Listing Rule 7.1.
- 26 The securities that are the subject of resolutions 5 and 6 are, in total, 5,820,016 Emerchants Shares issued by the Company, the details of which are set out at paragraphs 34 and 36 below.
- 27 Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.
- 28 The issue of securities detailed in resolutions 5 and 6 did not exceed the 15% threshold. However, Listing Rule 7.4 provides that where:
- (a) at the time the issue took place, it did not breach Listing Rule 7.1; and
 - (b) shareholders of the entity subsequently ratify the issue of the securities,
- the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit. Accordingly, Emerchants now wishes to refresh its Listing Rule 7.1 capacity.
- 29 Resolutions 5 and 6 propose the ratification and approval of the issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4. By Shareholders approving resolutions 5 and 6, the Board is given flexibility to issue more equity securities, up to the 15% threshold imposed under Listing Rule 7.1. Once the issue of the 5,820,016 Emerchants Shares (those the subject of resolutions 5 and 6) is approved, these securities will not be counted as 'new issues' for the purposes of Listing Rule 7.1.
- 30 The information required to be given to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.
- 31 On 1 December 2014, Emerchants completed its acquisition of 100% of the issued capital in SFUK. The SFUK Share Sale Agreement provided that the purchase price for SFUK was \$24.9 million¹, comprising 50% cash and 50% Emerchants Shares,² and was calculated at 9.3 times the expected calendar year 2015 EBITDA, based on contributions from existing contracted clients only.

¹ Forecast EBITDA for calendar year 2015, representing the first full 12 months under Emerchants management. This assumes an exchange rate of AUD\$1.00 to £0.55.

² Excludes transaction costs associated with the acquisition and capital raising, retention share grant and subsequent event shares.

- 32 In addition to the purchase price, the SFUK Share Sale Agreement provided that retention share grants would be made to SFUK personnel, and post-completion shares would be granted to DKS-SG Investments LLC³ on the execution and implementation of contracts with MFI and Hammerson, which at the time of the completion of the SFUK acquisition were not yet finalised. These terms of the SFUK Share Sale Agreement were disclosed in an Emerchants ASX announcement dated 26 September 2014, as well as in the explanatory memorandum to the Emerchants 2014 notice of annual general meeting.
- 33 The value of the post-completion shares was calculated at three times the expected first year EBITDA contribution from both contracts post-implementation, with the share issue price based on the five day VWAP of Emerchants Shares at the date of execution of the respective contract.

Resolution 5 – Ratification and approval of the previous issue of Emerchants Shares to DKS-SG Investments LLC in relation to the implementation of the MFI customer contract

- 34 In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issue:

Date of issue	Number of securities	Issue price per security	Terms of securities issued	Person(s) issued securities	Use of funds raised by the issue
30 June 2015.	3,051,392 Emerchants Shares	\$0.62, fully paid.	Ordinary Emerchants Shares ranking equally with the existing Emerchants Shares on issue. The Emerchants Shares will be held in voluntary escrow for a period of 12 months from the date of the execution of the MFI customer contract (being 2 January 2016).	DKS-SG Investments LLC.	Shares issued as the post completion component of the consideration under the SFUK Share Sale Agreement.

Directors' recommendation

- 35 The Directors recommend that you vote in favour of this resolution 5.

Resolution 6 – Ratification and approval of the previous issue of Emerchants Shares to DKS-SG Investments LLC in relation to the implementation of the Hammerson customer contract

- 36 In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issue:

Date of issue	Number of securities	Issue price per security	Terms of securities issued	Person(s) issued securities	Use of funds raised by the issue
30 June 2015.	2,768,624 Emerchants Shares.	\$0.53, fully paid.	Ordinary Emerchants Shares ranking equally with the existing	DKS-SG Investments LLC.	Shares issued as the post completion

³ An entity associated with David Shewmaker and Stuart Green, who are both members of Key Management Personnel.

Date of issue	Number of securities	Issue price per security	Terms of securities issued	Person(s) issued securities	Use of funds raised by the issue
			Emerchants Shares on issue. The Emerchants Shares will be held in voluntary escrow for a period of 12 months from the date of the execution of the Hammerson customer contract (being 2 January 2016).		component of the consideration under the SFUK Share Sale Agreement.

Directors' recommendation

37 The Directors recommend that you vote in favour of this resolution 6.

Resolutions 7 and 8 – Ratification and approval of the previous grant of options under the ESOP

38 As previously announced to the market, the Company granted 1,800,000 options under the ESOP without Shareholder approval.

39 Listing Rule 7.1 provides that subject to certain exceptions, Shareholder approval is required for any issue of securities, including options, by a listed company where the securities proposed to be issued represent more than 15% of that company's ordinary securities on issue at the time. This 15% threshold applies to equity securities, which, under the Listing Rules includes an option over an issued or unissued security. On this basis, the 1,800,000 options granted (those the subject of resolutions 7 and 8) count towards the 15% threshold.

40 However, under Listing Rule 7.4, where:

- (a) at the time the issue took place, it did not breach Listing Rule 7.1; and
- (b) shareholders of the entity subsequently ratify the issue of the securities,

the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit. Accordingly, Emerchants now wishes to refresh its Listing Rule 7.1 capacity. Resolutions 7 and 8 propose the ratification and approval of the issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

41 By Shareholders approving resolutions 7 and 8, the Board is given flexibility to issue more equity securities, up to the 15% threshold imposed under Listing Rule 7.1. Once the issue of 1,800,000 options (those the subject of resolutions 7 and 8) is approved, these securities will not be counted as 'new issues' for the purposes of Listing Rule 7.1.

42 The information required to be given to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

Resolution 7 – Ratification and approval of the previous grant of options under the ESOP

- 43 In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issue:

Date of issue	20 November 2014.
Number of securities	300,000 unlisted options.
Issue price	Nil.
Terms of securities issued	Options granted under the ESOP on the following terms: (a) Vesting exercisable in three tranches of 100,000 options on 11 November 2015, 11 November 2016 and 11 November 2017, respectively. (b) Expiry dates for each tranche, being 18 November 2016, 18 November 2017 and 18 November 2018, respectively. (c) Exercise price of \$0.56.
Person(s) issued securities	Employees eligible under the ESOP.
Use of funds raised by the issue	Not applicable. Unlisted options granted for no consideration under the ESOP.

Directors' recommendation

- 44 The Directors recommend that you vote in favour of this resolution 7.

Resolution 8 – Ratification and approval of the previous grant of options under the ESOP

- 45 In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issue:

Date of issue	3 March 2015.
Number of securities	1,500,000 unlisted options.
Issue price	Nil.
Terms of securities issued	Options granted under the ESOP on the following terms: (a) Vesting in three equal tranches of 500,000 on 28 February 2016, 28 February 2017 and 28 February 2018, respectively. (b) Expiry date for each tranche, being 30 June in each year the options vest. (c) Nil exercise price for all tranches. (d) Vesting of each tranche subject to SFUK achieving EBITDA in each calendar year commencing in 2015 of at least \$2 million (each a performance condition). The vesting condition set out at paragraph (d) above means that if EBITDA is equal to or greater than \$2 million in the 2015 calendar year, tranche 1 can vest, if EBITDA is equal to or greater than \$2 million in the 2016 calendar year, tranche 2 can vest, and if EBITDA is equal to or greater than \$2 million in the 2017 calendar year, tranche 3 can vest.

	Should the performance condition not be met in for tranches 1 or 2, the options will rollover to tranches 2 or 3 (as applicable) and the performance condition can be met in the subsequent calendar year. Where the performance condition for tranche 3 is not met, the options will be forfeited.
Person(s) issued securities	Employees eligible under the ESOP.
Use of funds raised by the issue	Not applicable. Unlisted options granted for no consideration under the ESOP.

Directors' recommendation

46 The Directors recommend that you vote in favour of this resolution 8.

Resolutions 9 and 0 – Approval for the issue of Emerchants Shares to a related party

Resolution 9 – Approval for the issue of Emerchants Shares to Mr Robert Browning

- 47 The Company seeks approval to issue 250,000 Emerchants Shares to Mr Robert Browning for his exceptional performance in relation to the Company's acquisition of SFUK. Mr Browning took the lead role in negotiating the acquisition of SFUK in lieu of Mr Cregan (the managing Director), who was not involved in the negotiations because of his interest in the SFUK acquisition. The acquisition of SFUK was complex transaction and was negotiated over a period of months. Mr Browning negotiated the key terms of the transaction, and was heavily involved in the preparation of the long form transaction documents.
- 48 The acquisition of SFUK has strongly contributed to the Company's revenue growth for the financial year ending 30 June 2015. Specifically, the European operations contributed \$5.8 million in revenue for the seven month period of ownership. The Board considers that Mr Browning should be issued with the Emerchants Shares the subject of this resolution in recognition of his outstanding performance, which went beyond his role as non-executive Director.
- 49 On 19 November 2014, the Board (excluding Mr Browning) resolved to issue Mr Browning with Emerchants Shares, subject to Shareholder approval, to a value of \$140,000, being 250,000 Emerchants Shares. This was determined based on the closing price of Emerchants Shares on 19 November 2014, being \$0.56 per Emerchants Share.
- 50 Listing Rule 10.11 requires the approval of Shareholders before securities can be issued to a related party. A director is a 'related party' for the purposes of Listing Rule 10.11. Robert Browning, who is a Director, is a related party.
- 51 The following information is given under Listing Rule 10.13 on the securities that are proposed to be issued to Robert Browning:

Related party	Robert Browning.
Maximum number of securities to be issued	250,000 Emerchants Shares.

Date the Company committed to issue the securities	On the first trading day following Shareholder approval, being 13 November 2015 if Shareholders approve this resolution 9 at the Annual General Meeting.
Date the Company will issue the securities	On the first trading day following Shareholder approval, being 13 November 2015 if Shareholders approve this resolution 9 at the Annual General Meeting.
Relationship to Company	Robert Browning is a Director.
Issue price of the securities	Nil.
Terms of issue	<p>Emerchants Shares which will rank equally with all existing Emerchants Shares then on issue and the Company will seek quotation of the Emerchants Shares on ASX.</p> <p>The 250,000 Emerchants Shares, once issued, will be held in escrow up until 1 July 2016 meaning Mr Browning cannot dispose of those Emerchants Shares until after that date, except in limited circumstances (such as a change in control transaction).</p> <p>There are no other performance or vesting conditions attaching to the Emerchants Shares.</p>
Intended use of funds	The Emerchants Shares will be issued for nil cash consideration.

- 52 The purpose of resolution 9 is for Shareholders to approve the issue of 250,000 Emerchants Shares to Robert Browning. Importantly, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.
- 53 Further, section 208(1) of the Corporations Act provides that a company must not, without approval from members, give a financial benefit to a related party. Mr Browning is a related party of the Company for the purposes of section 228(2) of the Corporations Act as he is a Director.

Valuation of the financial benefit

- 54 Based on the closing price of Emerchants Shares on 19 November 2014 of \$0.56, the value of the Emerchants Shares proposed to be issued to Mr Browning is \$140,000.
- 55 However, the total value of the financial benefit associated with the issue of Emerchants Shares will be based on the total number of Emerchants Shares issued multiplied by the market price on the date of issue. The closing price of Emerchants Shares on 30 September 2015, being the day that the Explanatory Memorandum was finalised, was \$0.59. Based on this price, the total value of the Emerchants Shares to be issued to Mr Browning is \$147,500.

Mr Robert Browning's interests in Emerchants and remuneration package

- 56 Mr Robert Browning currently has an interest (either directly or indirectly) in:
- (a) 706,522 unlisted options, each with an exercise price of \$0.10, held in voluntary escrow until 29 February 2016 and expiring on 31 March 2016; and
 - (b) 1,650,375 Emerchants Shares.

- 57 If Shareholders approve this resolution, the effect will be to dilute the holdings of existing Shareholders by an equivalent amount, as follows:

Shareholders	Current share capital ⁴		Share capital on issue of Emerchants Shares	
	Number	Percent	Number	Percent
Mr Robert Browning	1,650,375	0.86%	1,900,375	0.99%
Other shareholders	189,238,574	99.14%	189,238,574	99.01%
Total	190,888,949	100%	191,138,949	100%

- 58 Mr Robert Browning's total remuneration for the period 1 July 2014 to 30 June 2015 is as follows:

Salary and fees	\$84,657 (including superannuation).
Short term incentive	Nil.
Long term incentive	Nil.

Additional information

- 59 For the purposes of section 219 of the Corporations Act, no additional information is required to be provided in relation to resolution 9.
- 60 Other than as set out in this Explanatory Memorandum, the Directors are not aware of any additional information that Shareholders should consider before making a decision to vote on this resolution.

Directors' recommendation

- 61 The Directors (with Mr Robert Browning abstaining) recommend that you vote in favour of this resolution 9.

Resolution 0 – Approval for the issue of Emerchants Shares to Mr Thomas Cregan

- 62 The Company seeks approval to issue 1,305,084 Emerchants Shares to Mr Thomas Cregan, for his contribution to the financial performance of Emerchants for the 2014/2015 financial year. Mr Cregan was granted 1,750,000 options to acquire Emerchants Shares under the ESOP, each with an exercise price of \$0.15 (**Options**) (which was approved by Shareholders at the 2012 annual general meeting). The Options were to vest on 21 September 2015, subject to two of the following performance hurdles being met:
- the revenue of the Company as at 30 June 2015 must be equal to or greater than \$16.7 million;
 - the EBITDA of the Company as at 30 June 2015 must be equal to or greater than \$2.33 million; and
 - the EBIT of the Company as at 30 June 2015 must be equal to or greater than \$1.22 million,

⁴ As at 30 September 2015. ⁵ As at 30 September 2015, and assuming that resolution 9 is approved by Shareholders.

(Performance Hurdles).

- 63 The Options were exercisable upon vesting at any time before 5.00pm on 30 September 2015. If not exercised the Options automatically expired.
- 64 While the EBITDA Performance Hurdle, set out at paragraph 62(b) above, was achieved for the 2014/2015 financial year, Emerchants narrowly missed the remaining Performance Hurdles. Therefore, the Options did not vest on 21 September 2015. The Board, however, considers that Mr Cregan should be issued with 1,305,084 Emerchants Shares (which represents the number of Emerchants Shares that would have been issued to Mr Cregan had the Options vested and been exercised) because of his exceptional performance during the 2014/2015 financial year.
- 65 Mr Cregan has been tireless in his commitment to the Company, dedicating himself fully to Emerchants' continued success. Mr Cregan identified the SFUK acquisition opportunity, which made a significant contribution to the Company's financial results for the 2014/2015 financial year. With his strategic direction and guidance, the Company has only achieved more positive financial results.
- 66 The Board proposes to issue 1,305,084 Emerchants Shares to Mr Cregan because under with the terms of the ESOP, the Emerchants Shares that are issued on exercise of the options granted under the ESOP are issued by way of cashless facility. The cashless facility operates such that the option holder is issued with the number of Emerchants Shares that is the current market price of Emerchants Shares less the exercise price of the options, divided by the current market price, and then multiplied by the number of options. Therefore, if the Options vested Mr Cregan would have been issued approximately 1,305,084 Emerchants Shares, based on the closing price of Emerchants Shares on 30 September 2015 of \$0.59 per Emerchants Share, being the last day on which the Options were exercisable and the exercise price of \$0.15 per Option.
- 67 Listing Rule 10.11 requires the approval of Shareholders before securities can be issued to a related party. A director is a 'related party' for the purposes of Listing Rule 10.11. Thomas Cregan, who is a Director, is a related party.
- 68 The following information is given under Listing Rule 10.13 on the securities that are proposed to be issued to Thomas Cregan:

Related party	Thomas Cregan
Maximum number of securities to be issued	1,305,084 Emerchants Shares.
Date the Company committed to issue the securities	On the first trading day following Shareholder approval, being 13 November 2015 if Shareholders approve this resolution 0 at the Annual General Meeting.
Date the Company will issue the securities	On the first trading day following Shareholder approval, being 13 November 2015 if Shareholders approve this resolution 0 at the Annual General Meeting.
Relationship to Company	Thomas Cregan is a Director.
Issue price of the securities	Nil.
Terms of issue	Emerchants Shares which will rank equally with all existing Emerchants Shares then on issue and the Company will seek quotation of the Emerchants Shares on ASX.

Intended use of funds	The Emerchants Shares will be issued for nil cash consideration.
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69 The purpose of resolution 0 is for Shareholders to approve the issue of 1,305,084 Emerchants Shares to Thomas Cregan. Importantly, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

70 Further, section 208(1) of the Corporations Act provides that a company must not, without approval from members, give a financial benefit to a related party. Mr Cregan is a related party of the Company for the purposes of section 228(2) of the Corporations Act as he is a Director.

Valuation of the financial benefit

71 The total value of the financial benefit associated with the issue of the Emerchants Shares is based on the total number of Emerchants Shares issued multiplied by the market price on the date of the issue.

72 The financial benefit has therefore been determined by reference to the closing price of Emerchants Shares on ASX on 30 September 2015, being the day that the Explanatory Memorandum was finalised, of \$0.59. The total value of the financial benefit is \$769,999.56.

Mr Thomas Cregan's interests in Emerchants and remuneration package

73 Mr Thomas Cregan currently has an interest (either directly or indirectly) in:

- (a) 1,212,121 unlisted options, each with a nil exercise price, expiring on 30 September 2016; and
- (b) 17,684,213 Emerchants Shares.

74 If Shareholders approve this resolution, the effect will be to dilute the holdings of existing Shareholders by an equivalent amount, as follows:

Shareholders	Current share capital ⁵		Share capital on issue of Emerchants Shares	
	Number	Percent	Number	Percent
Mr Thomas Cregan	17,684,213	9.25%	18,989,297	9.84%
Other shareholders	173,454,736	90.75%	173,899,652	90.16%
Total	191,138,949	100%	192,888,949	100%

75 Mr Thomas Cregan's total remuneration for the period 1 July 2014 to 30 June 2015 is as follows:

Salary and fees	\$416,000 (including superannuation).
Short term incentive	Nil.
Long term incentive	Nil.

⁵ As at 30 September 2015, and assuming that resolution 9 is approved by Shareholders.

Additional information

- 76 For the purposes of section 219 of the Corporations Act, no additional information is required to approve resolution O.
- 77 Other than as set out in this Explanatory Memorandum, the Directors are not aware of any additional information that Shareholders should consider before making a decision to vote on this resolution.

Directors' recommendation

- 78 The Directors (with Mr Thomas Cregan abstaining) recommend that you vote in favour of this resolution O.

Resolution 11 – Approval of the ESOP

- 79 Listing Rule 7.1 provides that a company must not issue equity securities without shareholder approval if that issue, when added to other securities issued by the Company in the previous 12 months, will exceed 15% of the ordinary securities on issue at the commencement of that 12 month period.
- 80 Unless an exemption applies, an issue of options by the Company to participants under the ESOP will reduce the Company's capacity to issue further securities under Listing Rule 7.1, without obtaining Shareholder approval. Listing Rule 7.2 (Exception 9) provides that, where an employee incentive plan has been approved by Shareholders, issues of securities under the plan do not count towards the Company's 15% capacity under Listing Rule 7.1 (or its 10% capacity under Listing Rule 7.1A if it applies).
- 81 The Shareholders of the Company approved the ESOP at the Company's general meeting held on 29 June 2011. However, for the ESOP to qualify for an exemption from the Listing Rule 7.1 limit on the number of securities the Company can issue without Shareholder approval, the Company must obtain Shareholder approval for the issue of options under the ESOP every three years.
- 82 Accordingly, Resolution 11 seeks to refresh the Shareholder approval to issue securities under the ESOP. Importantly, the exemption in Listing Rule 7.2 (Exception 9) will not apply to the issue of options to Directors under the ESOP. Any such issue requires further Shareholder approval under Listing Rule 10.14.
- 83 In compliance with the information requirements of Listing Rule 7.2, Shareholders are advised of the following particulars:

Summary of the terms of the ESOP	Refer to the key terms of the ESOP outlined in the Schedule. There has been no change to the terms of the ESOP since it was approved in 2011.
Options granted under the ESOP since it was approved in 2011	20,612,121 options.
Options exercised	11,500,000 options.
Options lapsed / cancelled	11,333,332 options.

Directors' recommendation

84 The Directors recommend that you vote in favour of this resolution 11.

Resolution 12 – Approval of additional capacity to issue Emerchants Shares under Listing Rule 7.1A

85 If passed, resolution 12 would give the Company additional capacity to issue a number of equity securities equal to 10% of the number of ordinary securities on issue (at the time of the issue), in addition to the 15% permitted under Listing Rule 7.1 without Shareholder approval (**Additional Placement Facility**).

86 As at the date of this Notice of Meeting, the Company has on issue 190,848,999 Emerchants Shares. The Company has:

- (a) 21,108,627 remaining issue capacity under Listing Rule 7.1; and
- (b) 18,434,572 remaining issue capacity under Listing Rule 7.1A.

87 The information below provides more background on Listing Rule 7.1A and the disclosure required by Listing Rule 7.3A.

Additional Placement Facility

88 Under Listing Rule 7.1A, an eligible entity may seek approval from members by a special resolution at its annual general meeting to have the Additional Placement Facility to issue equity securities.

89 If approved, the Additional Placement Facility will allow the Company for a period of 12 months from the date of the Annual General Meeting to issue equity securities equal to 10% of the number of ordinary securities on issue on a non pro rata basis. The Company currently believes that it has sufficient capital for the foreseeable future and does not have specific plans to raise additional capital, but considers it prudent to maintain such flexibility.

Eligible entity

90 Under the Listing Rules, an 'eligible entity' is an entity which, as at the date of the relevant resolution, is not included in the S&P/ASX 300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300 million. The Company is an eligible entity as at the date of this Notice of Meeting.

Special resolution

91 The Additional Placement Facility requires Shareholder approval by way of a special resolution. This requires at least 75% of the votes cast in favour of the resolution by Shareholders entitled to vote.

Securities which may be issued under the Additional Placement Facility

Type of securities

Under the Additional Placement Facility, the Company must issue equity securities belonging to an existing quoted class of the Company's equity securities. As at the date of this Notice of Meeting, the Company has on issue the following quoted classes of equity securities, of which only the Emerchants Shares are quoted:

Security	Number on issue
Emerchants Shares	190,848,999
Unlisted options*	7,212,121

**Unlisted options do not belong to an existing quoted class of securities*

10% limit

- 92 The Additional Placement Facility allows the Company to issue, or agree to issue, during the 12 months following member approval, a number of equity securities calculated in accordance with the following formula:

(A x D) – E

A = The number of fully paid ordinary securities on issue 12 months before the date of the issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (i) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (ii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4. This does not include an issue of fully paid Emerchants Shares under the Company's 15% placement capacity without Shareholder approval;
- (iii) less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4.

Information required for Listing Rule 7.3A

What is the minimum issue price?

- 93 The issue price of each security issued under the Additional Placement Facility must be no less than 75% of the volume weighted average price (**VWAP**) for the securities of that class. The VWAP is to be calculated over the 15 trading days on which trades in that class were recorded immediately before:
- (a) the date on which the price, at which the securities are to be issued, is agreed under the Additional Placement Facility; or
 - (b) if the securities are not issued within five trading days of the date in paragraph (a), the date on which the securities are issued.
- 94 The Company will disclose this information when equity securities are issued under the Additional Placement Facility.

What is the date by which the Company may issue equity securities?

- 95 Under Listing Rule 7.1A.1, the approval for the Additional Placement Facility must be for a period **(Additional Placement Period)** commencing on the date of the Annual General Meeting and expiring on the earlier of the date that:
- (a) is 12 months after the date of the Annual General Meeting (being 12 November 2016); or
 - (b) the Company receives an approval for a proposed transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or Listing Rule 11.2.
- 96 The Company will only issue the equity securities during the Additional Placement Period. The approval under resolution 12 for the issue of equity securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

Dilution risks

- 97 If equity securities are issued under the Additional Placement Facility, there is a risk of economic and voting dilution of existing members, including the following risks:
- (a) the market price for Emerchants Shares may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
 - (b) the equity securities may be issued at a price that is at a discount to the market price for the Emerchants Shares on the issue date,
- which may have an effect on the amount of funds raised by the issue of the equity securities.
- 98 The table below shows the dilution of existing Shareholders on the basis of the current market price of Emerchants Shares and the current number of ordinary securities for the variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2. The table also shows:
- (a) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue as at the date of this Notice of Meeting (and assuming resolutions 5 to 8 are passed). The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.295 50% decrease in issue price	\$0.59 issue price	\$1.18 100% increase in issue price
Current Variable A 190,848,999 Emerchants Shares	10% Voting Dilution	19,084,899 Emerchants Shares	19,084,899 Emerchants Shares	19,084,899 Emerchants Shares
	Funds raised	\$5,630,045	\$11,260,090	\$22,520,181
50% increase in current Variable A 286,273,499 Emerchants Shares	10% Voting Dilution	28,627,349 Emerchants Shares	28,627,349 Emerchants Shares	28,627,349 Emerchants Shares
	Funds raised	\$8,445,068	\$16,890,136	\$33,780,272
100% increase in current Variable A 381,697,998 Emerchants Shares	10% Voting Dilution	38,169,799 Emerchants Shares	38,169,799 Emerchants Shares	38,169,799 Emerchants Shares
	Funds raised	\$11,260,091	\$22,520,181	\$45,040,363

99 The table has been prepared on the assumptions set out below.

- (a) The Company issues the Emerchants Shares for cash under the Additional Placement Facility.
- (b) The Company issues the maximum number of Emerchants Shares allowed under the Additional Placement Facility (being 10% of the number of the Emerchants Shares on issue).
- (c) No options are exercised to convert into Emerchants Shares before the date of the issue of the Emerchants Shares available under the Additional Placement Facility.
- (d) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (e) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of share issue under the Additional Placement Facility, based on that Shareholder's holding at the date of this Notice of Meeting.
- (f) The table shows only the effect of issues of equity securities under Listing Rule 7.1A (i.e. under the Additional Placement Facility), not under the 15% placement capacity under Listing Rule 7.1.
- (g) Other than as indicated in the table, the Company does not issue any additional equity securities during the Additional Placement Period.
- (h) The issue price is \$0.59, being the closing price of the Emerchants Shares on ASX on 30 September 2015.

For what purpose will the Company issue equity securities?

- 100 Although no such plans exist at this time, the Company seeks to maintain some flexibility in its capital raising ability so that it may issue equity securities under the Additional Placement Facility for the following purposes:
- (a) to provide non-cash consideration for new asset purchases or investments; or
 - (b) to raise cash to fund:
 - (i) continuing increases to the Company's information technology development capacity;
 - (ii) the increase in marketing spend to build brand awareness and increase future sales pipelines of reloadable pre-paid opportunities;
 - (iii) continued expenditure on the Company's assets;
 - (iv) new acquisitions or investments (including their associated expenses); and
 - (c) general working capital.
- 101 The Company will comply with the disclosure obligations under the Listing Rules 7.1A.4 and 3.10.5A upon issue in reliance on Listing Rule 7.1A of any equity securities. If equity securities provide a valuation of the non-cash consideration that demonstrates that the issue price of the securities are at or above the minimum issue price, in accordance with the note to Listing Rule 7.1A.3. The Company intends to have the ability to issue securities under Listing Rule 7.1A for non-cash consideration.

What is the allocation policy?

- 102 The Company's allocation policy and the identity of the allottees of the equity securities under the Additional Placement Facility will be determined on a case-by-base basis at the time of issue.
- 103 No decision has been made in relation to an issue of equity securities under the Additional Placement Facility as to whether the Company will engage with new investors or existing members of the Company, and if so whom.
- 104 However, determination of the allocation policy and the identity of the allottees will have regard to the following considerations:
- (a) the financial situation and solvency of the Company;
 - (b) impacts of the placement on control;
 - (c) other methods of raising capital; and
 - (d) advice from corporate, financial and broking advisers (if applicable).
- 105 Allottees may include existing Shareholders or new investors, but no persons who are related parties or associates of related parties of the Company. If the issue is made in connection with the acquisition of assets, the allottees may be the sellers of those assets.

Details of approvals under Listing Rule 7.1A previously obtained by the Company

- 106 The Company obtained Shareholder approval for an Additional Placement Facility under Listing Rule 7.1A at the 2013 annual general meeting held on 13 November 2013 and at the 2014 annual general meeting held on 19 November 2014.

Information under Listing Rule 7.3A.6(b)

- 107 The table below sets out specific details for each issue of equity securities that has taken place in the 12 month period before the date of the Annual General Meeting. None of the unlisted options provided below have vested since the 2014 annual general meeting.

Date of issue	19 November 2014
Number issued	223,214
Class and type of equity security	Fully paid ordinary shares
Summary of terms	(a) Ordinary shares ranking equally with all other ordinary shares; and (b) Subject to be voluntary escrow for two years from the date of issue.
Names of persons who received securities or basis on which those persons were determined	Alistair Wilkie
Price	Nil cash consideration
Discount to market price (if any)	Nil cash consideration
<i>For cash issues</i>	
Total cash consideration received	Not applicable
Amount of cash consideration spent	Not applicable
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Shares issued pursuant to an Executive Services Agreement
Current value of that non-cash consideration	Not applicable

Date of issue	19 November 2014
Number issued	300,000
Class and type of equity security	Options granted under the ESOP
Summary of terms	(a) Vesting and exercisable in three tranches of 100,000 options on 11 November 2015, 11 November 2016, and 11 November 2017. (b) Expiry dates for each tranche of 18 November 2015,

	18 November 2016, and 18 November 2017. (c) Exercise price of \$0.56. (d) Shares to be issued on conversion of the options to rank equally with the Company's quoted securities.
Names of persons who received securities or basis on which those persons were determined	Employees or executives under the ESOP
Price	Nil cash consideration
Discount to market price (if any)	Nil cash consideration
<i>For cash issues</i>	
Total cash consideration received	Not applicable
Amount of cash consideration spent	Not applicable
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Options granted under the ESOP.
Current value of that non-cash consideration	Not applicable

Date of issue	24 November 2014
Number issued	28,000,000
Class and type of equity security	Fully paid ordinary shares
Summary of terms	Ordinary shares ranking equally with all other ordinary shares.
Names of persons who received securities or basis on which those persons were determined	Sophisticated and professional investors under the private placement
Price	\$0.50
Discount to market price (if any)	Not applicable
<i>For cash issues</i>	
Total cash consideration received	\$14,000,000
Amount of cash consideration spent	\$14,000,000
Use of cash consideration	To fund the cash component of the acquisition of SFUK.
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Not applicable

Current value of that non-cash consideration	Not applicable
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Date of issue	25 November 2014
Number issued	500,000
Class and type of equity security	Fully paid ordinary shares
Summary of terms	(a) Ordinary shares ranking equally with all other ordinary shares; and (b) Subject to voluntary escrow until 1 July 2016.
Names of persons who received securities or basis on which those persons were determined	Shares issued to two senior executives (chief financial officer and general counsel) for exceptional performance for SFUK acquisition.
Price	Nil cash consideration
Discount to market price (if any)	Nil cash consideration
<i>For cash issues</i>	
Total cash consideration received	Not applicable
Amount of cash consideration spent	Not applicable
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Nil shares issued for exceptional performance to chief financial officer and general counsel.
Current value of that non-cash consideration	Not applicable

Date of issue	1 December 2014
Number issued	24,900,000
Class and type of equity security	Fully paid ordinary shares
Summary of terms	(a) Ordinary shares ranking equally with all other ordinary share (b) 4,980,000 shares subject to voluntary escrow until 30 November 2015.
Names of persons who received securities or basis on which those persons were determined	Shares issued as equity component of the consideration for the acquisition of SFUK under SFUK Share Sale Agreement.
Price	\$0.50
Discount to market price (if any)	Not applicable
<i>For cash issues</i>	

Total cash consideration received	Not applicable
Amount of cash consideration spent	Not applicable
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Shares were issued to fund the purchase price of the acquisition of SFUK.
Current value of that non-cash consideration	Not applicable

Date of issue	3 February 2015
Number issued	180,328
Class and type of equity security	Fully paid ordinary shares
Summary of terms	Ordinary shares ranking equally with all other ordinary share
Names of persons who received securities or basis on which those persons were determined	Employees and executives of the Company who held options granted under the ESOP.
Price	Nil – cashless conversion of unlisted options under ESOP.
Discount to market price (if any)	Not applicable
<i>For cash issues</i>	
Total cash consideration received	Not applicable
Amount of cash consideration spent	Not applicable
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Shares issued on exercise of Options granted under the ESOP
Current value of that non-cash consideration	Not applicable

Date of issue	3 March 2015
Number issued	1,500,000 unlisted options
Class and type of equity security	Unlisted options
Summary of terms	Issue of unlisted options to employees of subsidiary, SFUK, under the ESOP on the following principle terms:

	<p>(a) vesting in three equal tranches of 500,000 on 28 February 2016, 28 February 2017 and 28 February 2018;</p> <p>(b) Expiry date will be 30 June in each year the options vest;</p> <p>(c) Nil exercise price for all tranches; and</p> <p>(d) subject to SFUK achieving EBITDA in each calendar year in 2015 of \$2 million (each a 'performance hurdle').</p> <p>Should the performance hurdle not be met in either tranches 1 or 2, the options will rollover to tranches 2 or 3 (as applicable). Where the performance hurdle for tranche 2 is not met, the options will be forfeited.</p>
Names of persons who received securities or basis on which those persons were determined	Employees and executives under ESOP
Price	Nil – cashless conversion of unlisted options under ESOP
Discount to market price (if any)	Not applicable
<i>For cash issues</i>	
Total cash consideration received	Not applicable
Amount of cash consideration spent	Not applicable
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Nil – cashless conversion of unlisted options under ESOP.
Current value of that non-cash consideration	Not applicable

Date of issue	30 June 2015
Number issued	5,820,061
Class and type of equity security	Fully paid ordinary shares
Summary of terms	<p>(a) Ordinary shares ranking equally with all other ordinary share; and</p> <p>(b) Subject to voluntary escrow until 2 January 2016.</p>
Names of persons who received securities or basis on which those persons were determined	DSK-SG Investments, LLC.
Price	<p>\$0.62 per share for 3,051,392 Emerchants Shares</p> <p>\$0.53 per share for 2,768,624 Emerchants Shares</p>
Discount to market price (if any)	Not applicable
<i>For cash issues</i>	

Total cash consideration received	Nil
Amount of cash consideration spent	Nil
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Not applicable
Current value of that non-cash consideration	Not applicable

Date of issue	1 October 2015
Number issued	6,351,730
Class and type of equity security	Fully paid ordinary shares
Summary of terms	Ordinary shares ranking equally with all other ordinary shares.
Names of persons who received securities or basis on which those persons were determined	Employees and executives who exercised options held under the ESOP.
Price	Nil – cashless conversion of unlisted options under ESOP.
Discount to market price (if any)	Not applicable
<i>For cash issues</i>	
Total cash consideration received	Nil - exercise of 8,500,000 unlisted options at an exercise price of \$0.15.
Amount of cash consideration spent	Nil
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid	Not applicable
Current value of that non-cash consideration	Not applicable

Directors' recommendation

108 The Directors recommend that you vote in favour of this resolution 12.

Definitions

Capitalised terms in this Notice of Meeting and Explanatory Memorandum have the meaning set out below:

Term	Definition
Additional Placement Facility	has the meaning set out at paragraph 85.
Additional Placement Period	has the meaning set out at paragraph 95.
Annual General Meeting or Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2015 Annual Report of the Company.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691.
Board	means the board of Directors of the Company.
Company or Emerchants	means Emerchants Limited ACN 104 757 904.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
EBITDA	means earnings before, income tax, depreciation and amortization.
Emerchants Shares	means fully paid ordinary shares in the capital of the Company.
ESOP	means the Company's employee share option plan, a summary of which is included in the Schedule to this Notice of Meeting.
Explanatory Memorandum	means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.
Key Management Personnel or KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	means the listing rules of ASX.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Options	has the meaning set out at paragraph 62.
Performance Hurdles	has the meaning set out at paragraph 62.
Remuneration Report	means the section of the Directors' report for the 2015 financial year that is included under section 300A(1) of the Corporations Act.
SFUK	means Store Financial Services UK Ltd (company number 05852181).
SFUK Share Sale Agreement	means the share sale agreement dated on or about 26 September 2015 between the Company and the shareholders of SFUK for the acquisition of the SFUK Shares from SFS World.
SFUK Shares	means the share capital of SFUK being all the fully paid ordinary shares in SFUK which will be acquired by the Company from SFS World under the SFUK Share Sale Agreement.

Term	Definition
SFS World	means SFS World Holding Co B.V.
Shareholders	means a person who is a registered holder of Emerchants Shares.
VWAP	means the volume weighted average price.

Schedule

Summary of the key terms of the ESOP

Purpose of the ESOP	<p>The purpose of the ESOP is to:</p> <ul style="list-style-type: none">(a) assist in the reward, retention and motivation of Eligible Employees;(b) link reward to a shareholder value creation; and(c) align the economic interests of Eligible Employees with those of Shareholders by providing an opportunity for Eligible Employees to invest via an equity interest in the form of options.
Eligible Employee	<p>Eligible Employees for the purposes of the ESOP are any person who is a full time or permanent part time employee or a Director of any member of the Company and each Associated Body Corporate of the Company (Group), and who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of options under the ESOP.</p> <p>Associated Body Corporate of the Company means each:</p> <ul style="list-style-type: none">(a) related body corporate of the Company (within the meaning of section 50 of the Corporations Act);(b) body corporate that has voting power (as that term is defined in the Corporations Act) in the Company of not less than 20%; or(c) body corporate in which the Company has voting power (as that term is defined in the Corporations Act) of not less than 20%.
Invitation to participants	<p>The Board may from time to time in its sole and absolute discretion determine that an Eligible Employee may participate in the ESOP and make an invitation inviting Eligible Employees to participate in the ESOP.</p> <p>The terms and conditions of options offered or granted under the ESOP to each participant will be determined by the Board (and set out in an invitation to the participant) in its sole and absolute discretion. The invitation will set out, amongst other things, the number of options, the grant date, the exercise price (if any), the vesting conditions (if any), forfeiture conditions (if any) and any rights or restrictions attaching to the plan shares.</p>
No option fee	<p>Unless otherwise determined by the Board in its sole and absolute discretion, no consideration will be paid for the issue of the options.</p>
Exercise price and minimum exercise	<p>The exercise price for options (if any) will be as determined by the Board in its sole and absolute discretion. Options must be exercised in multiples of 1,000 unless fewer than 1,000 options are held by a participant or the Board otherwise agrees.</p>
Cashless exercise of options	<p>The Board may determine in its sole and absolute discretion that a participant will not be required to provide payment of the applicable exercise price for an option by cash, cheque or some other method acceptable to the Company, but that on exercise of the options the Company will only allot and issue or transfer that number of Shares to the holder which are equal in value to the difference between the exercise price otherwise payable in relation to the options and the then market value of the Shares as at the time of the exercise (with the number of Shares rounded down).</p>

Non-transferability	The options cannot be transferred, assigned, encumbered with a security interest in or over them, or otherwise disposed of by the holder without the prior consent of the Board which consent may impose certain terms and conditions as the Board sees fit, unless such transfer or assignment occurs by force of law upon the death of the participant.
Restrictions on shares	The Board may determine in its sole and absolute discretion whether there will be any restrictions on the disposal or transfer of plan shares held by any participant. No plan share may be transferred unless any disposal restrictions determined by the Board or which apply to the plan shares ceases to apply and any forfeiture conditions (if any) cease to apply. At all times participants must comply with any share trading policy.
Unquoted options	Unless determined otherwise by the Board in its sole and absolute discretion, the options will not be quoted on the ASX.
No voting right	Holders of options have no rights to vote at meetings of the Company in respect of their options.
No dividend right	Holders of options have no rights to receive any dividends declared by the Company in respect of their options.
Lapse of options	Unless the Board determines otherwise in its sole and absolute discretion, options will lapse and be incapable of exercise on the earlier of: <ul style="list-style-type: none"> (a) the applicable expiry date for the options; (b) subject to Bad Leaver / Good Leaver provisions below, the participant ceasing to be an Eligible Employee; (c) the Board determines in its reasonable opinion that a holder has acted fraudulently, dishonestly or has wilfully breached his or her duties to the Group and has deemed that all options held by that participant automatically lapse; or (d) the Board determines in its reasonable opinion that the vesting conditions (if any) have not been met and cannot be met prior to the applicable expiry date.
Bad leaver / good leaver provisions	Where a participant ceases to be an Eligible Employee and is a Bad Leaver, all unvested options will automatically lapse unless the Board in its sole and absolute discretion determines otherwise. A Bad Leaver includes where: <ul style="list-style-type: none"> (a) the participant's employment is terminated, or the participant is dismissed from office, due to: <ul style="list-style-type: none"> (i) serious and wilful misconduct; (ii) material breach of the terms of any contract of employment entered into by the Company and the participant; (iii) gross negligence; or (iv) other conduct justifying termination of employment without notice either under the participant's contract of employment or at common law; (b) the participant's employment is terminated due to poor performance; (c) the participant's employment is terminated due to poor performance; (d) the participant resigns from his or her employment with the Company; or (e) the participant is ineligible to hold his or her office of director for the purposes of Part 2D.6 of the Corporations Act.

	<p>Where a participant ceases to be an Eligible Employee and is a Good Leaver:</p> <p>(a) all unvested options will immediately vest and remain exercisable until the expiry date (or such other period as specified by the Board), unless the Board in its sole and absolute discretion determines otherwise; and</p> <p>(b) all of the options which have vested but have not yet been exercised will continue in force and remain exercisable until the expiry date (or such other period as specified by the Board), unless the Board in its sole and absolute discretion determines otherwise.</p> <p>If during the period referred to above in paragraph (b) the participant subsequently commences employment, or subsequently holds office of a director, in breach of any post termination restrictions in his or her employment contract, then the Board may deem the participant to be a Bad Leaver and any vested but unexercised options will automatically be forfeited by the participant.</p> <p>A Good Leaver includes where:</p> <p>(a) the participant ceases employment or office and the participant is not a Bad Leaver, including but not limited to ceasing employment or office due to redundancy, retirement, illness or death; or</p> <p>(b) in the Board's sole and absolute discretion a person who would otherwise be a Bad Leaver should be considered to be a Good Leaver.</p>
Forfeiture	<p>The Board may determine any forfeiture conditions applicable to an issue of options (which is to be set out in the invitation to the participant).</p> <p>In addition to any applicable forfeiture conditions, where, in the reasonable opinion of the Board, a participant acts fraudulently, acts dishonestly or has wilfully breached his or her duties to the Group, then the Board may deem all options held by a participant will automatically lapse.</p>
Change of Control Event	<p>Unless the Board determines otherwise in its sole and absolute discretion, if a Change of Control Event occurs, all options may be exercised by a participant prior to the expiry date, whether or not any or all applicable vesting conditions have been met.</p> <p>A Change of Control Event means a Shareholder, or a group of associated Shareholders, becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board.</p>
Participation in New Issue	<p>During the term of any options and prior to their vesting, holders are not entitled to participate in any new issue of securities of the Company as a result of their options.</p>
Maximum Option Allocation	<p>Unless prior Shareholder approval is obtained, the number of options which may be granted under the ESOP which upon exercise will vest plan shares must not exceed 10% of the issued capital of the Company.</p>
Bonus Issue	<p>If the Company makes a pro rata bonus issue to Shareholders, an option holder is entitled, upon vesting of an option, to receive in addition to the Share in respect of which the option vests and without payment of any further consideration, the number of securities which the holder would have received if the option had vested before the record date for the bonus issue.</p> <p>Any additional securities that a holder becomes entitled to in such circumstances will, until they are issued to the holder, be regarded as (i) additional securities into which the option may vest for the purposes of any future bonus issues by the Company and (ii) additional options to which the holder is entitled to for the purposes of any reorganisation of capital of the Company (see below).</p>

Reorganisation of Issued Capital	If there is a reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company, the number of options that a holder is entitled to (and their applicable exercise price) will be changed in accordance with the Listing Rules.
Shares	Subject to the Board determining otherwise prior to an invitation, each option entitles the participant to subscribe for one fully paid ordinary share in the Company. Any plan share issued pursuant to an exercise of an option will rank pari passu with all existing Shares from the date of issue.
Ranking of Shares	Shares issued on the exercise of options will rank in all respects equally to, and carry the same rights and entitlements as, the existing ordinary shares of the Company then on issue.
Listing of Shares	Provided that the Company's ordinary shares are listed on ASX at the time of exercise of options, the Company will apply to ASX for official quotation of the Shares issued on the exercise of any options.
Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding plan shares for participants under the ESOP and/or delivering plan shares to participants upon exercise of the options.
Amending the ESOP	No amendment to the ESOP or to options granted under the ESOP may be made if the amendment materially reduces the rights of any participant in respect of options granted to them prior to the date of the amendment other than: (a) for the purposes of complying with or conforming to present or future legislation governing or regulating the ESOP; (b) to correct any manifest error or mistake; (c) to allow implementation of a trust arrangement in relation to the holding of plan shares in relation to the exercise of options; (d) to take into consideration possible adverse taxation implications in respect of the ESOP including changes to applicable taxation legislation or the interpretation of that legislation by a court or any rulings from the taxation authorities; or (e) an amendment agreed to in writing by the participants in the ESOP. The Board may determine that any amendment to the ESOP or the terms of options granted under the ESOP be given retrospective effect.
Administration of the ESOP	The Board may make such regulations for the operation of the ESOP as they consider necessary provided such regulations are consistent with the ESOP. The Board may delegate any of their powers or discretions conferred on them by the ESOP to a committee or any one or more persons selected by them.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Emerchants Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (Sydney time) on Tuesday, 10 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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

 **ONLINE**
www.linkmarketservices.com.au

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

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

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

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (*mark box*)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Sydney time) on Thursday, 12 November 2015 at the Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales, 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

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

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Directors' remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval for the issue of 250,000 Emerchants Shares to Robert Browning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director: Robert Browning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval for the issue of 1,305,084 Shares to Thomas Cregan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director: Tony Adcock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval be given in relation to the issue of securities under the ESOP, as described in the Explanatory Memorandum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Director: David Liddy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of additional capacity to issue Emerchants Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification and approval of the previous issue of 3,051,392 Emerchants Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Ratification and approval of the previous issue of 2,768,624 Emerchants Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Ratification and approval of the previous grant of 300,000 options under the ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Ratification and approval of the previous grant of 1,500,000 options under the ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

EML PRX501D

