

Dear Shareholder

Independent Expert Report : ISX Compliance with Continuous Disclosure Requirements

Please find attached the Findings of the Independent Expert.

No Material Non Compliance Findings by Independent Expert

Shareholders may recall that the ASX directed ISX to engage a partner from one of Australia's top law firms – one nominated by the ASX - to conduct an Independent Expert review.

The Independent Expert review has been completed and was jointly authored by two partners of Clayton Utz.

The findings speak for themselves, and we encourage shareholders to read the attached in full.

On the issue of material announcements, the Company's approach has been consistent, and it has met its continuous disclosure obligations.

We are pleased that the findings of the Independent Expert with regards to the practices of Company have been consistent with best practice of an ASX300 Company. This is despite the majority of materials that were reviewed by the Independent Expert relating to a time when the Company was in startup phase, ahead of ISX's eventual entry into the ASX300 (albeit only for a few days).

As with any policy or procedure, there is always room to improve, and the Company welcomes the constructive review and recommendations from Clayton Utz.

The Company has accepted the umpire's decision. Where the Independent Expert has found that there have been shortfalls, we will improve.

The Independent Expert's recommendations will be implemented in the Company's Continuous Disclosure Policy (per the ASX announcement today).

ASX Reaction

The ASX's reaction to the Independent Expert report has been unexpected, even under these unique circumstances. Aside from blocking release on Friday, we are now aware that over the weekend the ASX has engaged in an unseemly squabble with the Independent Expert.

For the ASX to place pressure on the Independent Expert – one of its own choosing – simply because it does not like its findings is an unprecedented and extraordinary act from the self-declared 'heart' of the Australian financial markets.

As we have said for many months, the ASX has been unable to separate its role as market operator, from that of being the defendant in \$50m plus damages claim brought by ISX.

The ASX, in its role as defendant, may not like the Independent Expert report. But that is no justification for the ASX as an Australian Market Operator to ignore its licence obligations and prevent the release of the report.

ISX believes that the ASX is now running further risk of misinforming the market by withholding material information.

Yours faithfully

N J Karantzis
Managing Director

Independent Expert Report : ISX Compliance with Continuous Disclosure Requirements

Melbourne, 17th July : iSignthis Ltd ("The Company" or "ISX") welcomes the publication of the Independent Expert's report, which states:

"Based on our review in accordance with the Agreed Scope, we did not identify any contract entered into by ISX with customers since 1 January 2018 that has not been disclosed and that, in our opinion, was of such a nature that a reasonable person would have expected information about the contract to affect the price or value of ISX's shares. In accordance with the ASX Direction and the Agreed Scope, we did not consider the Key Contracts."

ISX hopes that the publication of this report brings to an end much of the speculation that led to a highly damaging suspension of the Company from trading on the ASX.

ISX does note that the Independent Expert did find some areas in which improvements can be made and has made a number of recommendations. The Company advises that it will act to implement any of the Independent Expert's recommendations that have not already been implemented by the Company's board and management.

"The board and management of ISX welcome the Independent Expert's report and feel vindicated by its findings," said Tim Hart, Chairman of iSignthis. "It has been a disappointing time for our shareholders, who have been prevented from trading their stock for more than nine months on the basis of speculation by the ASX and media reports. The Independent Expert did not identify any critical non-compliance matters."

"iSignthis grew very quickly to become an ASX300 company. While the Independent Expert found that we were largely compliant with best practice for an ASX300 company during that period of extremely rapid growth, it did identify some areas that could be improved. We will act to ensure all of the recommendations are implemented in their entirety."

Authorised by the Board of Directors

Independent Expert Executive Summary follows

**Private & Confidential -
Not for public release without the prior consent of ISX and Clayton Utz**

The Board of Directors
iSignthis Ltd
456 Victoria Parade
East Melbourne VIC 3002

16 July 2020

ISX: Independent Expert Review of Continuous Disclosure Policy and Processes

Background

This letter sets out the results of our independent expert review of the disclosure policy and processes of iSignthis Ltd (ACN 075 419 715) (**ISX**) in accordance with the ASX directions issued to ISX on 1 May 2020 (**ASX Directions**) and with the scoping document that we have agreed with ISX (**Agreed Scope**).

Among other requirements, the ASX Directions included the following direction from ASX to ISX:

In accordance with Listing Rule 18.8(l), ASX directs ISX to engage an independent expert, acceptable to ASX, to review its policies and processes to comply with Listing Rule 3.1 and to release to the market the findings of, and any changes ISX proposes to make to its compliance policies and processes in response to, the review. The review should also assess each contract that ISX has entered into since 1 January 2018 (other than the Key Contracts) to determine whether or not a reasonable person would have expected information about the contract to affect the price or value of ISX's shares and, if so, whether ISX has disclosed the matters set out in section 4.15 of GN 8 in relation to that contract. To the extent it hasn't, ISX will be expected to make corrective disclosure and, if it does not, ASX will give a further direction under Listing Rules 18.8(a) and (b) that ISX do so.

The "**Key Contracts**" referred to in the ASX Directions have the same meaning as in the ASX Statement of Reasons dated 13 March 2020 and released by ASX to the market on 30 April 2020.

Purpose

In accordance with the ASX Directions and the Agreed Scope, the purpose of this letter is to:

- identify any deficiencies in the ISX form of Continuous Disclosure Policy and the processes adopted by ISX having regard to best practice of ASX300 companies and the applicable regulatory requirements and recommendations for such policies; and
- in respect of contracts entered into by ISX with customers since 1 January 2018 (other than the Key Contracts) make an assessment of whether or not, in our opinion, a reasonable person would have expected information about the contract to affect the price or value of ISX's shares, and if so whether ISX made appropriate disclosure in that regard, having regard to the requirements of section 4.15 of ASX Guidance Note 8.

This letter also includes the assumptions and qualifications to which our review is subject, having regard to information provided to us by ISX and the extent of our role and expertise.

Executive Summary and Recommendations

1. Summary of scope of review

1.1 In accordance with the ASX Direction and the Agreed Scope we have reviewed for the period from 1 January 2018 until May 2020:

- (a) ISX's Board minutes and papers (**Board minutes and papers**);
- (b) all 15 "Fintech" contracts entered into with customers of ISX (**Fintech Contracts**);
- (c) data regarding all "Processing" contracts entered into by ISX with customers, including a full customer list, historic processing volumes as disclosed by customers at application, service type and historical annual revenue generated under each contract during the relevant period and revenue for Q1 FY2021 (noting ISX has a financial year end of 31 December);
- (d) a sample set of 16 regulated services "Processing" contracts (either payment or electronic money services) entered into over the relevant time period (based on representations made to us by ISX that all such contracts are in substantially the same form, other than as to fees, and the level of actual fees to be derived under the relevant contract is usually not immediately apparent or ascertainable until some time after the customer 'goes live'), comprised of:
 - (i) 6 eMoney account Processing contracts; and
 - (ii) 10 payment facilitation & identity services Processing contracts,
 (the **Processing Contracts**) (together, the Processing Contracts and Fintech Contracts are the **Contracts**);
- (e) ISX's price sensitive announcements and other announcements made by ISX, in each case, regarding contractual arrangements only in the period from 1 January 2018 until 29 June 2020 (other than in respect of the Key Contracts) (**ASX Announcements**); and
- (f) ISX's continuous disclosure policy, which ISX has advised us has been in place for the duration of the relevant period (ie. since 1 January 2018) (**Policy**).

1.2 We have also conducted interviews with members of ISX's Board and senior management to assess ISX's practices with respect to compliance with its continuous disclosure obligations.

2. Summary of findings

2.1 Based on our review in accordance with the Agreed Scope, we did not identify any contract entered into by ISX with customers since 1 January 2018 that has not been disclosed and that, in our opinion, was of such a nature that a reasonable person would have expected information about the contract to affect the price or value of ISX's shares. In accordance with the ASX Direction and the Agreed Scope, we did not consider the Key Contracts.

2.2 Our review identified that there are a number of areas in which improvements are recommended in respect of ISX's approach to disclosure of potentially price sensitive information, in respect of the following matters:

- (a) processes in respect of identification and approval of matters that require disclosure in accordance with ASX Listing Rule 3.1, to ensure that there is consistency in disclosure of contracts;
- (b) determination of the appropriate time for release of price sensitive announcements, particularly in relation to entry into material contracts; and
- (c) approach to disclosure of the terms of material contracts, to ensure that announcements of material contracts comply with ASX's guidance in Guidance Note 8.

2.3 While our review of the Policy found that it is largely compliant with the Regulatory Recommendations (as defined below) and best practice of ASX 300 companies (based on our review of the continuous disclosure policies of five ASX 300 companies, we did identify certain areas in which the Policy does not fully comply with one or more of the Regulatory Recommendations or is not consistent with common practice of ASX 300 companies, as follows:

- (a) clear delineation of the roles and responsibilities of the Board and employees in respect of ISX's disclosure obligations and processes for the review and approval of market announcements. In particular, the Policy does not address the role of the Board in ensuring compliance by ISX with its continuous disclosure obligations, and approval of announcements. In addition, the Policy does not detail ISX's processes for reviewing and authorising market announcements. However, we understand from ISX management that as a matter of practice, ISX's processes involve at least the Managing Director, the Company Secretary and Chairman reviewing each announcement, with the Board providing input on all strategic and material announcements, and automatically receiving copies of all announcements disclosed on the ASX Market Announcements Platform;
- (b) the Policy does not expressly require advance publication of new and substantive investor presentations, however we understand from ISX management that this occurs as a matter of practice;
- (c) the Policy does not clearly highlight the significance of confidentiality, or stipulate or cross refer to ISX's communications policy, however we understand from ISX management that confidentiality is sought to be maintained as a matter of practice; and
- (d) ISX's processes with respect to analyst briefings and shareholder queries. In particular, the Policy does not contemplate a review process following briefings or investor discussions, or require provision of presentation materials in advance to disclosure officers to ensure no price sensitive information is, or has been, disclosed in any such meetings. In addition, the Policy does not clearly stipulate how ISX spokespersons should respond to unexpected questions that arise in such briefings or discussions. However, we understand from ISX management that as a matter of practice, ISX spokespersons decline to respond to queries that extend beyond the presentation materials.

We acknowledge that ISX was included in the ASX 300 Index for only a short time in 2019 before trading in its shares was suspended by ASX.

Further detail in respect of each of the above matters is set out in the detailed section of our report.

In this report, "**Regulatory Recommendations**" means:

- (e) ASX Guidance Note 8;
- (f) ASX Corporate Governance Council Corporate Governance Principles & Recommendations (3rd edition);
- (g) ASX Corporate Governance Council Corporate Governance Principles & Recommendations (4th edition), which applied to ISX on and from 1 January 2020; and
- (h) ASIC Regulatory Guide 62.

3. **Recommendations**

3.1 Based on the findings of our review in accordance with the Agreed Scope, we provide the following recommendations:

- (a) ISX consider formalising a continuous disclosure committee which comprised of the Chief Executive Officer, the Non-Executive Chairman and the Company Secretary (for example) and which meets as needed to discuss matters for potential disclosure before those matters are then referred to the Board for decision;
- (b) ISX continue to access further external advice more frequently to ensure greater observance of ASXs guidance on key disclosure matters, including in responding to queries from, and dealings with, ASX;
- (c) the ISX Board and members of senior management continue to access further external advice in relation to its continuous disclosure obligations , including in respect of:
 - (i) identifying when a contract or matter may be sufficiently material so as to require disclosure for the purposes of ASX Listing Rule 3.1;
 - (ii) the timing of announcement of material contracts in accordance with ASX Listing Rule 3.1;
- (d) future announcements made by ISX in respect of entry into material contracts should more clearly articulate the significance of the contract to ISX and should state the term of the contract;
- (e) ISX amend its policy and approach to disclosure of material contracts such that, where a contract is identified as being strategically important (such that disclosure is required under ASX Listing Rule 3.1), ISX immediately release an announcement following execution of the contract (rather than at the point of integration or where ISX begins to earn revenue under the contract, which is its current practice). We further recommend that the announcement of entry into a strategically significant contract should clearly disclose any conditions, uncertainty or other contingencies in respect of the contract that must be satisfied or resolved before revenue can be generated under the contract;
- (f) to the extent that ISX is currently party to any contract that it considers to be material from a strategic (or other non-revenue related) perspective that has not

yet been announced, ISX announce the terms of the contract(s) immediately, in an announcement that complies with paragraph 4.15 of ASX Listing Rule 3.1. We acknowledge that ISX has informed us that, as at 3 July 2020, no such contracts exist;

- (g) ISX improve its processes with respect to negotiation and execution of contracts that allow it to comply with its continuous disclosure obligations, particularly in respect of announcement of entry into material contracts where the counterparty is a foreign entity, or the contract is governed by foreign law and there is uncertainty regarding the validity of electronic execution;
- (h) in respect of the shareholder requisition referred to in ISX's announcement on 12 June 2020, if ISX considers that the shareholder requisition is a valid requisition, ISX immediately release a copy of that requisition (or a summary of its terms) to the market, in accordance with the requirements of ASX Listing Rule 3.17A; and
- (i) ISX consider and implement our recommended changes to its Policy, to address those matters referred to in section 2.3 above (as set out in more detail in the detailed section of our report).

End of Executive Summary and Recommendations

Clayton Utz
16 July 2020

Subject: FWD : Re: Independent Expert Report : iSignthis Continuous Disclosure
Date: Monday, 20 July 2020 at 12:21:46 pm Australian Eastern Standard Time
From: [REDACTED]
To: [REDACTED]

Attachments: image001.png, image002.png, image003.png, image004.png, image005.png, image006.png, image007.png, image008.png, image009.png, image010.png, image011.png, image012.png, image013.png, image014.png, image015.png, image016.png, image017.png, image018.png, image019.png, image020.png, image021.png, image022.png, image023.png, image024.png, image025.png, image026.png

Dear Janine

I will confer internally, however, it is likely we will disagree with your position. I will advise shortly if that is not the case.

The Independent Expert's Executive Summary represents the "findings", and our announcement today canvasses the 'recommendations'.

No reasonable person would expect the entire report to be released, and, in any case, release of the entire report would not inform the market beyond the material matters already stated in the two announcements.

We note that, the ASX may issue its own release, and has done so in the past. We caution the ASX re further misleading releases, and that any such will be brought to the attention of the Federal Court in further amendments to our Statement of Claim.

Out of courtesy, we will provide the ASX until 4pm to release our announcement of last Friday, else we will do so via direct communication to shareholders, media and ASIC.

The ASX is capable of marking the announcement as market sensitive, should it wish to do so.

Regards

John Karantzis
CEO

iSignthis®



456 Victoria Parade, East Melbourne
Victoria 3002 Australia



ASX: ISX



[iSignthis.com](https://www.isignthis.com)

Offices: Melbourne | London | Vilnius | Amsterdam | Valetta | Nicosia
Stay Connected: [Google+](#) | [Facebook](#) | [Twitter](#) | [LinkedIn](#)

iSignthis

Paydentity™

The complete on-boarding
solution for your business

[Find out more](#)

iSignthis®, ISXPay®, Probanx®, Flykk® & Paydentity™ are registered trademarks of iSignthis Ltd.
iSignthis Ltd (ASX : ISX/FRA : TA8) ABN 93 075 419 715 operating subsidiaries Authenticate BV KvK 62744968 (NL), Authenticate Pty Ltd ABN 49 600 573 233 (AU), Probanx Solutions Ltd (CY), UAB Baltic Banking Service (LT). iSignthis eMoney Ltd HE348009 (CY), trading as Flykk and ISXPay, is authorised by the Central Bank of Cyprus # 115.1.3.17 as an E.E.A Monetary Financial Institution. © Patent applications pending/granted in Africa, Australia, Asia, The Americas, Europe and Oceania. WIPO Patent Application Nos: WO2011/120098, WO2016/094954, WO2016/101027, WO2016/187662, WO2018/090099, WO2018/170548. If this email wasn't addressed to you, please delete it.

From: John Karantzis <john.karantzis@isignthis.com>

Sent: Monday, 20 July 2020 8:15 AM

To: [REDACTED]

Subject: Re: Independent Expert Report : iSignthis Continuous Disclosure

EXTERNAL EMAIL: Do not click on links or open attachments unless you trust the sender

Dear Janine

We note the correspondence between the ASX and the Independent Expert over the weekend.

We also note the failure by the ASX to release the Company's announcement lodged on the MAP at 858am Friday 17th July 2020.

There appears to be three issues that the ASX is conflating:

1. The ASX's obligation and role as an Australian Market Operator (AMO) should not frustrate a listed entity in meeting its continuous disclosure requirements. The report is clearly material, and would impact the price of the Company's securities, and should have been immediately released last Friday.
2. The ASX's role as the AMO in issuing the 1st May Directions, which are a condition precedent to lifting the suspension of trading of the securities. It's ponderings on the satisfaction of the directions should not impact #1, and
3. The ASX as Respondent. The ASX clearly has some issues it now has to deal with, in terms of its defence. These issues should neither impact #1 nor #2.

We have no objection to the ASX making queries of the independent expert. The ASX has a right to do so, and may make a statement in response if it feels it needs to.

Conversely, and we believe more appropriately, it may also accept the report as satisfying the last of the 1st May ASX Directions, and lift the suspension on trading of the ISX securities. The report has been independently authored by two partners of one of the law firms nominated by the ASX.

In order to assist the ASX in its ponderings if its 1st May Directions have now been fully met, the attached ISX announcement titled "*Amendments to Continuous Disclosure Policy*" has also been uploaded by ISX to the MAP, which satisfies the remaining requirement of "...any changes ISX proposes to make to its compliance policies and processes in response to, the review".

As the "findings" are appropriately disclosed in the Independent Experts Executive Summary, we now consider this particular element in respect of the Independent Expert of the 1st May Direction to be fully satisfied.

Continuous Disclosure Obligations

As the ASX has on multiple occasions pointed out, and in particular during its submissions to the Federal Court of Australia, the market "must be informed". The MD's AGM report was placed on the MAP 2 ½ hours after the Independent Expert Report Announcement was uploaded last Friday, and we had every expectation that it would have been released in timely manner.

For similar reasons that the Statement of Reasons *had* to be released to market in order inform the

market of the ASX's *opinion* [1], ISX will unfortunately be again forced to release the Announcement lodged last Friday today via letter to shareholders, to inform the market of the Independent Expert's report.

As you are no doubt aware, continuous disclosure requirements and the Corporations Act require that we release to market such information that may have a material effect on the value or price of the Company's securities. Clearly, the Independent Expert report falls into that category, as the ASX itself directed it as a requirement. As mentioned above, it must therefore be material and price sensitive.

The ASX withholding the disclosure from market is inappropriate, and frustrates the Company's ability to meet its disclosure obligations.

Censorship Inappropriate

We also raise again the concern that the ASX continues to censor the Company's announcements under the thinnest of pretext, and deletes ISX announcements before release. Despite what appears to be assurance from ASX's Counsel Dr Button to Her Honour that ISX will be able to respond to opinions published by the ASX, ISX has clearly been blocked by the ASX from using the MAP even for routine announcements.

There is also the matter that arises that as ASX is frustrating ISX's ability to meet its continuous disclosure obligations, what liability does the ASX accept or bear in that regard?

We suggest that the ASX finds a way to segregate its obligations as an AMO from the concerns it must have as a Respondent in the Federal Court case brought by ISX, as it is evident that there is a conflict between these roles.

We therefore request that the ASX release today, both the 858am Friday 17th July 2020 announcement and the attached 'Amendments to Continuous Disclosure Policy' announcement, which was lodged on the ASX MAP this morning. These together satisfy the remaining aspects of the 1st May Direction.

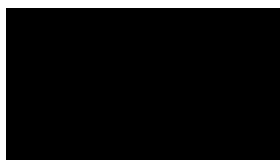
I would welcome the opportunity to discuss lifting the suspension, and look forward to your response.

[1] *Refer Extract of Transcript VID1315/2019 16th April 2020 attached, Dr Button for the ASX*

Regards

John Karantzis
CEO

iSignthis®



456 Victoria Parade, East Melbourne
Victoria 3002 Australia

ASX: ISX

[iSignthis.com](https://www.isignthis.com)

Offices: Melbourne | London | Vilnius | Amsterdam | Valetta | Nicosia
Stay Connected: [Google+](#) | [Facebook](#) | [Twitter](#) | [LinkedIn](#)

iSignthis

Paydentity™

The complete on-boarding
solution for your business

[Find out more](#)

From: Janine Ryan [mailto:janine.ryan@corporate.com]

Date: Friday, 17 July 2020 at 7:06 pm

To: Michael Linehan <Michael.Linehan@us.ibm.com>

Cc: James Gerraty <James.Gerraty@deloitte.com.au>

Seyfort

Karantz

Subject: RE: Independent Expert Report : iSignthis Continuous Disclosure

Dear John, Michael and Brendan

As flagged earlier today, ASX is progressing its review of the Independent Expert's Report and associated market announcement.

In addition to follow on questions from Clayton Utz's response to our email this afternoon, we will have a number of further questions in relation to the scope and basis of preparation of, and assumptions and qualifications contained in, the Report. We expect to be able to provide these to you on Monday.

In relation to the associated market announcement lodged with ASX, we note that the direction requires ISX to release the findings to the market. ASX considers that this requires disclosure of the entire Report, not an executive summary of the findings as contained in the draft announcement. This will need to be addressed once any outstanding questions in relation to the Report have been resolved.

Kind regards

Janine Ryan | Chief Compliance Officer

From: Linehan, Michael [REDACTED]

Sent: Friday, 17 July 2020 4:03 PM

To: Janine Ryan

Report : iSignthis Continuous Disclosure

EXTERNAL EMAIL: Do not click on links or open attachments unless you trust the sender

Good afternoon Janine

Thank you for your email.

In response to your two queries, we note as follows:

- We considered the matters noted in Mr Lewis' email of 18 June 2020, in particular the issues set out in the 5th paragraph in considering ISX's general approach to management of continuous disclosure matters (ie. not just in relation to the Visa suspension).

- We interviewed management regarding the Visa issues and reviewed some correspondence to assess ISX's approach to management of continuous disclosure issues. However, we would note that a review of all correspondence between ISX and Visa in relation to those issues was beyond the Agreed Scope (as set out in our report).

Please don't hesitate to contact us if you have any further queries arising from your review of our report.

Regards
Michael

Michael Linehan, Partner
Clayton Utz

[REDACTED]
[REDACTED]
[REDACTED]

From: Janine Ryan [REDACTED]
Sent: Friday, 17 July 2020 1:46 PM
To: Linehan, Michael [REDACTED]
[REDACTED]
[REDACTED]

Subject: RE: Independent Expert Report : iSignthis Continuous Disclosure

Dear Michael and Brendan

I refer to your Independent Expert Report dated 16 July 2020 and to Kevin Lewis' emails to you on 17 June 2020 and 18 June 2020 (as attached) in relation to the scope of that report.

Please could you provide further detail on:

- The extent to which Clayton Utz took into account the matters set out in Mr Lewis' email of 18 June 2020, in particular the potential issues set out in the 5th paragraph; and
- Whether Clayton Utz reviewed all correspondence between ISX and Visa in relation to the Visa suspension and termination.

ASX is providing these comments in the interests of time due to the AGM this afternoon and may have further comments or questions as it continues its review of these materials.

Kind regards

Janine Ryan | Chief Compliance Officer

From: John Karantzis [REDACTED]
Sent: Friday, 17 July 2020 8:19 AM
To: Janine Ryan [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Subject: Independent Expert Report : iSignthis Continuous Disclosure

EXTERNAL EMAIL: Do not click on links or open attachments unless you trust the sender

Dear Janine

Please find attached the Independent Expert's report, and our proposed ASX announcement, which will be placed on the ASX MAP shortly.

We note that there are no substantial adverse findings, and the board has overnight resolved to adopt all recommendations.

As the Company has now complied with all of the 4th May 2020 directions set out by the ASX, the Company requests lifting of the suspension in trading of its securities as soon as possible.

Please note that the report is not for release to market or distribution to third parties.

Please do not hesitate to contact me directly if you have any queries.

Regards

John Karantzis
CEO



456 Victoria Parade, East Melbourne
Victoria 3002 Australia

ASX: ISX [iSignthis.com](https://www.isignthis.com)

Offices: Melbourne | London | Vilnius | Amsterdam | Valetta | Nicosia

Stay Connected: [Google+](#) | [Facebook](#) | [Twitter](#) | [LinkedIn](#)

[Find out more](#)

The complete on-boarding solution for your business

iSignthis®, ISXPay®, Probanx®, Flykk® & Paydentity™ are registered trademarks of iSignthis Ltd.
iSignthis Ltd (ASX : ISX/FRA : TA8) ABN 93 075 419 715 operating subsidiaries Authenticate BV KvK 62744968 (NL), Authenticate Pty Ltd ABN 49 600 573 233 (AU), Probanx Solutions Ltd (CY), UAB Baltic Banking Service (LT). iSignthis eMoney Ltd HE348009 (CY), trading as Flykk and ISXPay, is authorised by the Central Bank of Cyprus # [115.1.3.17](#) as an E.E.A Monetary Financial Institution. © Patent applications pending/granted in Africa, Australia, Asia, The Americas, Europe and Oceania. WIPO Patent Application Nos: WO2011/120098, WO2016/094954, WO2016/101027, WO2016/187662, WO2018/090099, WO2018/170548. If this email wasn't addressed to you, please delete it.

The information in this email is confidential, it may also be privileged and is intended for the exclusive use of the addressee(s). If you have received this email in error, please do not distribute it, notify me and destroy the original message and all copies. The unauthorised use of this email may result in liability for breach of confidentiality, privilege or copyright. E-mail transmissions cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or contain viruses. The sender does not accept liability for errors or omissions in the contents of this message which arise as a result of e-mail transmission.

But it's not a simply matter to simply try and hive off, as ISX would have it, the question of publication from the whole factual story and substratum by which we have arrived at the point where ISX has been suspended for a number of months, the market is clamouring to know why, the confidence of the market in the market operator as some – from some quarters is being questioned in relation to the ongoing suspension. So there are a number of compelling factual circumstances which come together to reinforce the need for this information about not only the substantive disclosure issues but the reasons for the suspension to be put into the market, and not to be stifled for, what could be, months to come, pending a trial, and even further months were there to be an appeal.

HER HONOUR: What is the source of the power for publishing the reasons to the market?

DR BUTTON: Your Honour, there's an explicit power and a lack of a prohibition, if I can put it that way. ASX is an entity that is – it is a private corporation with – who has a market licence. It has to be – there has to be a reason to stop it doing from something, is one point. That, moreover, in paragraph 18.7A:

ASX may publish correspondence between it and an entity if ASX has reserved the right to do so and considers that it is necessary for an informed market.

So there – it – we would say also, in circumstances where the Listing Rules empower ASX to enforce – monitor and enforce the Listing Rules, and also to suspend entities having formed an opinion that it is not only clear that ASX has the ability to conduct investigations – and we know from the Listing Rules themselves, it has the power to call for information and documents, but it has the ability to explain and inform the market about the reasons for a suspension, and the decisions and opinions that it has formed.

And if your Honour is looking for an explicit power, we would say that it's clear from 18.7A. But we would say, your Honour, it's not necessarily the right question to look for an explicit power. It is part and parcel of the standing of ASX as a market operator who has suspended an entity, having formed an opinion to be able to inform the market of the opinion.

HER HONOUR: I don't have 18.7A, but that seems to be correspondence between the parties. I mean, if one – as a matter of fairness, if one was to publish the reasons, that it – would it involve or require, as a matter of fairness, all the submissions put by the applicant as well.

DR BUTTON: Well, your Honour, the correspondence – can I say this firstly, the statement of reasons is an attachment to correspondence, so it is part of the correspondence. If ISX were to wish for its document responding to draft reasons to be published, that's something that, no doubt, it could pursue. I don't have instructions whether there would be any impediment to that from the ASX point of view, but, in general, when your Honour reviews the material, it's ISX that is

concerned not for various matters to be part of the public record. ISX could publish its response if it so chose. And ISX's responses to the query letters have been published.

5 So with respect to – your Honour, it's that the question of publication does not, sort of, impose any unfairness by failing to put forward ISX's story. ISX's story is contained within the reasons to a degree and to – that ASX has dealt expressly with its submissions, but it would be open to ISX to put forward its more detailed submissions if it so chose.

10 HER HONOUR: It seems to me from reading the statement of reasons that the source of the power for publishing the statement of reasons to the market is, to ensure that the market operates in a fair, orderly and transparent way by correcting the lack of information and misinformation in the market on the matters set out in the
15 statement of reasons.

DR BUTTON: Yes. Well, that's what it says is its preface. Indeed, your Honour.

HER HONOUR: Can I ask people, please, to ensure that they have their mute
20 button on. We just had an audible conversation from some member of the public which interferes with the hearing of this matter.

DR BUTTON: Thank you. Your Honour, I might turn now to some aspects of the regulatory regime. Can I note for your Honour – and in view of time, I won't take
25 your Honour to all of these matters but give your Honour some of the references. ASX has been granted a market licence under section 795B. That's addressed at Mr Moran's affidavit at paragraph 10. The licence itself is in tab 2 to his affidavit at PDF page 13. At page 14, your Honour will see that the ISX licence is to operate, and I quote:

30 *In accordance with the Operating Rules of the ASX Limited.*

So the Listing Rules, and everything that carries with them, is a fundamental part of ASX's licence to operate the market. They don't – those Listing Rules don't sit to
35 the side of the operation of ASX's licence, but rather they are central to it, and this reflects the statutory scheme. Your Honour will – if your Honour has the Corporations Act still to hand, your Honour was taken to subparagraph (a) of 792A, which addresses the fair, orderly and transparent market. But it's important to note, your Honour, there is a statutory requirement for a market licensee, in subparagraph
40 (c):

To have adequate arrangements for operating the market, including arrangements for (ii) monitoring and enforcing compliance with the market's Operating Rules.

45 HER HONOUR: Sorry. What paragraph – what section is that?