



Money in Motion

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Level 12  
333 Ann Street  
Brisbane QLD 4000

**EML Payments Limited**  
ACN 104 757 904

25 September 2020

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**ASX Market Announcements**  
20 Bridge Street  
SYDNEY NSW 2000

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## EML Payments Limited – 2020 Notice of Annual General Meeting

**EML Payments Limited (ASX: EML)** is pleased to attach a copy of the EML 2020 Notice of Annual General Meeting.

EML Shareholders are reminded that the meeting is being held virtually this year and they should visit <https://www.emlpayments.com/investors/annual-general-meeting/> for all the important information about our virtual AGM, including the Notice of Meeting.

### About EML Payments Limited

At EML we develop tailored payment solutions for brands to make their customers lives simpler. Through next-generation technology, our portfolio of payment solutions offers innovative options for disbursement payout's, gifts, incentives and rewards. We're proud to power many of the world's top brands and process over \$17 billion in GDV each year across 28 countries in Australia, EMEA and North America. Our payment solutions in 27 currencies are safe and secure, easy and flexible, providing customers with their money in real-time. We know payments are complex, that's why we've made the process simple, smart and straightforward, for everyone

We encourage you to learn more about EML Payments Limited, by visiting: [EMLpayments.com](http://EMLpayments.com)

**This announcement has been authorised for release by the Joint Company Secretaries.**

### For further information, please contact:

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Company Secretary  
EML Payments Limited  
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**Sonya Tissera-Isaacs**  
Company Secretary  
EML Payments Limited  
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# Notice of Annual General Meeting.

EML Payments Limited ACN 104 757 904

Notice is hereby given that the 2020 Annual General Meeting (**AGM**) of members of EML Payments Limited (**Company** or **EML**) will be held as a virtual only meeting on **Friday 30 October 2020 at 10:00am** (Sydney time), due to the restrictions imposed by the Australian and State Governments in response to COVID 19.

The Explanatory Memorandum accompanying this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum, Voting Procedures and the Voting Form comprise part of this Notice.

Money in Motion

# Notice of Annual General Meeting.

## Business of the Meeting

### 1. Financial Report

To receive and consider the Company's financial report for the financial year ended 30 June 2020 and the reports of the Directors and the Auditor as set out in the 2020 Annual Report.

### 2. Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution, as an ordinary resolution:

*'That the Remuneration Report for the financial year ended 30 June 2020 be adopted.'*

Note: The vote on this resolution is advisory only and does not bind the Company or the Directors.

### 3. To re-elect or elect Directors

- a) Ms Melanie Wilson, who retires by rotation in accordance with rule 3.6(c) of the Company's Constitution and Listing Rule 14.5, and being eligible, offers herself for re-election.
- b) Mr Tony Adcock, who retires by rotation in accordance with rule 3.6(c) of the Company's Constitution and Listing Rule 14.5, and being eligible, offers himself for re-election.
- c) Mr George Gresham, who was appointed a Director on 18 May 2020, retires in accordance with rule 3.3 of the Company's Constitution and Listing Rule 14.5, and being eligible, offers himself for election.

### 4. Grant of Short-Term Incentive Options to Mr Tom Cregan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That approval is given for the Company to grant to the Company's Managing Director and Group Chief Executive Officer, Mr Tom Cregan, 56,620 Options under the EML Employee Equity Incentive Plan on the terms set out in the Explanatory Notes to this Notice of Meeting.'*

### 5. Grant of Long-Term Incentive Options to Mr Tom Cregan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That, approval is given for the Company to grant to the Company's Managing Director and Group Chief Executive Officer, Mr Tom Cregan, up to 255,236 Options under the EML Employee Equity Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting.'*

### 6. Approval of prior issues of securities to refresh the Company's 15% placement capacity

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the previous issues of Company shares as detailed in the Explanatory Memorandum.'*

### 7. Renew Rule 38 of the Company's Constitution

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

*'With effect from the end of the Meeting, Shareholders ratify and approve that rule 38 of the Company's Constitution be renewed for a further 3 years.'*

Note: Information about Rule 38 – Proportional Takeover Approval, and the advantages and disadvantages of the rule are in the Explanatory Memorandum.

### 8. Amendment to the Company's Constitution

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

*'With effect from the end of the Meeting, Shareholders ratify and approve the deletion and replacement of rules 13.3 and 13.7 respectively of the Company's Constitution as detailed in the Explanatory Memorandum.'*

Note: Information about Rules 13.3 and 13.7 including the proposed new wording are in the Explanatory Memorandum.

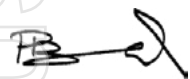
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# Voting entitlement.

The Board has determined, in accordance with the Company's Constitution and regulation 7.11.37 of the Corporations Regulations 2001 (Cth) ('Corporate Regulations'), that a person's entitlement to vote at the Annual General Meeting ('AGM') will be taken to be the entitlement of that person shown in the Register of Members at 7:00pm (Sydney time) on Wednesday, 28 October 2020.

Voting restrictions apply to the Company's Key Management Personnel (KMP) and their closely related parties, which also affect proxy voting. Details of voting exclusions are contained in the Notes Relating to Voting set out below. In particular, please note that if the Chairman of the meeting is appointed as your proxy, and you have not directed him how to vote, then by completing and returning the proxy form you will be expressly authorising the Chairman of the meeting to exercise your undirected proxy on resolutions numbered 4 and 5 even though the resolutions are connected with the remuneration of the Company's KMP.

By order of the Board



**Paul Wenk**  
Company Secretary

Level 12  
333 Ann Street  
Brisbane, QLD 4000  
25 September 2020

# Explanatory memorandum.

## 1. Financial and Statutory Reports

As required by section 317 of the *Corporations Act 2001* (Cth) ('Corporations Act'), the Financial Report and the reports of the Directors and the Auditor for the financial year ended 30 June 2020 will be laid before the AGM.

As this year's AGM is to be held online, these reports can be viewed by members on the Company's website or by using the following link <https://www.emlpayments.com/investors/annual-general-meeting/>.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the AGM on the financial statements and reports.

During this item of business, Shareholders will be given reasonable opportunity to ask questions and make comments about the financial statements, reports and the business management of the Company. Shareholders will also be given reasonable opportunity to ask a representative of the Company's Auditor, Deloitte Touche Tohmatsu, questions in relation to the conduct of the audit (including the independence of the Auditor), and the accounting policies adopted by the Company.

The auditor is not required to provide written answers to questions. The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the AGM. However, there may not be sufficient time available at the AGM to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

## 2. Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report.

The Remuneration Report is set out on pages 35 to 59 of the 2020 Annual Report. The Annual Report is available on EML's website at <https://www.emlpayments.com/investors/annual-general-meeting/>.

The Remuneration Report:

- explains the Board's policies on the nature and level of remuneration paid to Directors and KMP;
- explains the strategy and principles that underly EML's Remuneration Framework;
- discusses the link between EML's Remuneration Framework and EML's business strategy, performance and reward;
- outlines the key changes made to the Company's Remuneration Framework during the year to ensure is globally consistent, aligned to Shareholder interests, rewards decision making that is in the interests of all stakeholders, drives performance and encourages accountability, meets community expectations and is scalable.
- sets out the remuneration details and outcomes for each Director and for each member of KMP;
- provides information about the performance conditions that apply to various components of the Remuneration Framework, why those conditions were chosen and how performance is measured against them; and
- makes clear that the basis for remunerating non-Executive Directors is distinct from the basis for remunerating executives, including Executive Directors.

The principles underlying EML's Remuneration Framework are to:

- a) align remuneration to the Group's strategic and business objectives and the creation of Shareholder value;
- b) be fair, transparent and easily understood by all stakeholders;
- c) maintain market competitive remuneration that enables the Group to attract and retain key talent;
- d) be acceptable to Shareholders and meet community expectations.

As set out in the Remuneration Report, EML is committed to ensuring its remuneration framework rewards decision making of executives that is aligned with the long-term interests of Shareholders. This is achieved through allowing EML's people to be rewarded financially in the form of both short-term and long-term remuneration as Shareholder value is created.

In summary, and as set out in the Remuneration Report, the Board has sought to ensure that KMP think and act like owners of EML and so rather than pay out cash rewards for short-term and long-term incentives, EML rewards these executives in equity.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the AGM.

The vote on this resolution is advisory only and does not bind the Company or the Directors. Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting commencing on page 17.

### RECOMMENDATION

The Board recommends that shareholders vote **IN FAVOUR** of adopting the Remuneration Report.

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# Explanatory memorandum.

## 3. Re-election and Election of Directors

Listing Rule 14.5 states that a public company must hold an election of directors each year. In accordance with Rule 3.6(a) of the Company's Constitution, a Director must retire from office at the third annual general meeting after the Director was elected or last re-elected.

Being eligible, Ms Wilson and Mr Adcock will retire and seek re-election.

The Board has taken into consideration the skills, expertise and contribution made to the Board and its Committees by the Directors standing for re-election and election.

Following recommendations from the People, Culture and Remuneration Committee (formerly known as the Remuneration and Nominations Committee), the Board appointed Mr George Gresham as a Director on 18 May 2020. Mr Gresham is now standing for election at the first Annual General Meeting since he was appointed, in accordance with rule 3.3 of the Company's Constitution.

Brief biographical details of each Director standing for re-election and election follow:



### Melanie Wilson.

#### Independent Non-Executive Director

Appointed on 20 February 2018  
MBA (Harvard Business School)  
B. Com (Hon) (University of Queensland)

Ms Wilson joined the Board on 20 February 2018, is the Chair of the Investment Committee and a Member of the Audit and Risk Committee.

Ms Wilson is currently a non-Executive director of Baby Bunting Group Limited and iSelect Limited (since 2016), Property Guru Group, Singapore (since 2019), and JB HiFi Limited (since 2020). Ms Wilson was previously a non-Executive Director of Shaver Shop Group Limited (2016 to 2020).

Prior to her non-Executive roles, Ms Wilson had over 12 years' experience in senior management roles across retail brands including Limited Brands (Victoria's Secret, Bath and Bodyworks - New York), Starwood Hotels (New York), Woolworths/BigW and Diva/Lovisa. Her experience extends across

all facets of retail including: store operations, merchandise systems, online / e-commerce, marketing, brand development, and logistics / fulfilment. Ms Wilson has also held corporate finance and strategy roles with leading investment banks and management consulting firms, including Goldman Sachs and Bain & Company.

Ms Wilson was most recently re-elected to the Board at the AGM held on 14 November 2018.

Ms Wilson has a beneficial interest in 48,000 ordinary shares.

If re-elected, the Directors intend that Ms Wilson will continue as Chair of the Investment Committee and Member of the Audit and Risk Committee.

#### RECOMMENDATION

The Board considers that Ms Wilson continues to make a valuable contribution to the Board and brings to the Board extensive experience in corporate finance, strategy, governance, health and safety and international business across a range of industries including retail and finance. Her financial acumen and investment banking experience is particularly valued by the Board in her role as Chair of the Investment Committee.

The Board (with Ms Wilson abstaining) recommends that shareholders vote **IN FAVOUR** of the re-election of Ms Wilson.



**Tony Adcock.**  
**Independent Non-Executive Director**

Appointed on 21 November 2011  
 MBA (University of Hull)  
 B. Sc (Hons) (Keele University)  
 Fellow of the Institute of Company Directors  
 “Mastering the Boardroom” Order of Merit

Mr Adcock joined the Board on 21 November 2011, is the Chair of the Audit and Risk Committee and a Member of the Investment Committee.

Mr Adcock has extensive experience in banking, capital markets and financial services at board, operational and consulting levels across Australia, the Asia Pacific, Europe and the United States of America, and was a former Partner in PricewaterhouseCoopers consulting, running an Asia-Pac business line and a Treasurer and General Manager in Banking.

Mr Adcock has more than 20 years’ experience as a company director, as Chairman, Director and Independent Director across FinTech, Innovative Agri-business, Mining, Oil & Gas industries.

Mr Adcock was most recently re-elected to the Board at the AGM held on 14 November 2018.

Mr Adcock has a beneficial interest in 25,000 ordinary shares.

If re-elected, the Directors intend that Mr Adcock will continue as Chairman of the Company’s Audit and Risk Committee.

**RECOMMENDATION**

The Board considers that Mr Adcock continues to make a valuable contribution to the Board.

Mr Adcock brings to the Board extensive leadership, governance, finance and risk management skills which are particularly valuable in his role as Chair of the Audit and Risk Committee and member of the Investment Committee.

The Board (with Mr Adcock abstaining) recommends that shareholders vote **IN FAVOUR** of the re-election of Mr Adcock.

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# Explanatory memorandum.



## George Gresham. Independent Non-Executive Director

Appointed on 18 May 2020  
MBA (Thunderbird School of Global Management).  
Bachelor of Science, Accountancy (Northern Arizona University)  
Certified Public Accountant (Certificate retired 2010)

Mr Gresham joined the Board on 18 May 2020 and is a Member of the Audit and Risk and Investment Committees.

Mr Gresham is an accomplished Director and Executive Leader, based in Arizona, USA. Mr Gresham has extensive experience building, leading and advising financial enterprises through complex transactions, restructurings, international expansion, capital market transactions and changing regulatory landscapes.

Mr Gresham has previously held non-Executive Directorships with Green Dot Corporation, an American financial technology and bank holding company and one of the largest prepaid companies in the world, as well as Blue Pay Processing, a leading provider of technology enabled payment processing for merchants in the United States and Canada.

During his Executive career, Mr Gresham was Chief Financial Officer of Netspend (now owned by TSYS, Global Payments), a large prepaid financial services company; Chief Financial Officer of Global Cash Access (GCA) Holdings (now Everi Holdings Inc), a full service casino and gaming equipment and payment solutions provider; and Chief Financial Officer / Chief Administration Officer at eFunds Corporation (now Fidelity National Information Services), a provider of electronic processing and risk management services.

Mr Gresham does not have an interest in any ordinary shares of the Company at this time.

If elected, the Directors intend that Mr Gresham will continue as a Member of the Company's Audit and Risk and Investment Committees.

### RECOMMENDATION

The Board considers that Mr Gresham makes a valuable contribution to the Board. Mr Gresham brings to the Board extensive leadership, international business, global payments industry, finance and risk management skills which are particularly valuable in his role as Member of the Audit and Risk Committee and Investment Committees.

The Board (with Mr Gresham abstaining) recommends that shareholders vote **IN FAVOUR** of the election of Mr Gresham.

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#### 4. Grant of Short-Term Incentive (STI) Options to Mr Tom Cregan

The Company is seeking the approval of shareholders under Listing Rule 10.14 for the Board to grant 56,620 options to the Managing Director and Group Chief Executive Officer, Mr Tom Cregan as the short-term incentive ('STI') component of Mr Cregan's remuneration for the financial year ended 30 June 2020 under the EML Equity Incentive Plan ('Plan') on the terms set out below. The Plan was approved by Shareholders at the 14 November 2018 AGM. In addition to the below, further terms of the Plan are set out in Appendix 1.

##### Why is shareholder approval being sought?

The issue of securities to a Director under an employee incentive scheme (in this case Options under the Plan) requires Shareholder approval pursuant to Listing Rule 10.14. Accordingly, Shareholder approval is sought for the proposed grant of STI Options under the Plan to Mr Cregan.

Once approval is obtained under Listing Rule 10.14, approval will not be required under Listing Rule 7.1, and the issue of Options to Mr Cregan will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1.

##### Details of the proposed grant

Accordingly, approval is sought to grant 56,620 Options under the Plan to Mr Cregan, representing STI award for the financial year ended 30 June 2020. The grant represents 50% of Mr Cregan's potential STI for the financial year, the other 50% not having been awarded by the Board.

Further explanation of Mr Cregan's FY20 STI can be found in the Company's 2020 Remuneration Report. If approved by Shareholders, the STI Options awarded to Mr Cregan will not vest before 30 June 2021. It is the view of the Board that deferring the payment of Mr Cregan's STI by granting Options under the Plan with a one year deferral until vesting (ie vesting on 30 June 2021) is important recognition that an appropriate part of his remuneration is linked to generating satisfactory returns for shareholders and such grant will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

If Shareholders do not approve the proposed grant of Options to Mr Cregan, the proposed grant of Options will not proceed. In that circumstance, Mr Cregan's performance as Group CEO during the financial year ended 30 June 2020 will still be recognised by the Board, and issues may arise with the competitiveness of Mr Cregan's total remuneration package and alignment of rewards with other senior executives in the Group. The Board would then need to consider alternative remuneration arrangements for Mr Cregan which are consistent with the Company's remuneration principles, including providing an equivalent cash incentive subject to the same risk of forfeiture and vesting conditions as described below for the grant of the Options under the Plan.

##### Key terms of the proposed grant

The key terms of the proposed grant are as follows:

- a) Subject to Shareholders' approval, the Board has determined to award 50% of the maximum potential STI award, equating to an award of 56,620 Options.
- b) The maximum number of Options available to be issued to Mr Cregan was calculated by dividing the dollar value of his STI opportunity for FY20 (which equates to 50% of fixed annual remuneration) by the volume weighted average price of the Company's share price represented by the 10 day VWAP up to and including 19 June 2019 (which has been calculated to be \$2.87), rounded down to the nearest whole number;
- c) The date of 19 June 2019 corresponds to the date the Board approved deferral of Mr Cregan's maximum potential STI award into Options and determined to seek Shareholder approval for the grant of such Options – subject to his final STI award being assessed by the Board based on his performance against Key Performance Indicators during the FY20 financial year and the Board's overriding discretion.
- d) As Mr Cregan has already earned his FY20 STI award, the Options will be granted and issued for no consideration. Mr Cregan will not be required to pay any amount to exercise the Options on vesting;
- e) Subject to the terms of the Plan, the Options are subject to a retention vesting condition requiring that Mr Cregan is still an employee of the Company as at 30 June 2021 in order for the Options to vest.
- f) The Options are not transferrable and any unexercised Options will expire on 29 August 2021 if not exercised earlier.
- g) Subject to the terms of the Plan and the grant, each Option will give Mr Cregan the right to acquire one share in the Company (or a cash payment equivalent to the value of one share) subject to the Option vesting on 30 June 2021.
- h) Subject to the Company's securities trading policy and any applicable laws (such as the insider trading provisions), shares acquired on the vesting and exercise of the Options proposed to be granted to Mr Cregan will not be subject to disposal restrictions.
- i) If Shareholder approval for the grant is obtained, the Options will be granted and issued to Mr Cregan as soon as practicable after the meeting, but in any event by 30 June 2021.

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# Explanatory memorandum.

## Other information

Further information that must be provided to Shareholders in accordance with Listing Rule 10.15 is set out below:

- a) Mr Cregan is the only person referred to in Listing Rule 10.14 presently entitled to participate in the Plan. No loan will be made available to Mr Cregan in relation to the acquisition or exercise of the proposed grant of Options.
- b) ASX Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Cregan's current total remuneration:

Total Fixed Remuneration including superannuation (TFR)	A\$650,000
Short-term incentive	50% of TFR at maximum
Long-term incentive	100% of TRF at maximum

Shareholders are referred to the Remuneration Report for full details of Mr Cregan's remuneration.

- c) Shareholders have previously approved the grant of securities to Mr Cregan under the Plan. At EML's annual general meeting of 13 November 2019, Shareholders approved Mr Cregan being granted 185,994 Options under the Plan for nil consideration, being Mr Cregan's STI award for the year ended 30 June 2019.
- d) Mr Cregan was granted the Options detailed in the preceding paragraph as a reflection of EML's Remuneration Framework which:
  - aims to deliver maximum sustainable long-term performance for Shareholders by attracting, retaining and motivating the best people to drive a great culture that delivers on EML's business strategy and contributes to sustainable long-term returns. In part through the reward of equity, both short and long term, EML incentivises its executives to think like owners and to focus on action that will sustainably grow shareholder wealth. Shareholders are encouraged to refer to the Annual Report for more a more detailed discussion of EML's Remuneration Framework starting at page 39;
  - has involved the grant of Options that, subject to the terms of the Plan and the Board's discretion, are ultimately only awarded on the achievement of a mix of performance and retention vesting conditions – the intention being to drive performance and retain key performers.
- e) If Shareholder approval for the grant is obtained, the Options will be granted to Mr Cregan as soon as practicable after the meeting, but in any event no later than 30 June 2021.
- f) Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14
- g) Any additional persons covered by listing rule 10.14 who becomes entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting commencing on page 17.

## RECOMMENDATION

The non-Executive Directors consider the grant of Options to Mr Cregan to be reasonable and appropriate in all the circumstances. The non-Executive Directors recommend that shareholders vote **IN FAVOUR** of resolution 4.

## 5. Grant of Long-Term Incentive (LTI) Options to Mr Tom Cregan

The Company is seeking the approval of shareholders under Listing Rule 10.14 for the Board to grant up to 255,236 Options to Mr Tom Cregan, the Managing Director and Group Chief Executive Officer, as the Long-Term Incentive ('LTI') component of his remuneration for the financial year ending 30 June 2021 under the Plan on the terms set out below.

### Why is shareholder approval being sought?

The issue of securities to a Director under an employee incentive scheme (in this case Options under the Plan) requires Shareholder approval pursuant to Listing Rule 10.14. Accordingly, Shareholder approval is sought for the proposed grant of LTI Options under the Plan to Mr Cregan.

Once approval is obtained under Listing Rule 10.14, approval will not be required under Listing Rule 7.1, and the issue of Options to Mr Cregan will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1.

### Details of the proposed grant

Accordingly, approval is sought to grant up to 255,236 Options under the Plan to Mr Cregan, as the LTI component of his remuneration for the financial year ending 30 June 2021.

It is the view of the Board that the granting such Options under the Plan to Mr Cregan is important recognition that an appropriate part of his remuneration is linked to generating satisfactory returns for shareholders and such grant will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

If Shareholders do not approve the proposed grant of Options to Mr Cregan, the proposed grant of Options will not proceed. In that circumstance, issues may arise with the competitiveness of Mr Cregan's total remuneration package and alignment of rewards with other senior executives in the Group. The Board would then need to consider alternative remuneration arrangements for Mr Cregan which are consistent with the Company's remuneration principles, including providing an equivalent cash long-term incentive subject to the same risk of forfeiture, vesting conditions and performance period as described below for the grant of the Options.

### Key terms of the proposed grant

The key terms of the proposed grant are as follows:

- a) Subject to Shareholders' approval, the Board has determined Mr Cregan's maximum potential FY21 LTI award to be 255,236 Options.
- b) The maximum potential number of Options available to be issued to Mr Cregan has been calculated by dividing the dollar value of Mr Cregan's LTI opportunity for FY21 (which equates to 150% of fixed annual remuneration) by the volume weighted average price of the Company's share price represented by the 10 day VWAP up to and including 17 June 2020 (which has been calculated to be \$3.82), rounded down to the nearest whole number.
- c) The date of 17 June 2020 corresponds to the date the Board approved Mr Cregan's maximum potential LTI award into Options and determined to seek Shareholder approval for the grant of such Options – subject to Mr Cregan's final LTI award being assessed by the Board based on his performance against Key Performance Indicators for the period beginning on 1 July 2020 and ending on 30 June 2023 and the Board's overriding discretion.
- d) As the grant represents the LTI component of Mr Cregan's remuneration, the Options will be granted for no consideration. Mr Cregan will not be required to pay any amount to exercise the Options on vesting.
- e) The number of Options that will ultimately vest in favour of Mr Cregan is dependent on the Board's assessment of his performance against Key Performance Indicators for the period beginning on 1 July 2020 and ending on 30 June 2023 and the Board's overriding discretion. The Options are not transferrable and any vested but unexercised Options will expire on 30 October 2023.
- f) subject to the terms of the Plan and the grant, each Option will give Mr Cregan the right to acquire one share in the Company (or a cash payment equivalent to the value of one share) subject to the Option vesting after a three year performance period beginning on 1 July 2020 and ending on 30 June 2023.
- g) 127,618 of the Options will be subject to a vesting condition based upon achieving a compound annual growth rate (**CAGR**) in respect of the Company's Net Profit After Tax Adjustments (**NPATA**) per share over the performance period (**NPATA Options**); 42,539 will be subject to NPATA Return on Adjusted Capital Employed (**RACE**) vesting condition measured over the performance period (**RACE Options**); and the remaining 85,079 will be subject to a retention vesting condition only (ie Mr Cregan continuing to be an employee of EML at 30 June 2023);
- h) for any NPATA Options to vest, the CAGR NPATA per share targets must be met. The percentage of NPATA Options that will vest, if any, will be determined at the end of the performance period (ie 30 June 2023) by reference to the following vesting schedule:

LEVEL OF PERFORMANCE	PERCENTAGE VESTING (%)	CAGR IN NPATA PER SHARE
Threshold	0%	12.5%
Target	50%	15%
Maximum	100%	17.5%

Vesting will occur on a straight-line pro rata basis for performance between threshold, target and maximum performance levels.

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- i) for any RACE Options to vest, the RACE target must be met. The percentage of RACE Options that will vest, if any, will be determined over the performance period (ie 30 June 2023) by reference to the following vesting schedule:

LEVEL OF PERFORMANCE	PERCENTAGE VESTING (%)	AVERAGE RACE (TARGET)
Threshold	0%	12.5%
Target	50%	15%
Maximum	100%	17.5%

Vesting will occur on a straight-line pro rata basis for performance between threshold, target and maximum performance levels.

- j) subject to the Company's securities trading policy and any applicable laws (such as the insider trading provisions), shares acquired on the vesting and exercise of the Options ultimately awarded to Mr Cregan will not be subject to disposal restrictions;
- k) if Shareholder approval for the grant is obtained, the Options will be granted to Mr Cregan as soon as practicable after the meeting, but in any event within 12 months after the date of the meeting. Any Options will not vest until 30 June 2023 and only after the Board's assessment of Mr Cregan's performance against Key Performance Indicators for the period beginning on 1 July 2020 and ending on 30 June 2023 and the Board's overriding discretion.

## Other information

Further information that must be provided to Shareholders in accordance with Listing Rule 10.15 is set out below:

- a) Mr Cregan is the only person referred to in Listing Rule 10.14 presently entitled to participate in the Plan. No loan will be made available to Mr Cregan in relation to the acquisition or exercise of the proposed grant of Options;
- b) ASX Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Cregan's current total remuneration:

Total Fixed Remuneration including superannuation (TFR)	A\$650,000
Short-Term Incentive	50% of TFR at maximum
Long-Term Incentive	100% of TRF at maximum

Shareholders are referred to the Remuneration Report for full details of Mr Cregan's remuneration.

- c) Shareholders have previously approved the grant of securities to Mr Cregan under the Plan in relation to Mr Cregan's long-term incentive, as follows:
- at EML's annual general meeting on 14 November 2018, Shareholders approved the grant of up to 391,566 Options for nil consideration, being Mr Cregan's LTI for the financial year ended 30 June 2018; and
  - at EML's annual general meeting on 13 November 2019, Shareholders approved the grant of up to 226,481 Options for nil consideration, being Mr Cregan's LTI for the financial year ended 30 June 2019.
- d) Mr Cregan was granted the Options detailed in the preceding paragraph as a reflection of EML's Remuneration Framework which:
- aims to deliver maximum sustainable long-term performance for Shareholders by attracting, retaining and motivating the best people to drive a great culture that delivers on EML's business strategy and contributes to sustainable long-term returns. In part through the reward of equity, both short and long term, EML incentivises its executives to think like owners and to focus on action that will sustainably grow shareholder wealth. Shareholders are encouraged to refer to the Annual Report for more a more detailed discussion of EML's Remuneration Framework starting at page 39;
  - has involved the grant of Options that, subject to the terms of the Plan and the Board's discretion, are ultimately only awarded on the achievement of a mix of performance and retention vesting conditions – the intention being to drive performance and retain key performers.

- e) If Shareholder approval for the grant is obtained, the Options will be granted to Mr Cregan as soon as practicable after the meeting, but the ultimate number of Options awarded to Mr Cregan's is subject to the Board's assessment of his performance based on his Key Performance Indicators for the period beginning on 1 July 2020 and ending on 30 June 2023 and the Board's overriding discretion.
- f) Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14
- g) Any additional persons covered by listing rule 10.14 who becomes entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting commencing on page 17.

#### RECOMMENDATION

The Non-Executive Directors consider the grant of Options to Mr Cregan to be reasonable and appropriate in all the circumstances. The Non-Executive Directors recommend that shareholders vote **IN FAVOUR** of resolution 5.

#### 6. Approval of prior issues of securities to refresh the Company's 15% placement capacity

For the purposes of Listing Rule 7.4 Shareholder approval is sought for the issue of ordinary shares that have occurred in the 12 months prior to 30 October 2020 that have not already been approved by Shareholders.

Listing Rule 7.4 provides that where a company in general meetings ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue of securities did not breach Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of Listing Rule 7.1.

The Company is seeking shareholder approval for the previous issues of securities described below. The Board believe it is in the best interests of the Company to maintain the ability to issue up to its full 15% placement capacity (as set out in Listing Rule 7.1) without the requirement to obtain prior Shareholder approval so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

By way of background the Company has issued the following shares under the Company's 15% placement capacity

- a) As announced to the ASX on 11 November 2019, in connection with the Company's acquisition of Prepaid Financial Services (Ireland) Limited (**PFS**), the Company undertook a capital raise via a placement of Shares to Institutions (**Institutional Placement**) and an Entitlement Offer to eligible Institutional and Retail Shareholders (**Entitlement Offer**). The Institutional Placement involved the issue of 18,824,600 fully paid ordinary shares under Listing Rule 7.1. The shares were issued;
- on 20 November 2019
  - at an issue price of \$3.55 per share; and
  - the shares issued rank equally with all other existing shares.
- b) As announced to the ASX on 31 March 2019, under the terms of the acquisition of PFS (originally announced in November 2019, and subsequently revised in March 2020), the Company was required to issue Shares to the vendors of PFS as part of the equity component of the purchase price (**Vendor Placement**). As part of that issue, 26,353,814 fully paid ordinary shares were issued under Listing Rule 7.1. The shares were issued:
- on 1 April 2020;
  - 23,304,169 shares at an issue price of \$3.55 per share;
  - 3,049,645 shares at an issue price of \$1.6515; and
  - the shares issued rank equally with all other existing shares

Pursuant to Listing Rule 7.1, both the Institutional Placement and the Vendor Placement reduced the remaining capacity of the Company to issue new Shares, within a 12 month period. The Entitlement Offer did not reduce the Company's capacity to issue new Shares.

By approving the issue of new Shares under the Institutional Placement (18,824,600 Shares) and the Vendor Placement (26,353,814 Shares), neither issue will be counted as reducing the Company's issue capacity – the practical effect being to refresh the Company's issue capacity as at the date of the AGM, being 30 October 2020.

# Explanatory memorandum.

If Shareholders do not approve the prior issue of the shares described above:

- as the Institutional Placement occurred on 20 November 2019, the Company will have to wait until 20 November 2020 for this portion of its placement capacity to refresh; and
- as the Vendor Placement occurred on 1 April 2020, the Company will have to wait until 1 April 2021 for this portion of its placement capacity to refresh.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting commencing on page 17.

## RECOMMENDATION

The Board recommends that shareholders vote **IN FAVOUR** of resolution 6.

## 7. Renewal of proportionate takeover provisions

Rule 38 of the Company's Constitution sets EML's proportional takeover restrictions that may apply to the Company's shares. At present, this rule does not operate. A copy of rule 38 is reproduced at Appendix 2.

The Corporations Act permits a company to include provisions in its Constitution prohibiting the registration of a transfer of securities under a proportional takeover bid, unless the relevant holders of the securities in general meeting approve the takeover bid.

It is a requirement of the Corporations Act that such provisions in a company's Constitution apply for a maximum period of 3 years, unless renewed earlier. The Company has not renewed its proportional takeover provision since the introduction of rule 38 in 2013.

The Directors consider it in the interests of Shareholders to renew these provisions. Accordingly, a special resolution is being put to Shareholders under sections 136(2) and 648G of the Corporations Act to renew rule 38 of the Company's Constitution.

### The effect of the proportional takeover provisions

If renewed, the effect of rule 38 is that where a proportional takeover bid is made for securities in the Company (ie., a bid is made for a specified proportion, but not 100%, of each holder's bid class securities), the Directors must convene a meeting of holders of the relevant securities (eg, an extraordinary general meeting) to vote on a resolution to approve the bid. The meeting must be held, and the resolution voted on, at least 14 days before the bid period closes.

To be passed, the resolution must be approved by a simple majority of votes cast at the meeting, excluding any votes by the bidder and its associates. However, the Corporations Act also provides that if the meeting is not held within the time required, then a resolution to approve the proportionate takeover is deemed to have been passed.

If the resolution is passed (or deemed to be passed), the transfer of securities resulting from the acceptance of an offer under the proportional takeover bid will be permitted, and the transfers registered – subject to the Corporations Act and the Constitution of the Company.

If the resolution is rejected, the registration of any transfer of securities resulting from acceptance of an offer under the proportional takeover bid is not permitted; and the bid is deemed to be withdrawn.

Rule 38, as renewed, will NOT apply to full (ie., 100%) takeover bids. That is, where the takeover bid is for 100% of the Company's shares, there is no requirement for a vote at a general meeting.

### Reasons for proposing

In the Directors' view, Shareholders (and holders of any other relevant securities that the Company may issue), should have the opportunity to vote on a proposed transaction that would not result in a full acquisition, but would result in the Company coming under the control of another party.

A proportional takeover bid for the Company may enable a party to control the Company without holding a majority interest. As a result, the relevant holders may not have the opportunity to dispose of all their securities and risk being part of a minority interest in the Company or suffer a loss if the takeover bid causes a decrease in the market price of the securities or makes the securities less attractive and, accordingly more difficult to sell. Rule 38, as renewed, would only permit this to occur with the approval of a majority of the relevant holders.

### Advantages & Disadvantages of proportional takeover provisions.

For Shareholders, potential advantages of rule 38, if renewed, are:

- a) It will provide all Shareholders with the opportunity to consider, discuss in a meeting called specifically for that purpose, and vote upon whether a proportional takeover bid should be approved. This affords all Shareholders with an opportunity to have a say in the future ownership and control of the Company and may help Shareholders to avoid being locked in a minority.

- b) It increases the bargaining power of Shareholders which may, in turn, encourage any proportional takeover bid to be structured so as to be attractive to at least a majority of Shareholders – for example by including a ‘control premium’. It may also discourage the making of a proportional takeover bid that might be considered opportunistic.
- c) Knowing the view of the majority of Shareholders may help each individual Shareholder to assess the likely outcome of the proportional takeover and decide whether to accept or reject the offer under the bid.

However, potential disadvantages also exist:

- a) It may discourage the making of a proportional takeover bid because of the further procedural steps and time that rule 38, if renewed, will require. Accordingly, this may reduce any speculative element in the market price of the Company’s securities arising from the possibility that a takeover offer may be made.
- b) Shareholders may also be denied the opportunity to sell a portion of their securities at an attractive price where the majority rejects an offer from persons seeking to take control.

The Directors do not consider that there are any advantages or disadvantages specific to Directors – in their capacity as directors – in relation to the renewal of rule 38, or the earlier period in which the rule was in effect. The Directors will continue to remain able to make a recommendation to shareholders as to whether a proportional takeover bid should be accepted.

#### **No person to acquire or increase its substantial interest**

As at the date of this Notice, none of the Directors is aware of a proposal of any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### **RECOMMENDATION**

The Board recommend that shareholders vote **IN FAVOUR** of resolution 7.

### **8. Changes to the Company’s Constitution**

Shareholders are asked to consider and, if thought fit, to pass the following resolution as a special resolution:

By virtue of section 250N of the Corporations Act and rule 13.1 of the Company’s Constitution, the Company must hold an annual general meeting within 5 months of the end of its financial year [ie, 30 June for EML].

Section 249J of the Corporations Act and rule 13.3 of the Company’s Constitution set out the requirements for providing notice of meetings to Shareholders.

Section 249S of the Corporations Act and rule 13.7 of the Company’s Constitution permit a meeting of members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate. It is unclear whether section 249S and rule 13.7 are sufficient to facilitate the holding of a general meeting wholly by electronic means.

The Corporations (Coronavirus Economic Response) Determination (No.1) 2020 (**Determination**) enables a notice of meeting to be provided electronically and for general meetings to be conducted via wholly electronic means, subject to certain conditions set out in the Determination. At present, the Determination will automatically cease to apply from 22 March 2021.

The Board has not decided to move to wholly virtual annual general meetings. However, the proposed amendments provide the Company with greater flexibility as regards the giving of notice and conduct of meetings in the future, which the Board considers is in the interests of Shareholders as a whole. This is particularly the case in circumstances where EML’s Shareholders are located around the world, and the Company’s operations are increasingly overseas. It is also the case that, historically, only a very small number of shareholders attend the AGM in person.

Amendment of the Company’s Constitution is necessary to facilitate notice and conduct of meetings, where permitted by the Corporations Act to be given and conducted by wholly electronic means, including in the period after the Determination ceases to operate. The amendments also confirm EML’s ability to conduct ‘hybrid’ meetings in the future, which will provide additional opportunities for shareholders to participate in meetings even though they may be unable to attend in person.

As a protection for Shareholders, the proposed new rules 13.3 and 13.7 are specifically expressed to be subject to the Corporations Act.



# Explanatory memorandum.

Accordingly, the Board proposes that rules 13.3 and 13.7 respectively of the Company's Constitution be deleted and replaced ? as follows:

## “13.3

### Notice of meeting

Subject to the Act:

- a) and rule 13.6, at least 28 days' written notice of a meeting of members must be given to:
  - (i) each member (whether or not the member is entitled to vote at the meeting);
  - (ii) each Director (other than an Alternate); and
  - (iii) to the auditor;
- b) notice of a meeting (and any other information to be provided with notice of a meeting) may be provided using one or more technologies to communicate to those entitled to receive notice of the meeting:
  - (i) the contents of the notice and the other information; or
  - (ii) details of an online location where the items covered by subparagraph (i) can be viewed, downloaded or otherwise obtained;
- c) every notice of meeting must include in the notice information about how those entitled to attend can participate in the meeting (including how they can participate in a vote taken at the meeting, and speak at the meeting, to the extent they are entitled to do so); and
- d) and any regulation made under section 249LA, the notice of meeting must comply with sections 249L and 250BA, the regulations made under section 1074E and the Listing Rules and may be given in any manner permitted by section 249J(3).”

## “13.7

### Technology

Subject to the Act:

- a) the Company may hold a meeting of members using one or more technologies that give all persons entitled to attend a reasonable opportunity to participate without being physically present in the same place, and paragraphs (b) to (e) of this rule apply if the meeting is held in that way;
- b) all persons so participating in the meeting are taken for all purposes (for example, a quorum requirement) to be present at the meeting while so participating;
- c) a vote taken at the meeting must be taken on a poll, and not on a show of hands, by using one or more technologies to give each person entitled to vote the opportunity to participate in the vote in real time and, where practicable, by recording their vote in advance of the meeting;
- d) a requirement to allow an opportunity for persons attending the meeting to speak (for example, by asking questions) may be complied with by using one or more technologies that allow that opportunity; and
- e) a proxy may be appointed using one or more technologies specified in the notice of the meeting;

### RECOMMENDATION

The Board recommend that shareholders vote **IN FAVOUR** of resolution 8.

# Notes relating to voting.

## 1. ENTITLEMENT TIME

The Board has determined, in accordance with the Rules of the Company's Constitution and the Corporations Regulations, that a person's entitlement to vote at the Annual General Meeting will be taken to be the entitlement of that person shown in the Register of Members at 7:00pm (Sydney time) on Wednesday, 28 October 2020. Share transfers registered after that time will be disregarded in determining voting entitlements at the Annual General Meeting.

## 2. VOTING EXCLUSIONS

Voting exclusions are applicable for the following resolutions:

- Resolution 2: Remuneration Report
- Resolution 4: Grant of Short-Term Incentive Options to Mr Tom Cregan
- Resolution 5: Grant of Long-Term Incentive Options to Mr Tom Cregan
- Resolution 6: Refresh 15% placement capacity

*Resolution 2: Remuneration Report*

### Voting Exclusion:

The Company will disregard any votes on resolution 2:

- by or on behalf of a member of the Company's KMP named in the Company's Remuneration Report for the year ended 30 June 2020 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties, unless the vote is cast as a proxy for a person entitled to vote on resolution 2;
- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy.

*Resolutions 4 & 5: Grants of Options to Mr Cregan*

### Voting Exclusion:

The Company will disregard any votes on resolutions 4 and 5:

- in favour of the resolution by or on behalf of Mr Cregan, being the only person referred to in Listing Rule 10.14 who is eligible to participate in the Plan, or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties, unless the vote is cast as a proxy for a person entitled to vote on resolutions 4 and 5;
- as a proxy or attorney for a person entitled to vote on the resolution in accordance with a direction to the proxy or attorney to vote on the resolution in that way; or
- as a proxy for a person entitled to vote on the resolution by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman decides; or
- by a holder acting solely in a nominee trustee, or custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# Notes relating to voting.

*Resolution 6: Refresh 15% placement capacity*

## **Voting Exclusion:**

The Company will disregard any votes on resolution 6(a) cast in favour of the resolution by or on behalf of any member or their associates (regardless of the capacity in which the vote is cast) who participated in the share issue.

The Company will disregard any votes on resolution 6(b):

- cast in favour of the resolution by or on behalf of any member or their associates (regardless of the capacity in which the vote is cast) who participated in the share issue; and
- any member who was an employee of Prepaid Financial Services (Ireland) Limited (or any of its wholly owned subsidiaries, as that term is defined in the Corporations Act 2001), as at the date of the share issue.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote the resolution in that way; or
- as a proxy for a person entitled to vote on the resolution by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman decides; or
- by a holder acting solely in a nominee trustee, or custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **3. ALL RESOLUTIONS WILL BE BY POLL**

As Shareholders are asked to participate virtually in the AGM, each resolution considered at the AGM will be conducted by a poll. The Board considers voting by poll to be in the interests of Shareholders as a whole and ensures the views of as many Shareholders as possible are represented at the AGM. On a poll, every member has one vote for every fully paid ordinary share held.

## **4. DIRECT VOTING**

In accordance with rule 18.1 of the Company's Constitution, the Directors:

- Have determined that at the AGM, a Shareholder who is entitled to vote on a resolution at the AGM is entitled to a direct vote in respect of that resolution; and
- Have approved the use of either:
  - a) The direct Voting Form enclosed with this Notice of Meeting for prior use prior to the AGM; or
  - b) The online AGM platform as the means by which Shareholders can deliver their direct vote in real time during the AGM.

### **DIRECT VOTING VIA THE VOTING FORMS – PRIOR TO THE AGM**

If a Shareholder is unable to participate in the online AGM platform, they are entitled to vote their shares directly by marking Section A 'Vote Directly' on the Voting Form that accompanies this Notice. They will then not need to appoint a proxy to act on their behalf. Such Shareholders should mark either 'for' or 'against' boxes next to each item on the Voting Form. The 'abstain' boxes should not be marked – if a Shareholder does mark the abstain box, then their vote for that item will be invalid.

If a Shareholder does not give a direction on all of the items, or if they complete both Section A 'Vote Directly' and Section B 'Appoint a Proxy', their vote will be passed to the Chairman of the AGM as their proxy.

In accordance with rule 18.1 of the Company's Constitution, Shareholders will be able to vote directly on resolutions considered at the AGM at any time between the date of this Notice of Meeting and **10:00am (Sydney time) on Wednesday 28 October 2020.**

# Notes relating to voting.

## 5. VOTING BY PROXY

If a Shareholder is unable to participate virtually and vote at the AGM, and does not choose to use direct voting, they are entitled to appoint a proxy to attend virtually and vote on their behalf. To do so, they should mark Section B 'Appoint a Proxy' on the Voting Form to insert the name of their alternative proxy in the space provided or appoint the Chairman of the AGM as their proxy.

The following information is relevant if you wish to appoint a proxy to vote on your behalf on resolutions at the Annual General Meeting.

### The Chairman of the Annual General Meeting acting as proxy

You may appoint the Chairman of the Annual General Meeting as your proxy. In addition, subject to the voting exclusions described above, the Chairman of the meeting is deemed to be appointed where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.

If a member directs the Chairman how to vote on an item of business, the Chairman must vote in accordance with the direction.

For proxies without voting instructions that are exercisable by the Chairman, the Chairman intends to vote all available proxies in favour of the resolutions.

In relation to each of the remuneration-related resolutions (being resolutions 2, 4 and 5), if the Chairman of the meeting is appointed as your proxy, and you have not directed your proxy how to vote on the relevant resolution, please note that by completing and returning the proxy form accompanying this Notice you will be expressly authorising the Chairman of the meeting to exercise your undirected proxy on these resolutions even though they are connected with the remuneration of the Company's KMP.

### Directing your proxy how to vote

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you mark the "abstain" box for a particular item, you are directing your proxy not to vote on your behalf and your shares will not be counted in computing the required majority on a poll. If you do not mark a voting instructions box in respect of a resolution, your proxy can vote as he or she decides, subject to any voting exclusions that apply to the proxy.

### Does the proxy you appoint need to be a member?

A proxy may be an individual or a body corporate, and need not be a member of the Company.

### Appointing two proxies

A member entitled to attend the virtual meeting and vote is entitled to appoint not more than two proxies. If you wish to appoint two proxies please obtain a second proxy form by telephoning the Share Registry, Link Market Services on 1300 554 474 (within Australia) or by sending a fax to +61 2 9287 0309.

Both forms should be completed specifying the nominated percentage or number of your votes given to each proxy. Please return both proxy forms together. If the proxy forms do not specify the proportion or number of your votes, each proxy may exercise half of the votes. Where more than one proxy is appointed and both attend the meeting, neither proxy is entitled to vote on a show of hands.

### Appointment of a body corporate representative as a proxy

Where a member appoints a body corporate as proxy, that body corporate will need to ensure that:

- it appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act (the "Certificate of Appointment of Corporate Representative" that can be obtained from the Share Registry can be used for this purpose); and
- the instrument appointing the corporate representative is received by the Company at its registered office by the time referred to below.

### Completing the proxy form

A proxy form must be signed by the member or his/her attorney or, in the case of a corporation, executed in accordance with section 127 of the Corporations Act or signed by an authorised officer or attorney. If the proxy form is signed by an attorney or by the authorised officer of a corporation, the power of attorney or other authority (or a notarially certified copy) must accompany the form unless it has previously been provided to the Company. If the proxy form is sent electronically or by fax, any accompanying power of attorney or other authority must be certified.

For personal use only

# Notes relating to voting.

## Lodgement of proxy forms

Proxy forms must be received by the Company by **10.00 am (Sydney time) on Wednesday 28 October 2020**.

You may lodge your proxy form:

ONLINE	www.linkmarketservices.com.au
BY MAIL	EML Payments Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
BY FAX	+61 2 9287 0309
BY HAND	Link Market Services Limited 1A Homebush Bay Drive, Rhodes NSW 2138; or Level 12, 680 George Street, Sydney NSW 2000

## 6. APPOINTING AN ATTORNEY TO VOTE ON YOUR BEHALF

Where a member appoints an attorney to act on his/her behalf at the meeting, such appointment must be made by a duly executed power of attorney. The power of attorney must be received by the Company at Link Market Services Limited by hand or post by **10.00 am (Sydney time) on Wednesday 28 October 2020**.

## DEFINITIONS

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

TERM	DEFINITION
Annual General Meeting or Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2020 annual report of the Company.
ASX	means ASX Limited ACN 008 624 691.
Board	means the board of Directors of the Company.
Company or EML	means EML Payments Limited ACN 104 757 904.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the Directors of the Company.
Explanatory Memorandum	means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.
Key Management Personnel or KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Managing Director and Group CEO.
Listing Rules	means the listing rules of ASX.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Plan	means EML's Equity Incentive Plan, approved by Shareholders on 14 November 2018
Remuneration Report	means the section of the Directors' report for the 2020 financial year that is included under section 300A(1) of the Corporations Act.
Shareholders	means a person who is a registered holder of Shares in the Company at 7:00pm (Sydney time) on Wednesday, 28 October 2020.
Shares	means fully paid ordinary shares in the capital of the Company.

# Appendix 1: Further terms of EML's Equity Incentive Plan

Further terms of EML's Equity Incentive Plan, which was approved by Shareholders at the 14 November 2018 AGM, include:

## Rights attaching to Rights and Options

Rights and Options awarded under the Plan do not carry any voting or dividend rights.

Rights and Options do not confer the right to participate in new issues of shares or other securities in the Company. However, the Plan provides for adjustments to be made to the number of shares to which a participant would be entitled on the exercise of Rights or Options or the exercise price (if any) of the Rights or Options in the event of a bonus issue or pro-rata issue to existing holders of shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) or a reorganisation of capital.

Rights and Options awarded under the Plan are not quoted on the ASX.

## Lapse of Awards

Unless the Board in its absolute discretion determines otherwise, a Right or Option will lapse on the earliest of:

- a) the expiry date applicable to the Right or Option;
- b) the forfeiture of the Right or Option for reasons determined by the Board, including where the participant acts fraudulently, dishonestly or has wilfully breached their duties to the Company or related bodies corporate;
- c) where the participant purports to dispose of the Right or Option, or enter into any arrangement in respect of the Right or Option in breach of any disposal or hedging restrictions; and
- d) the Board determining in its reasonable opinion that the vesting conditions (if any) have not been satisfied or cannot be satisfied.

## Shares received on the exercise of Awards

Shares acquired on the exercise of Rights or Options rank equally in all respects, and carry the same rights and entitlements, as existing shares from the date of acquisition, including in respect of dividends and distributions, rights issues, bonus issues and voting.

The Company will apply for official quotation of any shares issued under the Plan in accordance with the Listing Rules.

Subject to the terms of the relevant offer, shares acquired under the Plan may be subject to disposal restrictions which may restrict the shares from being disposed of or dealt with for a period of time and/or forfeiture conditions which may result in the shares being forfeited if such conditions are not satisfied or waived.

## Amending the Plan

The Board may, in its discretion, amend the terms of the Plan or Awards under the Plan, provided that (except in specified circumstances) if such amendment would materially reduce the rights of a participant in respect of Awards granted to that participant prior to the date of the amendment, other than with the consent of the participant.

## Board discretion

The Board has broad discretions under the Plan, including as to:

- a) the timing of making of an offer to participate in the Plan;
- b) identifying persons eligible to participate in the Plan;
- c) the amount payable on the Award or exercise of Awards under the Plan;
- d) the terms of any Awards (including any vesting conditions which must be satisfied or waived before Awards may be exercised, forfeiture conditions, disposal restrictions, any acquisition price payable for the grant of Awards and any exercise price payable for the exercise of Awards).

The Board may, at its discretion, amend or waive any vesting conditions, forfeiture conditions or disposal restrictions attaching to Awards at any time, subject to applicable law.

## Cessation of employment

Where a participant ceases employment with the Group, the treatment of their Awards on cessation will depend on the circumstances of cessation.

Where the participant ceases employment due to resignation (other than due to death, terminal illness, total and permanent disablement, mental illness, redundancy or retirement) or dismissal for cause or poor performance, unless the Board determines otherwise, all their unvested Awards will lapse at cessation of employment.

Where a participant ceases employment for any other reason, the treatment of unvested Awards is at the discretion of the Board.

# Appendix 1: Further terms of EML's Equity Incentive Plan

## Clawback

If the Board becomes aware of a material misstatement in, or omission from, the Company's financial statements, a material misstatement of vesting condition, serious misconduct (including fraud, dishonesty, gross negligence), a participant acting in a way that has contributed to reputational damage to the Group or some other event, which in the opinion of the Board means that all or part of the grant or vesting of an Award is no longer justified, the Board may elect to claw back the benefit of that Award.

## Change of control

Where a transaction or event is proposed that, in the opinion of the Board, may result in a person becoming entitled to control the Company, the Board may (at any time and in its absolute discretion) determine that a particular treatment will apply to Awards.

Where the Board does not exercise this discretion and a change of control event occurs, any unvested Awards will remain on foot to be vested (as applicable) and vest in the ordinary course, unless the Board determines otherwise.

# Appendix 2

## 38. PROPORTIONAL TAKEOVER APPROVAL

### 38.1 Special definitions

The following definitions apply in this rule.

**Accepted Offer** means an offer under a proportional takeover bid that has been accepted and from the acceptance of which a binding contract has not resulted as at the end of the Resolution Deadline.

**Approving Resolution** means a resolution to approve the proportional takeover bid passed in accordance with rule 38.4.

**Resolution Deadline** means the day that is 14 days before the last day of the bid period of the proportional takeover bid.

A reference to **an associate of** another person is a reference to a person who is an associate of the first person because of sections 11, 12 or 15 of the Corporations Act.

### 38.2 Limited life of rule

This rule ceases to apply by force of section 648G(1) at the end of three years starting when this rule was inserted in the constitution or starting when this rule was last renewed in accordance with that section.

### 38.3 Restriction on registration of transfers

The Company must not register a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid until an Approving Resolution is passed.

### 38.4 Approving Resolution

If offers have been made under a proportional takeover bid for securities in a class issued by the Company:

- a) an Approving Resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution;
- b) the Board must ensure that an Approving Resolution is voted on in accordance with this rule before the Resolution Deadline for the bid;
- c) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the bid was made, held securities included in that class is entitled to vote on an Approving Resolution;
- d) the bidder or an associate of the bidder is not entitled to vote on an Approving Resolution; and
- e) an Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.



## Appendix 2

### 38.5 General meeting provisions apply

The rules in this constitution relating to general meetings apply, modified as necessary, to any meeting convened under this rule, except that:

- a) a meeting may be convened on less than 28 days notice and on at least 14 days notice if the Board considers that should be done to ensure that the meeting is held before the Resolution Deadline; and
- b) the holder of a security that carries no right to vote at a general meeting of the Company has one vote for each security held at a meeting convened under this rule.

### 38.6 Notice of meeting outcome

If an Approving Resolution is voted on in accordance with this rule before the Resolution Deadline for the proportional takeover bid, the Company must, on or before the Resolution Deadline give a written notice stating that an Approving Resolution has been voted on and that the resolution has been passed or rejected to:

- a) the bidder; and
- b) ASX and any other relevant financial market.

### 38.7 Failure to propose resolution

If, as at the end of the day before the Resolution Deadline for a proportional takeover bid, no Approving Resolution has been voted on in accordance with this rule, an Approving Resolution is taken to have been passed in accordance with this rule.

### 38.8 Rejected resolution

If an Approving Resolution is voted on, in accordance with this rule, before the Resolution Deadline for the proportional takeover bid and is rejected:

- a) despite section 652A, all offers under the bid that have not, as at the end of the Resolution Deadline, been accepted, and all Accepted Offers are taken to be withdrawn at the end of the Resolution Deadline;
- b) as soon as practical after the Resolution Deadline, the bidder must return to each person who accepted an Accepted Offer any documents that were sent by the person to the bidder with the acceptance of the offer;
- c) the bidder may rescind, and must rescind, as soon as practical after the Resolution Deadline, each contract resulting from the acceptance of an offer made under the bid; and
- d) a person who has accepted an offer made under the bid may rescind the contract (if any) resulting from that acceptance.

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