
TSN signs binding term sheet to launch mobile commerce and payment services with U.S. Based SALT Technology, Inc

Highlights:

- **Binding Term Sheet signed for Mobile payment solutions platform targeting Australia and Asia's growing electronic and mobile internet users**
- **TSN to acquire Exclusive Asia and Australasia License, Direct Equity and performance based Warrants in SALT**

The Directors of Transaction Solutions International Ltd ("TSN") are pleased to announce the completion of a binding terms agreement ("Terms Sheet") between TSN and Salt Technology Inc. ("SALT"), based in the U.S.

About SALT

Supporting connectivity to over 80 Banks for payment processing and aggregation, SALT is the owner, licensor and operator of the SALT mobile commerce platform which offers an end to end payments platform with a patented universal commerce gateway. Holding a series of patents and patent pending products, SALT converges eCommerce and mCommerce to deliver One Touch™ transactions on any screen, including smartphone, tablet, laptop or desktop.

Some of the features of SALT are highlighted below and as such reflect a significant potential for multiple revenue streams from multiple market opportunities:

- **One Touch™** Allows a client's customer to be directly associated with their mobile phones so all future transactions can be completed without requiring card entry or a credit/debit card to be present at all.
- **Vicinity™** brings together online and proximity payments and extinguishes the line between the mobile and fixed devices (laptops and computers).
- **Payment processing** one connection for mobile and e-commerce and incorporating large enterprise support.
- **Advanced Fraud Detection** 100,000+ rules combinations gives flexibility and control with advanced device capturing and geolocation.
- **M-Commerce (OS agnostic)** anywhere, anytime, any device with device detection rendering.
- **Cross Platform Payments** interoperability between any device type with direct, zero-touch interaction between POS, checkout page or mobile wallet solutions. Cross user analytics built in.

Agreement between the Parties

TSN and Salt have executed a binding Term Sheet. Whilst commercially sensitive in certain areas, the Term Sheet incorporates the following general terms and conditions which have been agreed to support the launch of services.

1. SALT shall provide TSN the exclusive rights under license to TSN, for the Asian and Australasian region to utilise its platform for the deployment of commercial implementations.
2. In relation to roles and responsibilities, SALT shall provision its platform to TSN for the launch of mobile commerce and payment services in Asia and Australasia. A full statement of program works shall be determined upon completion of the definitive agreements, allowing TSN to customize the platform for its uses.
3. SALT shall provide access to its technical and commercial teams including project management, technical solutions, operations and financial personnel.

Commercial model

The commercial model comprises three key components being License Fee, fee per transaction payable to SALT and equity participation in SALT U.S. (parent company).

- **One off License Fee**

One off License Fee of US\$750,000 paid in three staged tranches of US\$250,000 each, to SALT upon successful development and delivery of a customized platform to TSN. Both hardware and software are included in the License Fee payment which will enable TSN to develop and integrate applications suitable to TSN clients in unison with SALT.

- **Per Transaction Fee**

For each successful electronic payment transaction utilizing the SALT platform, SALT shall receive from TSN a wholesale rate transaction fee.

- **Direct Equity in SALT**

To ensure a common alignment of interests and to assist in the development of TSN's operations and platform, TSN shall secure an agreed Preferential Equity investment in SALT of US\$1.25 million.

Further, based on TSN revenue milestones achieved, SALT has agreed to issue TSN a series of 200,000 warrants pro-rata (strike price of US\$0.01 cent) convertible into equity shares based on revenue milestones.

Conditions Precedent

The agreement articulates detailed information to be used in a Master Services Agreement ("MSA") and allows final due diligence to be completed. It is in both parties interest to complete as expediently as possible.

The Term Sheet is subject to a number of conditions precedent being satisfied including satisfactory completion of TSN's technical, financial and corporate due diligence of SALT and its platform, and final TSN Board approval.

Managing Director, Gary Foster advised that *"the relationship with SALT allows us to be focused on what we consider to be the largest growth opportunity in payments today. In my view we have some of the best available technology which is adaptable to many business cases. That combined with strong relationships in one of the largest consumer spending demographics in the world, being India, places us in a powerful position for opportunistic growth."*

We have been careful to select a technology that has flexibility and attributes focused around continuous development, particularly as our research has found many companies, both in Australia and overseas to be isolated with one particular product line and therefore potentially at risk of being superseded."

TSN looks forward to updating shareholders and providing more detail around its m-commerce strategy as soon as it is practical to do so.

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