



EML.

EML Payments Limited

# Notice of Annual General Meeting.

EML Payments Limited ACN 104 757 904

Notice is hereby given that the 2021 Annual General Meeting (**AGM**) of members of EML Payments Limited (**Company** or **EML**) will be held as a virtual only meeting on **Wednesday 17 November 2021 at 10:00am (Sydney time)** due to the ongoing 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.

# 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 2021 and the reports of the Directors and the Auditor as set out in the 2021 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 2021 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

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

- a) Mr David Liddy AM retires by rotation in accordance with rule 3.6(a) of the Company's Constitution and being eligible Offers himself for re-election.
- b) Ms Emma Shand, who was appointed as a Director on 15 September 2021, retires from office in accordance with rule 3.3 of the Company's Constitution, and being eligible, offers herself for election.

### 4. Grant of Short-Term Incentive Options to Group Chief Executive Officer and Managing Director, 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 Group Chief Executive Officer and Managing Director, Mr Tom Cregan 92,202 Options under the EML Employee Equity Incentive Plan (Legacy Plan) on the terms set out in the Explanatory Notes to this Notice of Meeting.'*

### 5. Approval of the EML Payments Limited Rights Plan (EPLRP)

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

*'That, for the purposes of Listing Rule 7.2 Exception 13 and for all other purposes, the EML Payments Limited Rights Plan (EPLRP or Plan) and any grants of Rights (as defined in the Plan) issued under the Plan, be approved.'*

**Note:** The Non-Executive Directors of EML Payments Limited are not eligible to participate in the Plan and unanimously recommend that Shareholders vote **FOR** this resolution.

The Company will disregard any votes on this resolution cast by any directors who are eligible to participate in the Plan, and any associates of those directors.

### 6. Grant of Long-Term Incentive Rights to Group Chief Executive Officer and Managing Director, 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 Group Chief Executive Officer and Managing Director, Mr Tom Cregan, up to 254,569 Performance Rights under the EPLRP on the terms set out in the Explanatory Memorandum to this Notice of Meeting.'*

**Note:** The Chairperson will vote undirected proxies **FOR** this resolution.

# 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 Monday, 15 November 2021.

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, 5 and 6 even though the resolutions are connected with the remuneration of the Company's KMP.

By order of the Board



**Sonya Tissera - Isaacs**  
Company Secretary

Level 12  
333 Ann Street  
Brisbane, QLD 4000  
14 October 2021

# 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 2021 will be laid before the AGM.

As this year's AGM is to be held as a virtual meeting, these reports can be viewed by members on the Company's website or by using the following link <https://www.emlpayments.com/company/investor-centre/agm/>

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 33 to 56 of the 2021 Annual Report. The Annual Report is available on EML's website at <https://www.emlpayments.com/company/investor-centre/>

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 it 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 20.

### RECOMMENDATION

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



# Explanatory memorandum.

## 3. Re-election and Election of Directors

### a) Mr David Liddy AM

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. In addition, in accordance with Listing Rule 14.4 a Non-Executive Director of a publicly listed company may not hold office without re-election past: (i) the third annual general meeting following the director's appointment; or (ii) three years, whichever is longer.

Accordingly, Mr Liddy is required to retire from office as a Director under each of rule 3.6(a) and Listing Rule 14.4 as he was last elected at the Company's 2018 AGM.

Being eligible, Mr Liddy will retire and stand for re-election.

### b) Ms Emma Shand

Following recommendations from the Culture, Governance and Nominations Committee (formerly known as the People, Culture and Remuneration Committee), the Board appointed Ms Emma Shand as a Non-Executive Director on 15 September 2021. Ms Shand is now retiring and standing for election at the first Annual General Meeting since she was appointed, in accordance with rule 3.3 of the Company's Constitution.

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.

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



**David Liddy AM.**

Non Executive Director  
Deputy Chairman

**Appointed on 27 April 2012**

**MBA (Macquarie University)**

**Fellow of the Australian Institute of Company Directors (FAICD)**

Mr Liddy joined the Board on 27 April 2012, is the Deputy Chairman, Chair of the Remuneration Committee and a Member of the Investment Committee and Culture, Governance and Nominations Committee.

Mr Liddy has over 43 years' experience in banking, including international postings in London and Hong Kong. Mr Liddy was Managing Director and Chief Executive Officer of Bank of Queensland from April 2001 to August 2011 and currently a Non-Executive director of Steadfast Group Limited (ASX:SDF), a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors. Mr Liddy also holds a Master in Business Administration (MBA) from Macquarie University.

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

Mr Liddy has a beneficial interest in 960,000 fully paid ordinary shares.

If re-elected, the Board intends that Mr Liddy will continue as Deputy Chairman, rotate off as Chair of the Remuneration Committee and remain a member of the Committee. Mr Liddy will also maintain his memberships on the Investment Committee and Culture Governance and Nominations Committee.

## RECOMMENDATION

The Board considers that Mr Liddy continues to make a valuable contribution to the Board and brings to the Board extensive experience in international business, corporate finance, strategy, governance and remuneration. His international executive and banking experience is particularly valued by the Board in his role as Deputy Chairman and as a member of the various Board Committees.

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

# Explanatory memorandum.



**Emma Shand**  
Non Executive Director

Appointed on 15 September 2021

BA (Curtin University)

Grad Dip App Fin Inv (SIA)

Graduate Member of the Australian Institute of Company Directors (GAICD)

Fellow of the Financial Services Institute of Australasia (F FIN)

Ms Emma Shand joined the Board on 15 September 2021 and is a member of the Investment, Audit and Risk, and Culture, Governance and Nominations Committees.

Ms Shand is an accomplished Non-Executive Director, international executive and advisor with 25 years' experience in technology, capital markets and diversified financial services across Asia Pacific, the US and EMEA.

Serving in management, board and advisory capacities, Ms Shand has worked with highly regulated capital market infrastructure operators to early stage and disruptive companies spanning technology, financial services, healthcare and industrial sectors. Ms Shand has several years of non-executive director experience having served on boards or committees of private, member and government-controlled entities in international jurisdictions.

Ms Shand's career includes 16 years with Nasdaq with executive roles in Asia and as Global Head of Advisory Services. She is a Non-Executive Director of global cyber security company, XM Cyber, and a Silicon Valley health tech company and has extensive experience building, leading and advising financial enterprises through complex transitions, strategy, structural change, international expansion, leveraging technology and changing regulatory landscapes.

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

If elected, the Board intend that Ms Shand will rotate from member to the Chair of the Investment Committee and continue as a member of the Company's Audit and Risk and Culture, Governance and Nomination Committees.

## RECOMMENDATION

The Board considers that Ms Shand makes a valuable contribution to the Board bringing to the Board deep exposure to different operating, technology and regulatory environments and strong skills in the areas of strategy, market structure, technology and partnerships, M&A integration and complex stakeholder engagement. A highly regarded capital markets and technology professional, Ms Shand's experience will be particularly valuable in her role as Chair of the Investment Committee and Member of the Audit and Risk Committee and Culture, Governance and Nomination Committees.

The Board recommends that shareholders vote **IN FAVOUR** of the election of Ms Shand.

## 4. Grant of Short-Term Incentive (STI) Options to Group Chief Executive Officer and Managing Director, Mr Tom Cregan

The Company is seeking the approval of shareholders under Listing Rule 10.14 for the Board to grant 92,202 Options to the Group Chief Executive Officer and Managing Director, Mr Tom Cregan as the Short-Term Incentive ('STI') component of Mr Cregan's remuneration for the financial year ended 30 June 2021 under the EML Equity Incentive Plan ('Legacy Plan') on the terms set out below. The Legacy Plan was approved by Shareholders at the 14 November 2018 AGM. In addition to the below, further terms of the Legacy 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 Legacy Plan) requires Shareholder approval pursuant to Listing Rule 10.14.1 Accordingly, Shareholder approval is sought for the proposed grant of STI Options under the Legacy Plan to Mr Cregan.

Once approval is obtained under Listing Rule 10.14.1, 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.

# Explanatory memorandum.

## Details of the proposed grant

Accordingly, approval is sought to grant 92,202 Options under the Legacy Plan to Mr Cregan, representing his STI award for the financial year ended 30 June 2021. The grant represents 90.5% of Mr Cregan's maximum potential STI for the financial year.

Further explanation of Mr Cregan's FY21 STI can be found in the Company's 2021 Remuneration Report. If approved by Shareholders, the STI Options awarded to Mr Cregan will not vest before 1 July 2022. It is the view of the Board that deferring the payment of Mr Cregan's STI by granting Options under the Legacy Plan with a one year deferral until vesting (ie vesting on 1 July 2022) 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 2021 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 Legacy 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 90.5% of the maximum potential STI award, equating to an award of 92,202 Options.
- b) The maximum number of Options available to be issued to Mr Cregan was calculated by dividing the dollar value of his maximum potential STI opportunity for FY21 (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 4 September 2020 (which has been calculated to be \$3.19), rounded down to the nearest whole number;
- c) The date of 4 September 2020 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 FY21 financial year and the Board's overriding discretion.
- d) As Mr Cregan has already earned his FY21 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 their exercise;
- e) Subject to the terms of the Legacy 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 2022 in order for the Options to vest.
- f) The Options are not transferrable and any unexercised Options will expire on 30 August 2022 if not exercised earlier.
- g) Subject to the terms of the Legacy 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 1 July 2022.
- 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 2022.

## 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 Legacy Plan. No loan will be made available to Mr Cregan in relation to the acquisition or exercise of the proposed grant of Options.

# Explanatory memorandum.

- b) ASX Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Cregan's FY21 current total remuneration:

Total Fixed Remuneration including superannuation (TFR)	\$ 654,857
Short-Term Incentive	50% of TFR at maximum
Long-Term Incentive	150% of TFR at maximum

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

- c) ASX Listing Rule 10.15.5 requires this Notice of Meeting to state the number and average price of securities received by Mr Cregan under EML's Short Term Incentive Plan (STIP). 242,614 Options have been issued to Mr Cregan (at no cost) in respect of prior year short term incentives under the Legacy Plan.
- d) 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 2022.
- e) Details of any securities issued under the Legacy 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
- f) Any additional persons covered by Listing Rule 10.14 who became entitled to participate in an issue of securities under the Legacy 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 92,202 STI Options to Mr Cregan under the Legacy Plan to be reasonable and appropriate in all the circumstances. The Non-Executive Directors recommend that shareholders vote **IN FAVOUR** of resolution 4.

## 5. Approval of Issue of Share Rights under New Incentive Plan

The Company is seeking the approval of shareholders for the EML Payments Limited Rights Plan (**EPLRP** or the **Plan**) in order to preserve the 15% limit on new issues that may be made during any 12 month period, without shareholder approval. If passed the approval will exclude Rights issued under the Plan, from the calculation of the utilisation of the limit during the subsequent three (3) years (ASX Listing Rule 7.2 exception 13).

Executive remuneration for the Company is determined by the Non-Executive Directors, taking consideration of relevant market practices and the circumstances of the Company, on an annual basis. It is the view of the Non-Executive Directors that it is in the interests of shareholders for selected executives, executive directors and other employees (the Participants) to receive part of their remuneration in the form of equity.

The EPLRP represents a modernisation of the available equity instruments and terms, aligned with current regulations and market best-practices. Equity interests are designed to form a significant component of variable remuneration for executives by facilitating Long Term Variable Remuneration (**LTVR**), and the deferral of Short Term Variable Remuneration (**STVR**) into equity, as well as potentially fixed remuneration or retention variable remuneration from time to time (for example in the case of lower level staff identified for succession). It is the view of the Non-Executive Directors that the holding of such equity creates alignment between shareholder interests and the interests of Participants. If approved, grants under the EPLRP will facilitate the Company providing appropriate, competitive and performance-linked remuneration to the employees of the Company.

The Non-Executive Directors seek to ensure that grants are made at a level that will appropriately position remuneration outcomes when compared to the market, in accordance with EML's remuneration policies, and appropriate to the circumstances of the Company at the time. The Non-Executive Directors receive independent expert advice from time to time to support this objective.

Non-Executive Directors are not eligible to participate in the EPLRP and this is intended to support their independence in providing governance oversight for this component of remuneration.



# Explanatory memorandum.

A summary of the main features of the EPLRP is set out in the table below:

ASPECT	DETAILS
<b>Instrument</b>	<p>The EPLRP uses Indeterminate Rights which are an entitlement to the value of a Share (less any Exercise Price) which may be satisfied either in cash and/or in Shares (at the Board's discretion), unless otherwise specified in an Invitation. Generally, it is expected that exercised Rights will be satisfied in the form of Shares or Restricted Shares (ordinary fully paid share in the Company that may be subject to Specified Disposal Restrictions).</p> <p>The Plan allows for three classes of Rights which may be appropriate forms of remuneration under various circumstances, being;</p> <ul style="list-style-type: none"> <li>• Performance Rights which vest when performance conditions have been satisfied and will generally be used for the purpose of granting LTVR to executives,</li> <li>• Service Rights which vest after completion of a period of service and which will generally be used as a retention incentive below the executive level if and when appropriate, or as part of fixed remuneration, and</li> <li>• Restricted Rights which are vested at grant but which may have Exercise Restrictions and or Specified Disposal Restrictions that extend to the Shares that result from the exercise of Rights (Restricted Shares), and will generally be used to defer earned remuneration from time to time e.g. to defer STVR.</li> </ul> <p>When an Exercise Price greater than nil is specified in an Invitation the Rights are Share Appreciation Rights (SARs) that only produce value when the Share Price exceeds the Exercise Price at the time of Exercise i.e. equivalent to an option. They may be Performance SARs, Service SARs or Restricted SARs under the foregoing classes of Rights.</p> <p>These instruments were chosen because they allow EML to offer employees equity as part of remuneration that is aligned with current market best-practices, tax and regulatory requirements in a range of circumstances. .</p>
<b>Terms and Conditions</b>	<p>Under the rules of the EPLRP (Plan Rules) the Board has the discretion to set the terms and conditions on which it will offer Rights, including the modification of the terms and conditions as appropriate to ensuring the Plan operates as intended.</p> <p>Performance Rights, Service Rights (including when they are Share Appreciation Rights) are subject to Vesting Conditions. In the case of Performance Rights (including Share Appreciation Rights) the Vesting Conditions are intended to be challenging and linked to indicators of sustainable value creation for shareholders.</p> <p>The terms and conditions of the Plan include those aspects legally required as well as terms addressing exceptional circumstances, such as a de-listing, a major return of capital to shareholders, including the treatment of Rights and Restricted Shares on termination of employment.</p> <p>The Plan contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Plan.</p>
<b>Variation of Terms and Conditions</b>	<p>To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary or amend the terms and conditions of the Plan.</p>
<b>Eligibility</b>	<p>Eligible Persons selected by the Board will be invited to participate in the Plan. Eligible Persons includes: full time and part-time employees, executive directors and contractors, but excludes Non-Executive Directors.</p>
<b>Term</b>	<p>Each Invitation will specify the Term of Rights, as determined by the Board, and if not exercised within the Term the Rights will lapse. The maximum term allowable is 15 years under the Rules, which is based on the maximum tax deferral period in Australia.</p>
<b>Number of Rights</b>	<p>The number of Rights specified in an Invitation will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's fixed remuneration, an appropriate Volume Weighted Average Price (VWAP), relevant market practices and the relevant policies of the Company regarding remuneration, such that total remuneration is appropriate in both quantum and structure.</p>

# Explanatory memorandum.

ASPECT	DETAILS
<b>Measurement Period</b>	The Measurement Period is the period over which vesting conditions are assessed and may be determined by the Board as part of each Invitation but will generally be three years for Performance Rights, starting from the beginning of the first financial year in the Measurement Period.
<b>Vesting Conditions</b>	<p>Vesting Conditions, if any, are to be determined by the Board as part of each Invitation.</p> <p>Performance Rights will vest based on selected measures of Company performance and service with the Company. They are intended to create alignment with indicators of shareholder value creation over the Measurement Period.</p> <p>Service Rights will vest based on periods of service with the Company only, and will generally relate to annual remuneration cycles when granted as part of fixed remuneration, or aligned with succession plans for example.</p> <p>Restricted Rights do not have Vesting Conditions and are fully vested at grant but are subject to disposal restrictions. The disposal restrictions may extend to the Shares (Restricted Shares) that result from exercising Restricted Rights, as appropriate to circumstances. This is likely to be used where the application of vesting conditions is not appropriate e.g. in the case of deferred STVR awards for executives.</p>
<b>Gates</b>	The Board may attach Gates to tranches of Performance Rights. A Gate is a condition that, if not fulfilled, will result in nil vesting of a tranche regardless of performance in relation to the Vesting Conditions.
<b>Cost of Rights and Exercise Price</b>	<p>No amount is payable by Participants for Rights unless otherwise determined by the Board. Rights are intended to form part of the annual remuneration package appropriate to each Participant.</p> <p>No Exercise Price is payable by a Participant to exercise Rights under the Rules. However, as part of the terms of an Invitation the Board may determine that a notional Exercise Price applies, which will be deducted from the value of a Share in determining the Exercised Rights Value i.e. creating a cashless exercise option or Share Appreciation Right/SAR which functions identically to an option, but is less dilutive than traditional options from a shareholder perspective.</p>
<b>Exercise of Vested Rights</b>	<p>Vested Rights may be exercised at any time between the Vesting Date (or the latter elapsing of Exercise Restrictions if applicable) and the end of their Term, by the Participant submitting an Exercise Notice, otherwise they will lapse. The Exercised Rights Value will be determined as follows and will be either be paid in cash, converted into Shares based on the then Share price, or a combination of cash and Shares, as determined by the Board:</p> <p><b>Exercised Rights Value =</b>  <b>Number of Rights Exercised x (Share Price at Exercise - Exercise Price)</b></p> <p>Generally, it is expected that vested Rights will be settled in Shares. Such Shares will often be Restricted Shares as they will be subject to disposal restrictions if the exercise occurs during a period in which trading in Shares is prohibited under the Company's securities trading policy.</p> <p>For Participants outside of Australia, the Invitation may specify an automatic exercise date or other overriding variations, to comply with local regulatory and tax conditions.</p>
<b>Exercise Restrictions</b>	An Invitation may specify a period of Exercise Restrictions during which Rights may not be exercised, even if vested. For Restricted Rights which are fully vested at grant, Exercise Restrictions apply for at least 90 days following the Grant Date.

# Explanatory memorandum.

ASPECT	DETAILS
<b>Disposal Restrictions</b>	<p>Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p> <p>Shares acquired from the exercise of vested Rights may be subject to disposal restrictions due to:</p> <ol style="list-style-type: none"> <li>a) The Company's securities trading policy, and</li> <li>b) The insider trading provisions of the Corporations Act.</li> </ol> <p>Shares resulting from the exercising of Rights that may not be traded due to the foregoing or because of Specified Disposal Restrictions included in an Invitation will be Restricted Shares while they are so restricted. EML will ensure that such restrictions are enforced due to the presence of CHESS holding locks or alternatively by any trustee of an Employee Share Trust that may be engaged in connection with the Plan.</p>
<b>Specified Disposal Restrictions</b>	<p>Invitations may include Specified Disposal Restrictions that apply for a specified period to Restricted Shares that result from the exercising of Rights. The Board will decide whether to include such conditions and the period for which they will apply.</p> <p>Initially, grants will not be subject to a Specified Disposal Restriction.</p>
<b>Disposal and Exercise Restriction Release at Taxing Point</b>	<p>In the event that a taxing point arises in relation to Restricted Rights or Restricted Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of the taxable Rights and Shares. This ensures that unreasonable tax outcomes are avoided.</p>
<b>Termination of Employment</b>	<p>Generally, if termination of employment occurs within the first year of the Measurement Period, Performance Rights will be forfeited in the proportion that the remainder of the first year of the Measurement Period bears to a full year, commensurate with the annual nature of Performance Rights granting cycles (as distinct from vesting or performance measurement). Remaining Performance Rights will then continue to be held for testing for vesting at the end of the Measurement Period. Any Performance Rights that do not vest following the assessment of the Vesting Conditions will be forfeited i.e. no acceleration or bringing forward of vesting will occur unless otherwise determined by the Board in exceptional cases.</p> <p>Service Rights will be dealt with as specified in the relevant Invitation as appropriate to the circumstances of the granting of Service Rights and the applicable Measurement Periods. Generally pro-rata vesting for the period of service completed will apply.</p> <p>Vested Rights held after a Participant's termination of office or employment with the Group will be automatically exercised 90 days after the date on which the Participant ceases to hold any unvested Rights and all Exercise Restrictions have elapsed.</p> <p>It should be noted that the Plan contains clauses that address fraud, misconduct, inappropriate benefits and clawback which will result in the forfeiture of unvested and unexercised rights equivalent to traditional "Bad Leaver" approaches, but which may apply at any time including during employment.</p>

# Explanatory memorandum.

ASPECT	DETAILS
<b>Delisting</b>	<p>In the event the Board determines that the Company will be subject to a de-listing, the Vesting Conditions specified in an Invitation for Performance Rights will cease to apply and:</p> <ul style="list-style-type: none"> <li>• Rights with an Exercise Price greater than nil (SARs) will vest 100% unless otherwise determined by the Board, comparable to the traditional treatment of Options and appropriate to the marginal and time-dependent value of such instruments,</li> <li>• Unvested Performance Rights with a nil exercise price, each tranche will vest pro-rata based on time and value created, using the following formula:</li> </ul> $\text{Number of Performance Rights to Vest} = \frac{\text{Unvested Performance Rights} \times \% \text{ of First Year of Measurement Period Elapsed} \times (\text{Share Price at the Effective Date} - \text{Share price at Measurement Period Commencement})}{\text{Share price at Measurement Period Commencement}}$ <ul style="list-style-type: none"> <li>• Remaining Performance Rights may vest or lapse as determined by the Board,</li> <li>• Service Rights will vest to the extent determined to be appropriate by the Board under the circumstances applicable to each grant of Service Rights, and</li> <li>• Exercise Restrictions and Specified Disposal Restrictions will cease to apply on the date determined by the Board.</li> </ul>
<b>Major Return of Capital or Demerger</b>	<p>In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board has discretion to vest, lapse or adjust the terms of Rights such that Participants are neither advantaged nor disadvantaged by the corporate action.</p>
<b>Board Discretion, Preventing Inappropriate Benefits, Malus, Clawback, Fraud and Misconduct</b>	<p>The Board has discretion to adjust the number of Rights that ultimately vest if it forms the view that the unadjusted outcome is not appropriate to the circumstances that prevailed over the Measurement Period and/or to the contribution of a Participant to outcomes over the Measurement Period (Malus).</p> <p>The Board has sole discretion to determine that some or all unvested Rights (for Malus) or vested Rights subject to Exercise Restrictions (for Clawback) held by a Participant, lapse on a specified date, if allowing the Rights to be retained would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances include joining a competitor or actions that the Board deems harmed the Company's stakeholders. The Board also has discretion to trigger early vesting if it deems it necessary to do so, to address unforeseen circumstances.</p> <p>In the case of fraud or misconduct, a Participant will forfeit all unvested Rights.</p>
<b>Bonus Issues, Rights Issues, Voting and Dividend Entitlements</b>	<p>In the case of some capital reconstructions, bonus issues or rights issues, the number of Rights held by Participants may be proportionately adjusted to reflect bonus issues so that no advantage or disadvantage arises for the Participant, in accordance with the ASX Listing Rules. Right holders will not participate in Shareholder rights issues.</p> <p>Rights do not carry voting or dividend entitlements. Shares (including Restricted Shares) issued when Rights are exercised carry all entitlements of Shares, including voting and dividend entitlements.</p>
<b>Quotation</b>	<p>Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.</p>
<b>Issue or Acquisition of Shares</b>	<p>Shares allocated to a Participant when Rights are exercised under the Plan may be issued or acquired on or off market by the Company or a trustee whose purpose is to facilitate the operation of the plan.</p>
<b>Cost and Administration</b>	<p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the Plan.</p>
<b>Hedging</b>	<p>The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by specified Participants.</p>

# Explanatory memorandum.

As at the date of this Notice of Meeting, no Rights have been issued under the EPLRP.

For purposes of ASX Listing Rule 7.2 Exception 13, the maximum number of equity securities that may be issued under the EPLRP following approval of this resolution is 18,176,246 (being 5% of the Company's issued Shares as at 15 September 2021).

Given their potential interest in Resolution 5, the executive director makes no recommendation to shareholders with respect to this resolution.

The Chairperson will vote undirected proxies **IN FAVOUR** of this resolution.

If holders of ordinary securities do not approve this resolution, issues under the EPLRP will count towards the 15% limit in Listing Rule 7.1, that may be made without shareholder approval.

## RECOMMENDATION

The Non-Executive Directors unanimously recommend that Shareholders vote **IN FAVOUR** of resolution 5.

## 6. Grant of Long Term Variable Remuneration (LTVR) Performance Rights to Group Chief Executive Officer and Managing Director, Mr Tom Cregan

The Company is seeking the approval of shareholders under Listing Rule 10.14 for the Board to grant up to 274,543 Performance Rights to Mr Tom Cregan, the Group Chief Executive Officer and Managing Director, as the Long Term Variable Reward ('LTVR') component of his remuneration for the financial year ending 30 June 2022 under the EPLRP on the terms set out below.

Approval for the issue of 274,543 Performance Rights to Mr Tom Cregan is based on the approval of the issue of Share Rights under the EPLRP in Resolution 5

### Why is shareholder approval being sought?

The issue of securities to a Director under an employee incentive scheme (in this case Performance Rights under the EPLRP) requires Shareholder approval pursuant to Listing Rule 10.14.1. Accordingly, Shareholder approval is sought for the proposed grant of Performance Rights under the EPLRP to Mr Cregan.

### Details of the proposed grant

Accordingly, approval is sought to grant up to 274,543 Performance Rights under the EPLRP to Mr Cregan, as the LTVR component of his remuneration for the financial year ending 30 June 2022.

It is the view of the Board that the granting of such Rights under the EPLRP to Mr Cregan is an appropriate part of his at-risk remuneration linked to generating long term value 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 Performance Rights to Mr Cregan, the proposed grant of Performance Rights 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 Rights.

### Key terms of the proposed grant

The key terms of the proposed grant are as follows:

- a) Subject to Shareholders' approval, the Non-Executive Directors have determined Mr Cregan's grant of FY22 LTVR to be 274,543 Performance Rights.
- b) The maximum potential number of Performance Rights available to be issued to Mr Cregan has been calculated by dividing the dollar value of Mr Cregan's LTVR opportunity for FY22 (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 August 2021 (which has been calculated to be \$3.83), rounded down to the nearest whole number.
- c) The date of 13 September 2021 corresponds to the date the Board approved Mr Cregan's maximum potential LTI award into Performance Rights and determined to seek Shareholder approval for the grant of such Rights – subject to Mr Cregan's final LTVR award being assessed by the Board based on his performance against Key Performance Indicators for the period beginning on 1 July 2021 and ending on 30 June 2024 and the Board's overriding discretion.



# Explanatory memorandum.

- d) As the grant represents the LTVR component of Mr Cregan's remuneration, the Performance Rights will be granted for no consideration. Mr Cregan will not be required to pay any amount to exercise the Performance Rights on vesting or exercise.
- e) The number of Performance Rights that will ultimately vest in favour of Mr Cregan is dependent on the Non-Executive Directors assessment of his performance against Key Performance Indicators for the period beginning on 1 July 2021 and ending on 30 June 2024 and the Board's overriding discretion. The Performance Rights are not transferrable and any vested but unexercised Performance Rights will expire 15 years after the grant date.
- f) subject to the terms of the EPLRP and the grant, each Performance Right 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 Rights vesting after a three year performance period beginning on 1 July 2021 and ending on 30 June 2024.
- g) Tranche 1 (30% weighting) being 82,363 of the Performance Rights will be subject to a vesting condition based upon an indexed Total Shareholder Return (iTSR);
- h) A gate applies to the iTSR Performance Rights, such that vesting will not be considered if the Company's TSR is not positive for the Measurement Period. The percentage of iTSR Performance Rights that will vest, if any, will be determined at the end of the performance period (ie 30 June 2024) by reference to the following vesting schedule:

PERFORMANCE LEVEL	EML TSR COMPARED TO TSR OF THE ASX 300	% OF GRANT VESTING
Stretch	$\geq$ Index TSR + 5% TSR CAGR	100%
Between Target and Stretch	> Index TSR + 2.5 TSR CAGR & < Index TSR + 5% TSR CAGR	Pro-rata
<b>Target</b>	<b>Index TSR + 2.5% TSR CAGR</b>	<b>50%</b>
Between Threshold and Target	> Index TSR & < Index TSR + 2.5% TSR CAGR	Pro-rata
Threshold	= Index TSR	25%
Below Threshold	< Index TSR	0%

- i) Tranche 2 (70% weighting) being 192,180 of the Performance Rights will be subject to a vesting condition based on Return on Adjusted Capital Employed (RACE) . For any Performance Rights to vest, the RACE target threshold target must be met. The percentage of RACE Rights that will vest, if any, will be determined over the performance (i.e. 30 June 2024) by reference to the following vesting schedule:

PERFORMANCE LEVEL	RETURN ON ADJUSTED CAPITAL EMPLOYED (RACE)	% OF STRETCH/ GRANT/ MAXIMUM VESTING
Stretch	20%	100%
Between Target and Stretch	>17.5% & <20%	Pro rata
<b>Target</b>	<b>17.5%</b>	<b>50%</b>
Between Threshold and Target	>15% & <17.5%	Pro rata
Threshold	15%	25%
Below Threshold	<15%	0%

- 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 Performance Rights ultimately awarded to Mr Cregan will not be subject to disposal restrictions;

# Explanatory memorandum.

- k) if Shareholder approval for the grant is obtained, the Performance Rights 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 Performance Rights will not vest until 30 June 2024 and only after the Board's assessment of Mr Cregan's performance against targets for the period beginning on 1 July 2021 and ending on 30 June 2024 and the Board's overriding discretion.
- l) For the other terms and conditions applicable to the grant, please refer to the resolution to approve the new EPLRP (resolution 5) which is the underlying plan.

## 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.
- b) No loan will be made available to Mr Cregan in relation to the acquisition or exercise of the proposed grant of Rights;
- c) ASX Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Cregan's FY21 current total remuneration:

Total Fixed Remuneration including superannuation (TFR)	A\$654,857
Short-Term Incentive	50% of TFR at maximum
Long-Term Incentive	150% of TFR at maximum

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

- d) ASX Listing Rule 10.15.5 requires this Notice of Meeting to state the number and average price of securities received by Mr Cregan under the EPLRP. No equity securities have been issued to Mr Cregan under the EPLRP and the issue of 274,543 Performance Rights is subject to the approval of the EPLRP at resolution 5. As such no equity securities have been issued to Mr Cregan under this Scheme.
- e) If Shareholder approval for the grant to Mr Cregan is obtained, the Performance Rights (under the EPLRP) will be granted to Mr Cregan as soon as practicable after the meeting, but the ultimate number of Performance Rights awarded to Mr Cregan is subject to the Board's assessment of his performance based on his Key Performance Indicators for the period beginning on 1 July 2021 and ending on 30 June 2024 and the Board's overriding discretion.
- f) Details of any securities issued to Mr Cregan under the EPLRP 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 EPLRP after the resolution is approved and who were not named in this 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 a maximum of 274,543 Performance Rights to Mr Cregan under the EPLRP to be reasonable and appropriate in all the circumstances. The Non-Executive Directors recommend that shareholders vote **IN FAVOUR** of resolution 6.

# 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 Monday, 15 November 2021. 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 (STI) Options to Group Chief Executive Officer and Managing Director, Mr Tom Cregan
- Resolution 5: Approval of the EML Payments Limited Rights Plan (EPLRP)
- Resolution 6: Grant of Long-Term Variable Remuneration (LTVR) Performance Rights to Group Chief Executive Officer and Managing Director, Mr Tom Cregan

### **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 2021 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.

### **Resolution 4 & 6: Grant of Short-Term Incentive (STI) Options and Long-Term Variable Remuneration (LTVR) Performance Rights to Group Chief Executive Officer and Managing Director, Mr Tom Cregan**

#### **Voting Exclusion:**

The Company will disregard any votes on resolutions 4 & 6:

- in favour of the resolution by or on behalf of Mr Cregan, 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 6:
- 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 5: Approval of the EML Payments Limited Rights Plan (EPLRP)**

### **Voting Exclusion:**

The Company will disregard any votes on resolution 5:

- cast in favour of the resolution by or on behalf of any person who is eligible to participate in the Equity Incentive Plan in relation to the Company and any of or their associates.

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.

In addition, in accordance with *the Corporations Act*, a vote must not be cast in favour of this resolution by any member of the Key Management Personnel or a closely related part of any such member of the Key Management Personnel that is appointed as proxy if the appointment does not specify the way in which the proxy is to vote unless:

- the proxy is the Chairman of the meeting at which the resolution is voted on; and
- the proxy appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of a member of Key Management Personnel

### **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 available together with this Notice of Meeting for 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 available with 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 (AEST) on Monday 15 November 2021**.

# 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, 5 and 6), 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.



# Notes relating to voting.

## Lodgement of voting/proxy forms

Voting/proxy forms must be received by the Company by **10.00 am (Sydney time) on Monday 15 November 2021**.

You may lodge your voting/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
ALL ENQUIRIES TO	+61 1300 554 474

## 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 Monday 15 November 2021**.

## 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 2021 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).
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 Group Chief Executive Officer and Managing Director.
Listing Rules	means the listing rules of ASX.
Non-Executive Directors	means the Non-Executive Directors of the Company.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Legacy Plan	means EML's Equity Incentive Plan, approved by Shareholders on 14 November 2018
EPLRP or Plan	means the EML Payments Limited Rights Plan where approval is sought by Shareholders at the 2021 Annual General Meeting
Remuneration Report	means the section of the Directors' report for the 2021 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 Monday, 15 November 2021.
Shares	means fully paid ordinary shares in the capital of the Company.

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

Further terms of EML's Legacy 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 Legacy 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 Legacy 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 Legacy 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 Legacy Plan in accordance with the Listing Rules.

Subject to the terms of the relevant offer, shares acquired under the Legacy 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 Legacy Plan or Awards under the Legacy 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 Legacy Plan, including as to:

- e) the timing of making of an offer to participate in the Legacy Plan;
- f) identifying persons eligible to participate in the Legacy Plan;
- g) the amount payable on the Award or exercise of Awards under the Legacy Plan;
- h) 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.

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

## **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.

## **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.




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