

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (date of earliest event reported): **May 29, 2020**

USA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation
or organization)

001-33365

(Commission
File Number)

232679963

(IRS employer
identification number)

**100 Deerfield Lane, Suite 300
Malvern, Pennsylvania**

(Address of principal executive offices)

19355

(Zip code)

Registrant's telephone number, including area code: **610-989-0340**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Restricted Stock Unit Award Agreement

On May 29, 2020, the Company entered into a Restricted Stock Unit Award Agreement (the “RSU Agreement”) with Anant Agrawal, the Company’s Executive Vice President of Corporate Development. Pursuant to the RSU Agreement, the Company granted 16,260 restricted stock units (“RSUs”) to Mr. Agrawal under the Company’s 2018 Equity Incentive Plan (as amended), which shall vest in full on December 31, 2020 (the “Vesting Date”), subject to Mr. Agrawal’s continued service through the Vesting Date; provided that if Mr. Agrawal’s service is terminated by the Company without “cause” (as defined in Mr. Agrawal’s employment agreement), or by Mr. Agrawal for “good reason” (as defined in Mr. Agrawal’s employment agreement), then any then-unvested RSUs shall immediately vest and the Vesting Date shall be accelerated to the date of such termination.

This summary description of the RSU Agreement does not purport to be complete and is qualified in its entirety by the RSU Agreement, a copy of which is included as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On May 21, 2020, the shareholders of the Company approved Articles of Amendment (the “Articles of Amendment”) to the Amended and Restated Articles of Incorporation to opt out of Subchapter E and Subchapter F of Chapter 25 of the Pennsylvania Business Corporation Law. On May 29, 2020, the Company filed the Articles of Amendment with the Pennsylvania Department of State. The Articles of Amendment added a new Article 7 to the Company’s Amended and Restated Articles of Incorporation to reflect such opt-outs. The Articles of Amendment were effective on May 29, 2020.

A copy of the Articles of Incorporation, as amended through May 29, 2020, is included as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Description
<u>3.1</u>	<u>Amended and Restated Articles of Incorporation, as amended through May 29, 2020.</u>
<u>10.1</u>	<u>Restricted Stock Unit Award Agreement, dated May 29, 2020, between USA Technologies, Inc. and Anant Agrawal.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

USA TECHNOLOGIES, INC.

By: /s/ Sean Feeney
Sean Feeney
Chief Executive Officer

Dated: June 3, 2020

USA TECHNOLOGIES, INC.
AMENDED AND RESTATED
ARTICLES OF INCORPORATION,
AS AMENDED THROUGH MAY 29, 2020

1. The name of the corporation is USA TECHNOLOGIES, INC.
2. The address of the corporation's current registered office in the Commonwealth is 100 Deerfield Lane, Suite 140, Malvern, PA 19355, Montgomery County.
3. The corporation is incorporated under the Business Corporation Law of 1988.
4. Capital Stock.

(A) Classes of Stock. The aggregate number of shares which the corporation shall have authority to issue is 641,800,000 shares, consisting of 640,000,000 shares of Common Stock, without par value, and 1,800,000 shares of Series Preferred Stock, without par value.

(B) Rights, Preferences and Restrictions of Series Preferred Stock. The Series Preferred Stock authorized by these Articles may be issued from time to time in one or more series. The Board of Directors of the corporation shall have the full authority permitted by law to establish one or more series and the number of shares constituting each such series and to fix by resolution full, limited, multiple or fractional, or no voting rights, and such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or relative rights of any series of the Series Preferred Stock that may be desired. Excluding the Series A Preferred Stock referred to hereinafter and subject to the limitation on the total number of shares of Series Preferred Stock which the corporation has authority to issue hereunder, the Board of Directors is also authorized to increase or decrease the number of shares of any series, subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

(C) Designation of Series A Convertible Preferred Stock. There is hereby established a series of the Series Preferred Stock designated "Series A Convertible Preferred Stock" (herein referred to as "Series A Preferred Stock"), consisting of 900,000 shares, having the relative rights, designations, preferences, qualifications, privileges, limitations, and restrictions applicable thereto as follows:

1. Dividend Provisions.

(a) The holders of shares of Series A Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock of this corporation) on the Common Stock of this corporation, at the rate of \$1.50 per share per annum, payable when, as and if declared by the Board of Directors. Such dividends shall be cumulative, but accumulations of dividends shall not bear interest.

(b) No deposit, payment, or distribution of any kind shall be made in or to any purchase or redemption requirement applicable to any class or series of junior shares unless all accumulations of dividends earned on the Series A Preferred Stock as of the last day of the most recently ended year shall have been paid. So long as any Series A Preferred Stock shall remain outstanding, no dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock of this corporation) or other distribution (except in junior shares) shall be paid or made on the Common Stock of the corporation or on other junior shares of the corporation and no share of Common Stock or other junior shares shall be purchased or otherwise acquired by the corporation or any subsidiary of the corporation other than upon exercise of the corporation's rights under any restricted stock purchase agreement or by exchange therefor of junior shares or out of the proceeds of the substantially concurrent sale of junior shares, unless (whether or not there shall be funds legally available therefor) all accumulations of dividends earned on the Series A Preferred Stock as of the last day of the most recently ended year shall have been paid. The term "junior shares" shall mean any class or series of stock junior to the Series A Preferred Stock as to dividends and the distribution of assets upon liquidation, dissolution, bankruptcy, reorganization or other insolvency proceeding, and upon the winding up of the corporation.

Subject to the above limitations, dividends may be paid on the Common Stock or any other junior shares out of any funds legally available for such purpose when and as declared by the Board of Directors.

Notwithstanding anything set forth to the contrary in this subsection (b), the corporation shall have the right to purchase, redeem, or otherwise acquire shares of Common Stock of the corporation from time to time regardless of whether or not all accumulations of dividends earned on the Series A Preferred Stock as of the last day of the most recently ended year shall have been paid.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the corporation, either voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of this corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$10.00 for each outstanding share of Series A Preferred Stock and (ii) all accumulations of unpaid dividends on each, share of Series A Preferred Stock (such amount being referred to herein as the "Premium"). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the amount of such stock owned by each such holder.

(b) After the distribution described in subsection (a) has been paid, and subject to any distributions to be made to any holders of junior shares, the remaining assets of the

corporation available for distribution to shareholders shall be distributed among the holders of Common Stock pro rata based on the number of shares of Common Stock held by each such holder.

(c) A consolidation or merger of this corporation with or into any other corporation or corporations, or a sale, conveyance or disposition of all or substantially all of the assets of this corporation or the effectuation by the corporation of a transaction or series of related transactions in which more than 50% of the voting power of the corporation is disposed of, shall be deemed to be a liquidation, dissolution or winding up within the meaning of this Section 2, if the holders of at least 50% of the outstanding Series A Preferred Stock elect to have such transaction treated as a liquidation.

3. Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows:

(a) Conversion Rights.

(i) Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of this corporation or any transfer agent for the Series A Preferred Stock, into such number of fully paid and no assessable shares of Common Stock as is determined by dividing \$1.00 (provided, however, that such number shall be \$1.20 rather than \$1.00 for each share of Series A Preferred Stock converted into shares of Common Stock during the period of time from March 24, 1997 through December 31, 1997) by the Conversion Price at the time in effect for such share. The initial Conversion Price per share for shares of Series A Preferred Stock shall be \$.10; provided, however, that the Conversion Price for the Series A Preferred Stock (the "Conversion Price") shall be subject to adjustment as set forth in Subsection 3(c).

(ii) Upon conversion of any Series A Preferred Stock, any accrued but unpaid dividends on such Series A Preferred Stock may at the option of the holder of such Series A Preferred Stock be converted into fully paid and nonassessable shares of Common Stock at the price of \$1.00 per share of Common Stock; provided, however, that during the period of time from March 24, 1997 through December 31, 1997, the price shall be \$.83 for each share of Common Stock. The price at which shares of Common Stock may be acquired pursuant to this subparagraph (ii) shall be appropriately increased or decreased from time to time to reflect any split, subdivision or combination of the issues and outstanding Common Stock as the case may be.

(b) Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice by mail, postage prepaid, to the corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of whole shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred Stock

to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act of 1933, the conversion may at the option of any holder tendering Series A Preferred Stock for conversion, be conditioned upon the closing with the underwriter of the sale of the securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of the sale of such securities.

(c) Conversion Price Adjustments of Preferred Stock. The Conversion Price shall, be subject to adjustment from time to time as follows:

(i) (A) If the corporation shall issue any Additional Stock (as defined below) for a consideration per share less than the Conversion Price in effect immediately prior to the issuance of such Additional Stock, the Conversion Price in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price for such series determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the corporation for all such Additional Stock so issued would purchase at such Conversion Price in effect immediately prior to the issuance of such Additional Stock, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of such Additional Stock; provided that, for the purpose of this subsection 3(c)(1)(A), all shares of Common Stock (except as otherwise provided in this clause (i)) issuable upon conversion of all outstanding shares of Series A Preferred Stock shall be deemed to be outstanding, and immediately after any shares of Additional Stock are deemed to be issued pursuant to subsection 3(c)(i)(E), Such shares of Additional Stock shall be deemed to be outstanding.

(B) No adjustment of the Conversion Price for the Series A Preferred Stock shall be made in an amount less than one cent per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to 3 years from the date of the event giving rise to the adjustment being carried forward, or, if no such adjustment is made, shall be made at the end of 3 years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 3(c)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any discounts, commissions or other expenses allowed, paid or incurred by the corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as reasonably determined by the Board of Directors, irrespective of any accounting treatment.

(E) In the case of the issuance of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities (which are not excluded from the definition of Additional Stock), the following provisions shall apply:

1. The aggregate maximum number of shares of Common Stock deliverable upon exercise of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 3(c)(i)(C) and(c)(i)(D)), if any, received by the corporation upon the issuance of such options or rights plus the minimum purchase price provided in such options or rights for the Common Stock covered thereby.

2. The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the additional consideration, if any, to be received by the corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 3(c)(i)(C) and (c)(i)(D).

3. In the event of any change in the number of shares of Common Stock deliverable or any increase in the consideration payable to the corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Conversion Price of the Series A Preferred Stock obtained with respect to the adjustment which was made upon the issuance of such options, rights or securities, and any subsequent adjustments based thereon, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

4. Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to Such convertible or exchangeable securities, the Conversion Price of the Series A Preferred Stock obtained with respect to the adjustment which was made upon the issuance of such options, rights or securities or options or rights related to such securities, and any subsequent

adjustments based thereon, shall be recomputed to reflect the issuance of only the number of shares of Common Stock actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(ii) “Additional Stock” shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subsection (3)(c)(i)(E)) by this corporation after October 1, 1992 (the “Purchase Date”) other than

(A) Common Stock issued pursuant to a transaction described in subsection 3(c)(iii) hereof,

(B) shares of Common Stock issuable or issued (or deemed to have been issued pursuant to subsection 3(c)(i)(E)) after the Purchase Date to employees, officers, directors, or consultants of this corporation directly or pursuant to a stock option plan or restricted stock plan approved by the shareholders and directors of this corporation, or

(C) Common Stock issued or issuable upon conversion of the Series A Preferred Stock.

(iii) In the event the corporation should at any time or from time to time after the Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of common stock or the determination of holders of common stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as “Common Stock Equivalents”) without payment of any consideration by such holder for the additional shares of common stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series A Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of outstanding shares determined in accordance with subsection 3(c)(i)(E).

(iv) If the number of shares of common stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then following the record date of such combination, the Conversion Price for the Series A Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(c) Other Distributions. In the event the corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 3(c)(1), then, in each such case for the purpose of this subsection 3(d), the holders of the Series A Preferred Stock shall be entitled to a proportionate share of any such distribution

as though they were the holders of the number of shares of Common Stock of the corporation into which their shares of Series A Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the corporation entitled to receive such distribution.

(d) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 3) provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock the number of shares of stock or other securities or property of the corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3 with respect to the rights of the holders of the Series A Preferred Stock after the recapitalization to the end that the provisions of this Section 3 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Series A Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(e) No Impairment. The corporation will not, by amendment of its Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the corporation, but will at all times, in good faith assist in the carrying out of all the provisions of this Section 3 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred Stock against impairment.

(f) No Fractional Shares; Certificate as to Adjustments.

(i) No fractional shares shall be issued upon conversion of the Series A Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Series A Preferred Stock pursuant to this Section 3, the corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment, or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of Series A Preferred Stock.

(g) Notices of Record Date. In the event of any taking by the corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock or any class of any other securities or property, or to receive any other right, this corporation shall mail to each holder of Series A Preferred Stock, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(h) Reservation of Stock Issuable Upon Conversion. This corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, this corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

(i) Notices. Any notice required by the provisions of this Section 3 to be given to the holders of shares of Series A Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each, holder of record at his address appearing on the books of this corporation.

4. Voting Rights. The holder of each share of Series A Preferred Stock shall have the right to one vote for each share of Common Stock into which such Series A Preferred Stock could then be converted (with any fractional share determined on an aggregate conversion basis being rounded to the nearest whole share), and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance, with the by-laws of this corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote.

5. Status of Converted Stock. In the event any shares of Series A Preferred Stock shall be converted pursuant to Section 3 hereof, the shares so converted shall be cancelled and shall not be reissuable by the corporation, and the Articles of this corporation shall be appropriately amended to affect the corresponding reduction in the corporation's authorized capital stock.

6. Optional Redemption. The Series A Preferred Stock may be called for redemption and redeemed at the option of the corporation by resolution of the Board of Directors, in whole at any time or in part at any time or from time to time, but in no event earlier than January 1, 1998, upon notice given to the record holders of any such shares, by the payment therefor of \$11.00 per share of such Series A Preferred Stock, plus an amount equal to the accrued and unpaid

cumulative dividends thereon to the date fixed by the Board of Directors as the redemption date. The record holders of any such shares to be redeemed pursuant to this subsection (C)6 may convert, each such share (as well as any accrued and unpaid cumulative dividends thereon) pursuant to subsection (C)3 Conversion of Article 4 of the Articles of Incorporation at any time prior to the date of such redemption.

(D) Common Stock.

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. Liquidation Rights. Subject to the prior rights of holders of, all classes of stock at the time outstanding having prior rights as to liquidation, upon the liquidation, dissolution or winding up of the corporation, the assets of the corporation shall be distributed to the holders of Common Stock.

3. Redemption. The Common Stock is not redeemable.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any shareholders' meeting in accordance with the by-laws of this corporation, and shall be entitled to vote upon such other matters and in such manner as may be provided by law.

(E) Uncertificated Shares. Any or all classes and series of shares of the corporation, or any part thereof, may be represented by uncertificated shares, except that the foregoing shall not apply to shares represented by a certificate until the certificate is surrendered to the corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof a written notice containing the information required by applicable law to be set forth or stated on certificates. Except as otherwise expressly provided by law, the rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

5. The date of its incorporation is January 16, 1932.

6. The shareholders of the corporation shall not have the right to cumulate their votes for the election of the directors of the corporation.

7. The following provisions of the Pennsylvania Business Corporation Law shall not apply to the corporation (in the case of clause (b) from and after the date that is 18 months following the 2020 annual meeting of shareholders [corresponding to November 21, 2021]):

(A) Subchapter 25E, "Control Transactions";

(B) Subchapter 25F, "Business Combinations."

USA TECHNOLOGIES, INC.

RESTRICTED STOCK UNIT AWARD AGREEMENT

2018 EQUITY INCENTIVE PLAN

This Agreement (“Agreement”) made as of May 29, 2020 (the “Grant Date”), by and between Anant Agrawal, an individual (“Participant”), and USA TECHNOLOGIES, INC., a Pennsylvania corporation (the “Company”).

BACKGROUND

Participant is serving as an employee of the Company. The Company’s 2018 Equity Incentive Plan (as amended from time to time, the “Plan”) provides for Awards based upon the Common Stock of the Company. The Company has determined to make an award to Participant of restricted stock units (“RSUs”) as further set forth below. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Plan.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants set forth herein, and intending to be legally bound hereby, the Company and Participant agree as follows:

1. **Grant of RSUs.** Subject to the terms hereof, the Company hereby grants to Participant an award of 16,260 RSUs pursuant to the Plan. Each RSU represents the right to receive one (1) share of the Company’s Common Stock (each, a “Share”) upon vesting and settlement in accordance with Sections 2 and 3 below. The RSUs (and the Shares underlying the RSUs) are not vested and shall be subject to forfeiture by Participant as more fully described in Section 2 below.

2. **Vesting of RSUs.** Except as otherwise provided in the Plan, the RSUs shall vest in full on December 31, 2020 (the “Vesting Date”), subject to Participant’s continued Service through the Vesting Date; provided, that if Participant’s Service is terminated by the Company without Cause (as defined in Participant’s Employment, Non-Interference, Non-Solicitation, Non-Competition and Invention Assignment Agreement with the Company, dated as of November 9, 2017, as amended by that certain First Amendment to Employment, Non-Interference, Non-Solicitation, Non-Competition and Invention Assignment Agreement, dated as of February 25, 2018, as further amended by that certain Second Amendment to Employment, Non-Interference, Non-Solicitation, Non-Competition and Invention Assignment Agreement, dated August 2019, as the same may be amended from time to time (the “Employment Agreement”)) or by Participant with Good Reason (as defined in the Employment Agreement), then any then-unvested RSUs shall immediately vest and the Vesting Date shall be accelerated to the date of such termination of Service. Any RSUs that are not vested on the date of Participant’s termination of Service pursuant to the preceding sentence shall be immediately forfeited on the date of such termination for no consideration.

3. **Settlement; Issuance of Shares.** One (1) Share shall be issued in respect of each vested RSU, if any, on the Vesting Date. The Company shall issue any such Shares registered in the name of Participant, Participant's authorized assignee, or Participant's legal representative, which shall be evidenced by stock certificates representing the Shares with the appropriate legends affixed thereto, appropriate entry on the books of the Company or of a duly authorized transfer agent, or other appropriate means as determined by the Company.

4. **Restriction on Transfer.** The RSUs shall be non-transferable, and Participant shall not sell, transfer, pledge, hypothecate or otherwise dispose of any RSUs or any Shares underlying the RSUs until such Shares have been delivered to Participant in accordance with Section 3.

5. **No Right to Continued Service; No Rights as Shareholder.** Neither the Plan nor this Agreement shall confer upon Participant any right to be retained in any capacity as a service provider to the Company or any of its affiliates. Participant shall not have any rights as a shareholder with respect to any Shares subject to the RSUs unless and until certificates representing the Shares have been issued by the Company to the holder of such Shares, or the Shares have otherwise been recorded on the books of the Company or of a duly authorized transfer agent as owned by such holder.

6. **Tax Consequences; Section 409A.** Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of the transactions contemplated by this Agreement; provided, that Participant acknowledges and agrees that the Company shall have the right to deduct from payments of any kind otherwise due to Participant any federal, state, or local taxes of any kind required by law to be withheld with respect to the grant of this Award, the vesting of the RSUs, or the issuance of the Shares in accordance with the procedures set forth in Section 10 of the Plan, which is expressly incorporated by reference herein. This Agreement and the RSUs are intended to comply with, or be exempt from, the provisions of Section 409A of the Code and shall be interpreted in accordance with Section 409A of the Code and the Treasury regulations and other interpretive guidance issued thereunder ("Section 409A"). If the Company at any time determines that this Agreement or the RSUs are not compliant with, or otherwise exempt from, Section 409A, the Company may amend this Agreement or adopt other policies and procedures (including amendments, policies, and procedures with retroactive effect), or take any other actions, that the Company determines to be necessary or appropriate to cause this Agreement and the transactions contemplated thereby to (i) comply with Section 409A, or (ii) otherwise be exempt from Section 409A. For the avoidance of doubt, any termination of Participant's Service must constitute a "separation from service" (as defined under Section 409A) in order to be deemed a termination of Service hereunder.

7. **Compliance with Law.** The issuance of Shares shall be subject to compliance by the Company and the Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Shares may be listed. No Shares shall be issued or transferred unless and until any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. Participant understands that the Company is under no obligation to register any Shares with the Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

8. **Notices.** Any notice to the Company provided for in this Agreement shall be addressed to the Company in care of the chief executive officer at the corporate headquarters of the Company, and any notice to Participant shall be addressed to Participant at the current address shown in the Company's records, or to such other address as Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy, sent by electronic mail, or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

9. **Governing Law.** The implementation and interpretation of this Agreement shall be governed by and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws rules.

10. **Binding Effect and Assignability.** The rights and obligations of both parties under this Agreement shall inure to the benefit of and shall be binding upon their personal representatives, heirs, successors and assigns. This Agreement, or any part thereof, may not be assigned by Participant.

11. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates, and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth, and other information that is necessary or desirable for the administration of the Plan or this Agreement (the "Relevant Information"). By entering into this Agreement, Participant: (i) authorizes the Company to collect, process, register, and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights that Participant may have with respect to the Relevant Information; and (iii) authorizes the Relevant Companies to store and transmit such information in electronic form. Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. **Severability.** The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

13. **Entire Agreement.** This Agreement and the Plan constitute the entire agreement with respect to the subject matter hereof between the parties hereto and there are no other agreements between the parties relating to the subject matter hereof; provided, that, Participant expressly acknowledges and agrees that the grant of this Award is in full and complete satisfaction of any further installments of that certain cash bonus in an aggregate amount of \$400,000 communicated to Participant by the Company on or about December 3, 2019 and to which Participant may have otherwise been entitled. The Company and Participant have made no promises, agreements, conditions, or understandings relating to the RSUs, either orally or in writing, that are not included in this Agreement or the Plan. This Agreement may only be modified by an agreement in writing executed by both the Company and Participant. Emailed copies (pdf format) of any party's signature hereto will have the same effect as an original signature.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

USA TECHNOLOGIES, INC.

By: /s/ Sean Feeney

Name: Sean Feeney

Title: Chief Executive Officer

PARTICIPANT

/s/ Anant Agrawal

Anant Agrawal

[Signature Page to RSU Agreement]
