

SQID Technologies Limited ACN 121 655 472

Notice of General Meeting and Explanatory Memorandum

Date of Meeting: 5 September 2019

Time of Meeting: 4:00 pm (Brisbane time)

Place of Meeting: The Belmont Services Bowls Club, Corner of Narracott and Thorne Streets, Carina, Queensland on 5 September 2019 commencing at 4:00 pm (Brisbane time).

Notice of General Meeting

Notice is given that a General Meeting of shareholders of SQID Technologies Limited ACN 121 655 472 (**Company**) will be held at the Belmont Services Bowls Club, Corner of Narracott and Thorne Streets, Carina, Queensland on 5 September 2019 commencing at 4:00 pm (Brisbane time).

Agenda

Ordinary business

1. Resolution 1 - Approval of Consolidation of Shares

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

“That, pursuant to section 254H(1) of the Corporations Act, and for all other purposes, the Company convert all of the issued fully paid ordinary shares in the capital of the Company into a smaller number on the basis that every two (2) fully paid ordinary shares be consolidated into one (1) fully paid ordinary share.”

Special business

2. Resolution 2 - Repeal of Current Constitution and Adoption of the New Constitution

To consider and, if thought fit, pass the following Special Resolution, with or without amendment:

“That in accordance with Section 136(2) of the Corporations Act, the current Constitution of the Company be repealed and replaced with a new Constitution annexed to this Notice of Meeting.”

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board



Peter Charles Hall
Company Secretary
6th August 2019

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of **SQID Technologies Limited** ACN 121 655 472 (**Company**) to explain the resolutions to be put to Shareholders at the General Meeting to be held at the Belmont Services Bowls Club, Corner of Narracott and Thorne Streets, Carina, Queensland on 5 September 2019 commencing at 4:00 pm (Brisbane time).

The Board has been reviewing alternatives for increasing shareholder liquidity over the last few years and presented a few of these to shareholders. This has included a trade sale to an ASX listed company, “backdoor” listing on the ASX and IPO on the NSX or ASX. All of these alternatives proved either unsuccessful and/or ultimately unfavourable for the Company.

The Board has commenced the process for listing on the Canadian Securities Exchange (CSE). The proposal is that this listing be a compliance listing without the raising of capital. It is expected that this will be a simpler process and return a higher valuation than can be achieved on a local exchange. This also may provide a pathway as the Company grows to the larger NASDAQ exchange.

The General Meeting describes the changes required and the shareholder resolutions required to effect these changes.

Consolidation of the shares is proposed by our advisors in North America to meet the expectation of that market for the share price on listing.

The Constitution needs to be compliant with Australian and Canadian regulators, as well as the CSE. The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 4.

2. Resolution 1 - Approval of Consolidation of Shares

Resolution 1 is an ordinary resolution and must be passed by at least 50% of the votes cast on the Resolution by Shareholders entitled to vote on it.

Section 254(H) of the Corporations Act enables the Company by ordinary resolution to convert all or any of its shares into a smaller number.

Effect of Share Consolidation

Under Resolution 1, it is proposed that the Company consolidate all of its existing issued fully paid ordinary shares on issue as at 5.00pm (Brisbane time) on the day immediately preceding the Meeting on the basis that every two shares be consolidated into one share. Fractions of a share will be rounded up to the next whole share.

If the share consolidation is approved by shareholders in general meeting, each shareholder will still (subject only to the rounding up of fractions) hold the same proportion of the Company’s issued share capital as held prior to the share consolidation. All existing rights attaching to the ordinary shares held by Shareholders set out in Constitution of the Company will not be affected.

Having regard to the existing share capital of 16,475,298 fully paid ordinary shares in the Company, the share consolidation will result in the total number of issued shares decreasing from 16,475,298 shares to approximately 8,237,649 shares.

Reason for Share Consolidation

The Company has a large number of shares on issue relative to its current market capitalisation.

The Directors believe that a share consolidation will establish a lower number of shares at a share price which is more appropriate for a listed company of the current size of the Company.

Taxation considerations

It is generally expected that there will not be any Australian income tax consequences for Shareholders arising from the share consolidation.

However shareholders as a matter of prudence ought to seek their own independent expert taxation advice in respect of their own taxation position in relation to the proposed share consolidation.

The Directors consider that the proposed share consolidation will not affect the Company's taxation position.

Impact on Creditors

The Directors of the Company consider that the proposed share consolidation will not prejudice the Company's ability to pay its creditors.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

3. Resolution 2 - Repeal of Current Constitution and Adoption of New Constitution

Resolution 2 is a special resolution and must be passed by at least 75% of the votes cast on the Resolution by Shareholders entitled to vote on it.

Pursuant to section 136 of the *Corporations Act*, a company may adopt a new constitution by a special resolution passed at a general meeting of members. Resolution 2 proposes that the Company will repeal its current Constitution and replace it with a new Constitution which is annexed to this Notice of Meeting.

As noted above, the Company proposes to apply for listing on the CSE. While there is no guarantee that the Company will be admitted to list on the CSE, the Directors have resolved to put to members for approval, a constitution which is compliant with the requirements of the CSE, being the New Constitution.

As an Australian based entity, the Company still needs to comply with its obligations under the *Corporations Act* and therefore the New Constitution has been drafted to remain compliant with those obligations.

If Resolution 2 is approved, the New Constitution will take effect on the passing of Resolution 2.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

4. Interpretation

ASIC means the Australian Securities and Investments Commission;

CSE means the Canadian Securities Exchange;

Company means SQID Technologies Limited ACN 121 655 472;

Constitution means the current constitution of the Company;

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

Director means a director of the Company;

Explanatory Memorandum means the explanatory memorandum accompanying this Notice of Meeting;

General Meeting or **Meeting** means the general meeting of the Company's Shareholders to be held on 5 September 2019 at 4.00pm as convened by the accompanying Notice of Meeting;

New Constitution means the constitution the subject of Resolution 2, a copy of which has been annexed to this Notice of Meeting and will be tabled by the Chairman at the Meeting;

Notice of Meeting or **Notice** means the notice of meeting accompanying this Explanatory Memorandum;

Ordinary Resolution means a resolution passed by at least 50% of the votes cast by members who are entitled to vote on the resolution;

Resolutions means the resolutions set out in the Notice of Meeting;

Shareholder means a shareholder of the Company;

Special Resolution means a resolution passed by at least 75% of the votes cast by members who are entitled to vote on the resolution.

5. Inquiries

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to the Company Secretary as follows:

Address: 63 Westgate Street, Wacol 4076 Queensland
Telephone: 1800 69 77 29
Email: accounts@sqidpayments.com.au

Explanatory Memorandum

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below , or the Share Registry, 63 Westgate Street, Wacol, Qld, 4076** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

SQID Technologies Limited
63 Westgate Street, Wacol, Qld 4076

Telephone Phone: 1800697729 Email: accounts@sqidpayments.com.au

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. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm, 3 September 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy 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, all of the security holders should sign. |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document 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 <i>Corporations Act 2001</i>) 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.

Proxy Form

I / We _____

of: _____

being shareholder(s) of SQID Technologies Limited ("Company")

hereby appoint: _____

of: _____

of failing him/her: _____

of: _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the extraordinary general meeting of the Company to be held at the Belmont Services Bowls Club, Corner of Narracott and Thorne Streets, Carina, Queensland, on 5 September 2019 at 4pm and at any adjournment thereof in respect of all of my/our shares in the Company unless otherwise specified below.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares (Note: proxy will be over all shares if left blank)

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/she has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
1. Conversion all of the issued fully paid ordinary shares in the capital of the Company into a smaller number on the basis that every two (2) fully paid ordinary shares be consolidated into one (1) fully paid ordinary share.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Repeal and replace the Constitution of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Individual or Security holder 1

Sole Director and sole Company Secretary (If appointed)

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact daytime telephone

Date