



# Notice of Annual General Meeting.

EML Payments Limited ACN 104 757 904

Notice is hereby given that the 2023 Annual General Meeting (**AGM** or **meeting**) of EML Payments Limited (**Company** or **EML**) will be held as follows:

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Date	Wednesday, 29 November 2023
Time	9:00am (Brisbane time)
Location	The Westin Brisbane, Ballroom One, 111 Mary Street, Brisbane, Queensland, 4000

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Shareholders should monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.

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

# Business of the meeting.

## 1. Financial Report

To receive and consider the Company's Financial Report and the Reports of the Directors and the Auditor for the financial year ended 30 June 2023, as set out in the 2023 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 2023 be adopted.*

### Notes:

1. The Chair of the meeting intends to vote all undirected proxies **FOR** this resolution.
2. The vote on this resolution is advisory only and does not bind Directors or the Company. However, if at least 25% of the votes on this resolution are against it, the conditional spill resolution in Item 7 will be put to the AGM.
3. A voting exclusion statement applies to this resolution, details of which are set out in the Explanatory Notes.

## 3. Election of Directors

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

- 3a) *That Mr Manoj Kheerbat, who was appointed as a Director on 5 December 2022, retires from office in accordance with rule 3.3 of the Company's Constitution and being eligible, offers himself for election.*
- 3b) *That Dr Luke Bortoli, who was appointed as a Director on 22 February 2023, retires from office in accordance with rule 3.3 of the Company's Constitution and being eligible, offers himself for election.*
- 3c) *That Mr Connor Haley, who was appointed as a Director on 22 February 2023, retires from office in accordance with rule 3.3 of the Company's Constitution and being eligible, offers himself for election.*
- 3d) *That Mr Peter Lang, who was appointed as a Director on 22 February 2023, retires from office in accordance with rule 3.3 of the Company's Constitution and being eligible, offers himself for election.*

### Notes:

1. The Chair of the meeting intends to vote all undirected proxies **FOR** this resolution.

## 4. Approval to Issue Equity Securities under the EML Payments Limited Rights Plan

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 issue of equity securities under the EML Payments Limited Rights Plan (**EPLRP**) as described in the Explanatory Memorandum, be approved.*

### Notes:

1. The Chair of the meeting intends to vote all undirected proxies **FOR** this resolution.
2. A voting exclusion statement applies to this resolution, details of which are set out in the Explanatory Notes.

# Business of the meeting.

## 5. Replacement of the Company's Auditor

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

*To appoint KPMG as the auditor of EML Payments Limited, subject to ASIC consenting to the resignation of Deloitte Touché Tohmatsu (**Deloitte**), as auditor of the Company.*

### Notes:

1. The Chair of the meeting intends to vote all undirected proxies **FOR** this resolution.

## 6. Renewal of Rule 38 of the Company's Constitution

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

*That proportional takeover provisions in the form of Rule 38 of the Constitution of the Company (as last approved by shareholders in 2020) be renewed for a further period of 3 years, with effect from the end of the AGM.*

### Notes:

1. The Chair of the meeting intends to vote all undirected proxies **FOR** this resolution.

## 7. Spill Resolution (conditional resolution)

This item is a conditional resolution and will be deemed to be withdrawn if the resolution in Item 2 passes on a majority of more than 75%. Please refer to the explanatory memorandum for further information.

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

*That, subject to and conditional on at least 25% of the votes validly cast on the resolution in Item 2 being cast against the adoption of the Company's Remuneration Report for the financial year ended 30 June 2023:*

- a. *an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days of the passing of this resolution;*
- b. *all of the Directors who were in office when the Directors' Report for the financial year ended 30 June 2023 was approved, and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- c. *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of security holders at the Spill Meeting.*

### Notes:

1. A voting exclusion statement applies to this resolution, details of which are set out in the Explanatory Notes.
2. If you do not want a Spill Meeting to take place, you should vote 'Against' this resolution. If you want a Spill Meeting to take place, you should vote 'For' this resolution.
3. The Chair of the meeting intends to vote all undirected proxies **AGAINST** this resolution.

# Voting Entitlement.

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 Explanatory Notes set out below. In particular, please note that if the Chair of the meeting is appointed as your proxy, or becomes your proxy by default, and you have not directed him how to vote, then by completing and returning the Voting and Proxy Form you will be expressly authorising the Chair of the meeting to exercise your undirected proxy on the resolutions in Items 2 and 4 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  
30 October 2023



# 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 2023 will be laid before the AGM.

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/>

Shareholders are not required to vote on this item of business. However, during this item of business, Shareholders as a whole will be given reasonable opportunity to ask questions and make comments about the financial statements, reports and the management of the Company. Shareholders will also be given reasonable opportunity to ask a representative of the Company's Auditor, Deloitte Touché Tohmatsu (**Deloitte**), questions relevant to the conduct of the audit (including the independence of the Auditor in relation to the conduct of the audit), the preparation and content of the auditor's report, and the accounting policies adopted by the Company in relation to the preparation of the financial statements.

The Chair of the meeting 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.

## 2. Remuneration Report

Shareholders are asked to adopt the Company's FY23 Remuneration Report (**Remuneration Report**). The Remuneration Report is set out on pages 26 to 48 of the 2023 Annual Report. The Annual Report is available on EML's website at <https://www.emlpayments.com/company/investor-centre/>

The Remuneration Report outlines EML's remuneration framework and FY23 remuneration outcomes for the Board and Executive KMP.

The Remuneration Report states that despite good progress on the Company's operational priorities in FY23 the Board has determined that:

- No FY23 Short Term Variable Remuneration (**STVR**) award will be made to KMP;
- The FY21 Long Term Variable Remuneration (**LTVR**) performance related grants will be lapsed/forfeited due to unmet financial targets; and
- No departed KMP will receive any FY23 STVR award or vesting of the FY21 LTVR awards.

The Company received a "first strike" against its Remuneration Report at the 2022 AGM. The Board takes investor feedback seriously and is in the process of refining arrangements under the existing remuneration governance framework. The Board remains dedicated to enhancing shareholder value by ensuring that executive remuneration aligns to this objective.

As set out in the Remuneration Report, the Board intends to review and recalibrate the application of the remuneration framework to ensure appropriate remuneration practises and that links between performance and reward are in line with shareholder expectations and industry standards. This approach supports offering opportunities to earn equity that is conditional upon specified conditions being met and ultimately benefiting our shareholders.

The Board has also commenced a comprehensive review of the application of the Company's remuneration framework to ensure that FY24 remuneration is aligned with current circumstances and the future plans of the business, appropriate to the Company's position in the market.

Under the Corporations Act, if at least 25% of the votes validly cast on the resolution to adopt the Remuneration Report at two consecutive AGMs are against the resolution, Shareholders must be given an opportunity to vote on a "Spill Resolution" (as set out in Item 7) at the second AGM. This is known as the "two strikes" rule. Therefore, if at least 25% of the votes cast on the resolution in Item 2 are cast against adoption of the FY23 Remuneration Report the Company would receive a 'second strike' and would be required to put the conditional spill resolution in Item 7 to the AGM. For further details of the effect of the Spill Resolution, please read the Explanatory Memorandum in relation to Item 7.

# Explanatory Memorandum.

## 2. Remuneration Report (continued)

Shareholders will be provided a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the AGM.

The vote on this resolution is advisory only and does not bind the Company or the Directors. Voting exclusions apply in relation to this resolution and are described in the Explanatory Notes.

### RECOMMENDATION

The Board abstains from making a recommendation regarding the resolution in Item 2 as it relates to the remuneration of the Board.

## 3. Election of Directors

### Board Renewal

In response to Investor feedback, in February 2023 the Board was renewed with the appointment of three new Non-executive Directors – Dr Luke Bortoli, Mr Peter Lang and Mr Connor Haley. These appointments followed the additions of Non-executive Directors Brent Cubis (elected at the Company’s AGM in November 2022), and Manoj Kheerbat (appointed on 5 December 2022).

Throughout 2023, the renewed Board has worked swiftly to address the biggest challenges facing the business. Peter Lang was appointed to the executive role of Chief Corporate Development Officer effective 1 September 2023, and remains on the Board as an Executive Director. In April, the Board announced the commencement of a strategic review and four operational priorities: remediation, cost optimisation, targeted growth in core businesses and talent retention. While these are serious challenges that cannot be solved overnight, the Board are pleased to be making good progress toward achieving each of these.

The renewed Board and leadership team remain very focused on the actions that we believe will deliver and protect value for EML shareholders. The Directors consider that the Board (taken as a whole and including the Directors standing for election) has an appropriate mix of skills, background, knowledge, experience, and diversity to discharge its responsibilities and support EML’s culture, values and strategy. Accordingly, the Board supports each of the following Director elections.

### 3a) Election of Mr Manoj Kheerbat - Independent Non-Executive Director



**MBA, BSc**  
**(Information Technology)**

Mr Manoj Kheerbat joined the Board on 5 December 2022 and is a member of the Audit and Risk, Regulatory Remediation, and Remuneration and Nominations Committees. Mr Kheerbat is also the Chair of Prepaid Financial Services Limited (PFSL) (a regulated subsidiary of EML located in the UK).

Mr Kheerbat, being eligible, is now standing for election at the 2023 AGM, in accordance with rule 3.3 of the Company’s Constitution.

Mr Kheerbat is based in Europe and has over 30 years’ experience and offers EML valuable insights from his extensive background in the UK and European payment ecosystem. Mr Kheerbat’s expertise encompasses managing regulatory relationships, risk, and compliance frameworks, and developing structured, resilient, scalable operational infrastructures that foster growth.

Mr Kheerbat does not have a beneficial interest in ordinary shares at this time and is considered by the Board to be an independent Director.

The Board considers that Mr Kheerbat’s strong experience in executive payment roles combined with his high competency in risk management, global perspectives, in particular his European knowledge and regulatory understanding makes a valuable contribution to the EML Board and Committees on which he serves.

### RECOMMENDATION

The Board (with Mr Kheerbat abstaining) recommends that Shareholders vote **FOR** the election of Mr Kheerbat.

# Explanatory Memorandum.

## 3. Election of Directors (continued)

### 3b) Election of Dr Luke Bortoli - Independent Non-Executive Chairman



**PhD Economics,  
BCom (Hons)**

Dr Luke Bortoli joined the Board on 22 February 2023 and was appointed as Chair of the Board on 23 February 2023. Dr Bortoli is also, Chair of the Remuneration and Nominations Committee, a member of the Audit and Risk and Regulatory and Remediation Committees, and Chair of EML Payment Solutions Limited (**EPSL**) (a regulated subsidiary of EML).

Dr Bortoli, being eligible, is standing for election at the 2023 AGM, in accordance with rule 3.3 of the Company's Constitution.

Dr Bortoli is the Chief Financial Officer (**CFO**) at Pilbara Minerals Limited (**ASX: PIL**) and was previously CFO for the international payments platform, Afterpay, before it was acquired by Block (formerly Square) in 2021. Prior to Afterpay, Dr Bortoli held several executive positions encompassing corporate strategy, treasury, and investor relations at Aristocrat Leisure. He was also previously an investment banker at UBS providing advisory services on various domestic and international corporate transactions for ASX-listed companies.

Dr Bortoli is also a Non-executive Director of Beforepay Group Limited (**ASX: B4P**) and has notified the ASX that he will step down from its Board and not seek re-election at its 2023 AGM.

Dr Bortoli does not have a beneficial interest in ordinary shares at this time and is considered by the Board to be an independent Director.

The Board considers that Dr Bortoli makes a valuable contribution to the EML Boards on which he serves. The Board considers that Dr Bortoli's leadership, strategic insights, deep financial services experience, strength in delivering commercial outcomes and investor value, further with his detail to risk management and governance, supports his re-election.

#### RECOMMENDATION

The Board (with Dr. Bortoli abstaining) recommends that shareholders vote **FOR** the election of Dr Bortoli.

# Explanatory Memorandum.

## 3c) Election of Mr Connor Haley - Nominee Non-Executive Director



**A.B., Government magna cum laude (Harvard University)**

Mr Connor Haley was appointed to the Board on 22 February 2023. Mr. Haley, being eligible, is standing for election at the 2023 AGM, in accordance with rule 3.3 of the Company's Constitution.

Mr Haley is a Nominee Director and Managing Partner of Alta Fox Capital Management, one of EML's largest shareholders. Mr Haley possesses both public and private board experience and is highly respected within the small-cap investing community. Before founding Alta Fox, Mr Haley worked at a New York-based long/short investment fund and graduated magna cum laude from Harvard College with an A.B. in Government.

Mr Haley has a substantial holding of 8.14% (30,434,127 ordinary shares) via an indirect holding and is considered by the Board to be a Non-executive Director.

The Board considers Mr Haley makes a valuable contribution to the Board. The Board considers Mr Haley's strong alignment to fellow shareholders, his focus on ROI and his understanding of global markets as an asset to the Board's skills matrix – and thus supports his election.

### RECOMMENDATION

The Board (with Mr Haley abstaining) recommends that Shareholders vote **FOR** the election of Mr Haley.

## 3d) Election of Mr Peter Lang - Executive Director



**MBA, University of Sydney**

Mr Peter Lang was appointed to the Board on 22 February 2023. Mr Lang, being eligible, is standing for election at the 2023 AGM, in accordance with rule 3.3 of the Company's Constitution.

On 29 August 2023, Mr Lang was appointed as Chief Corporate Development Officer (**CCDO**) effective 1 September 2023 and remains on the Board as an Executive Director. Mr Lang is also the Chair of the Regulatory Remediation Committee and is an Executive Director on the Board of EML Payment Solutions Limited (**EPSL**) (a regulated subsidiary of EML).

Previously, Mr Lang was Group Executive for the ASX-listed company McMillan Shakespeare Ltd (**ASX:MMS**) and contributed significantly to the successful IPO of MMS, which subsequently delivered a 30%+ CAGR during his 14-year tenure, ultimately securing the company's entry into the ASX200. Prior to this, Mr Lang held various positions with Colonial Ltd in its funds management division. In 2017, Mr Lang provided advisory services to EML, which resulted in the development of EML's Salary Packaging proposition, which remains a key vertical of the EML business today.

Mr Lang has a beneficial interest of 861,427 ordinary shares via indirect holdings and is considered by the Board to be an Executive Director.

The Board considers Mr Lang makes a valuable contribution to the EML Boards on which he serves. The Board considers that he injects valuable commercial skills, particularly in relation to the company's priorities around the strategic review, remediation efforts and revenue initiatives along with a strong alignment with delivering and meeting the expectations of key stakeholders and support his election.

### RECOMMENDATION

The Board (with Mr Lang abstaining) recommends that Shareholders vote **FOR** the election of Mr Lang.

# Explanatory Memorandum.

## 4. Approval to issue equity securities under the EML Payments Limited Rights Plan

The Company is seeking the approval of Shareholders 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 incentives issued under the EPLRP from the calculation of the utilisation of the limit during the subsequent three (3) years in accordance with ASX Listing Rule 7.2, exception 13.

Executive remuneration is determined by the Directors, taking into consideration relevant market practice 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 (**Participants**) to receive part of their remuneration in the form of equity.

Consistent with market practice in the global technology sector, equity interests are designed to form a significant component of variable remuneration for certain executives by facilitating short- and long-term variable remuneration into equity (**Rights**). It is the view of the Non-Executive Directors that the holding of such equity creates alignment between Shareholder outcomes and the interests of Participants.

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.

The EPLRP was approved at the Company's 2021 AGM. The Company is seeking Shareholder approval to refresh the ability to issue securities under the EPLRP with the benefit of ASX LR 7.2 exception 13. The Board seeks flexibility to approve new equity grants (within the shareholder approved cap outlined below) to ensure the business has the right capability to deliver on the significant transformation needed and, in line with the Company's remuneration philosophy outlined above. In the highly competitive global technology market, in which EML operates, it is important to have the right tools to attract new talent to the business and retain existing staff who are considered critical to the success of the business. If approved, this will help facilitate the Company providing appropriate, competitive and performance-linked remuneration to the employees of the Company.

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.

### Information required by ASX Listing Rule 7.2 (exception 13)

Appendix 2 contains a summary of the material terms of the EPLRP.

As at the date of this notice a total of 13,062,349 Rights have been issued under the EPLRP since its approval by Shareholders at the 2021 AGM. These Rights remain subject to the achievement of vesting conditions.

For the purposes of ASX Listing Rule 7.2 exception 13, the maximum aggregate number of equity securities **proposed** to be issued under the EPLRP (if approved) is 37,460,227 being 10% of the Company's issued Shares as at 30 September 2023.

The maximum number of Rights which may be issued under the EPLRP over the next three years is not intended to be a prediction of the actual number of Rights that may be issued under the EPLRP, rather it is intended to be a ceiling on the number of Rights approved to be issued under exception 13 of Listing Rule 7.2. If the maximum number is reached, any additional issues of securities under the EPLRP would be included for the purposes of calculating the capacity of EML to issue Rights under the 15% limit, unless further Shareholder approval is obtained by EML to satisfy the allocation of Rights under the EPLRP.

A voting exclusion statement applies to the resolution in this Item, details of which are set out in the Explanatory Notes.

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, effectively decreasing the number of equity securities it can issue without Shareholder approval under the EPLRP.

The Chair intends to vote undirected proxies **FOR** this resolution.

### RECOMMENDATION

The Non-Executive Directors unanimously recommend that Shareholders vote **FOR** the resolution in Item 4.



# Explanatory Memorandum.

## 5. Change of the Company's auditor

The laws in Australia require Shareholders to approve the appointment of a new auditor.

Following a recommendation from the Audit and Risk Committee, the Board resolved to appoint KPMG as EML's auditor from the conclusion of the 2023 AGM, subject to Shareholder and ASIC approval.

Given the length of tenure of the incumbent auditor (Deloitte) the Board considered it good corporate governance to appoint a new auditor and sought proposals from leading audit service providers. As the incumbent auditor at the time of the tender process, Deloitte did not participate in the tender process. The period between the conclusion of the tender process and the planned commencement date has provided adequate time for KPMG to meet all relevant independence criteria before the appointment commences.

In accordance with section 328B of the Corporations Act, EML has received notice from a Shareholder (the Company Secretary) nominating KPMG as the new auditor of the Company, and a copy of the notice is contained in Appendix 1 to this Notice of Meeting. KPMG has given its written consent to act as auditor, subject to Shareholder approval and ASIC's consent to Deloitte's resignation.

### RECOMMENDATION

The Board unanimously recommend Shareholders vote **FOR** the resolution in Item 5.

## 6. Renewal of rule 38 of the Company's Constitution

Rule 38 of the Company's Constitution sets EML's proportional takeover restrictions that may apply to the Company's shares. A copy of Rule 38 is reproduced at Appendix 3.

### What is a proportional takeover bid?

A proportional takeover bid is one where the takeover offer made by a bidder to each shareholder is only for a proportion of that shareholder's shares – for example, the bidder only makes a bid for 30 per cent of each shareholder's shares. The specified proportion must be the same in the case of all shareholders

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 a 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 last renewed its proportional takeover provisions at its AGM in 2020.

The Directors consider it in the interests of Shareholders to renew these provisions for a period of three years. Accordingly, a special resolution is being put to Shareholders 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 (i.e., 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 (e.g., 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 (i.e., 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.

# Explanatory Memorandum.

## 6. Renewal of rule 38 of the company's constitution (continued)

### Reasons for proposing

Part 6.5 Subdivision 5C of the Corporations Act permits the inclusion and renewal of proportional takeover provisions in the Constitution.

In the Directors' view, Shareholders (and holders of any other relevant securities that the Company may issue), should continue to 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.

Without the provisions, 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.

### Potential advantages & disadvantages of proportional takeover provisions

While Rule 38 has been in effect, there have been no full or proportional takeover bids for the Company. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and Shareholders, respectively, during this period.

The potential advantages of Rule 38, if renewed, for Shareholders 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 Board considers that the potential advantages for members of the proportional takeover provisions outweigh the potential disadvantages.

While the renewal of Rule 38 will allow the Directors to ascertain members' views on a proportional takeover bid, the Directors do not consider that it has any advantages or disadvantages specific to Directors, in their capacity as Directors, in relation to the renewal of Rule 38. 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 unanimously recommend that Shareholders vote **FOR** the resolution in Item 6.

# Explanatory Memorandum.

## 7. Spill resolution (conditional resolution)

The resolution in this item (**Spill Resolution**) will only be put to the AGM if at least 25% of the votes validly cast on the resolution in Item 2 are cast against that resolution. If less than 25% votes cast on the resolution in Item 2 are against the resolution, there will be no “second strike” and the Spill Resolution (resolution in Item 7) will not be put to the AGM.

If the Spill Resolution is put to the AGM, it will only be passed if an ordinary majority (more than 50%) of the votes validly cast on it are in favour of it.

### Effect of Spill Resolution if passed

If the Spill Resolution is put to the AGM and passed, an extraordinary meeting of Shareholders (**Spill Meeting**) must be held within 90 days. In that event, the following Directors who remain in office at the time of the Spill Meeting will cease to hold office immediately before the end of the Spill Meeting unless they are re-elected at the Spill Meeting:

1. Luke Bortoli\*
2. Peter Lang\*
3. Connor Haley\*
4. Brent Cubis
5. Manoj Kheerbat\*

\* Assuming that Dr Bortoli, Mr Lang, Mr Haley and Mr Kheerbat are elected at the 2023 AGM.

The Directors listed above are those who held office on 28 August 2023 when the 2023 Directors’ Report (including the 2023 Remuneration Report) was approved. If any additional Directors are appointed before the Spill Meeting, they would not need to stand for election at the Spill Meeting to remain in office.

Each of the Directors listed above is eligible to stand for re-election at the Spill Meeting and has indicated that they intend to seek re-election if a Spill Meeting occurred.

In deciding how to vote on a Spill Resolution put to the AGM (if any), the Directors suggest Shareholders consider the following factors:

- the Company’s response to the “first strike” received at the 2022 AGM which is described above;
- the substantial additional expense which holding a Spill Meeting would cause;
- the Board’s view that it currently has the right mix of skills and experience; and
- the disruption to the Company which would be caused by changes to the Board composition, when the Company needs to fully focus on meeting the challenges of current business.

A voting exclusion statement applies to this resolution, details of which are set out in the Explanatory Notes. These voting exclusions will not apply to the Spill Meeting and all Shareholders will be entitled to vote on the Director appointments at the Spill Meeting.

The Spill Meeting, if required, will be subject to a separate notice in accordance with the Constitution of the Company and the Corporations Act.

### RECOMMENDATION

The Board unanimously recommends that Shareholders vote **AGAINST** the resolution in Item 7.

# Explanatory Notes.

## 1. Entitlement time

A Shareholder's entitlement to vote at the AGM will be taken to be the entitlement of that Shareholder shown in the Register of Members at 6:00pm (Brisbane time) on Monday, 27 November 2023. Share transfers registered after that time will be disregarded in determining voting entitlements at the AGM.

## 2. Voting exclusions

### Resolution in Item 2: Remuneration Report

The Company will disregard any votes on the resolution in Item 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 2023 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 the resolution in Item 2;
- in accordance with a direction as to how to vote on the Voting and Proxy Form; or
- by the Chair of the meeting pursuant to an express authorisation to exercise the proxy even though the resolution in Item 2 is connected with the remuneration of the Company's KMP.

### Resolution in Item 4: Approval to issue equity securities under the EPLRP

The Company will disregard any votes on the resolution in Item 4:

- in favour of the resolution in Item 4 by, or on behalf of, any person who is eligible to participate in the EPLRP or any of their associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the KMP on the date of the AGM or their closely related parties, unless the vote is cast on the resolution in Item 4;
- as proxy or attorney for a person entitled to vote on the resolution in Item 4 in accordance with a direction given to the proxy or attorney to vote on the resolution in Item 4 in that way; or
- as proxy for a person entitled to vote on the resolution in Item 4 by the Chair of the meeting pursuant to an express authorisation to exercise the proxy as the Chair decides; or
- by a holder acting solely in a nominee, trustee, 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, the resolution in Item 4; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### Resolution in Item 7: Spill Resolution (conditional resolution)

The Company will disregard any votes cast on the resolution in Item 7:

- by or on behalf of a member of the Company's KMP named in the 2023 Remuneration Report (or their closely related parties), regardless of the capacity in which the vote is cast; or
- as 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 proxy for a person entitled to vote on the resolution in Item 7;
- in accordance with a direction on the Voting and Proxy Form; or
- by the Chair of the meeting in accordance with an express authorisation to exercise the proxy even though the resolution in Item 7 is connected with the remuneration of KMP.

# Explanatory Notes.

## 3. All resolutions will be by poll

All Shareholders are asked to participate 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 Voting and Proxy Form available together with this Notice of Meeting for use prior to the AGM; or
  - b. voting in real time at the AGM.

## 5. Direct voting via the voting and proxy form prior to the AGM

If a Shareholder is unable to attend the AGM, they are entitled to vote their shares directly by marking Section A 'Vote Directly' on the Voting and Proxy 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 and Proxy Form. The 'Abstain' boxes should not be marked unless the Shareholder does not wish to cast a vote on the relevant item. If a Shareholder does mark the abstain box, then their vote for that item will not be counted.

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 Chair 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 **9:00am (Brisbane time) on Monday 27 November 2023**.

## 6. Voting by proxy

Shareholders are entitled to appoint a proxy to attend in person and vote on their behalf and can do so by completing Section B 'Appoint a Proxy' on the Voting and Proxy Form.

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

### The Chair of the meeting acting as proxy

You may appoint the Chair of the meeting as your proxy. In addition, subject to the voting exclusions described above, the Chair of the meeting is deemed to be appointed where a signed Voting and Proxy Form is returned which does not contain the name of the proxy, or where the person appointed on the form does not attend the meeting or attends the meeting but does not vote.

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

For proxies without voting instructions that are exercisable by the Chair of the meeting, the Chair of the meeting intends to vote all available proxies **FOR** resolutions in Items 2 to 6 and **AGAINST** the resolution in Item 7.

In relation to each of the remuneration-related resolutions (being the resolutions in Items 2, and 4), if the Chair 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 Voting and Proxy Form accompanying this Notice you will be expressly authorising the Chair of the meeting to exercise your undirected proxy on these resolutions even though they are connected with the remuneration of the Company's KMP.



# Explanatory Notes.

## 6. Voting by proxy (continued)

### Directing your proxy how to vote

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the Voting and 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, she or they decide, 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 Shareholder entitled to attend the AGM and vote is entitled to appoint not more than two proxies. If a Shareholder wishes to appoint two proxies, they can obtain a second Voting and Proxy Form by telephoning the Share Registry, Link Market Services on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

If you wish to appoint two proxies, both forms should be completed specifying the nominated percentage of votes given to each proxy. Please return both Voting and Proxy Forms together. If the Voting and Proxy Form do not specify the proportion or number of your votes, each proxy may exercise half of the votes.

### Appointment of a body corporate representative

Where a Shareholder is a body corporate or a Shareholder 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 Voting and Proxy Form

A Voting and Proxy Form must be signed by the Shareholder or their 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 Voting and 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 Voting and Proxy Form unless it has previously been provided to the Company. If the Voting and Proxy Form is sent electronically, any accompanying power of attorney or other authority must be certified.

### Lodgement of Voting and Proxy Form

Voting and Proxy Forms must be received by the Company by **9:00am (Brisbane time) on Monday, 27 November 2023.**

You may lodge your Voting and Proxy Form:

#### **ONLINE**

[www.https://investorcentre.linkgroup.com](https://investorcentre.linkgroup.com)

#### **BY MAIL**

EML Payments Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

#### **ALL ENQUIRIES TO**

+61 1300 554 474

# Explanatory Notes.

## 7. Appointing an attorney to vote on your behalf

Where a Shareholder appoints an attorney to act on their 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 **9:00am (Brisbane time) on Monday 27 November 2023**.

## 8. Written questions from shareholders

Shareholders entitled to vote at the meeting are encouraged to lodge their questions for the Company or the Auditor (in relation to the content of the Auditor's report or the conduct of the audit) prior to the meeting. To do so, please download a question form from the Company website and send your question to Link Market Services by no later than 9:00am (Brisbane time) on 27 November 2023 to the following address (and including your full name, the registered Shareholder's name and your contact details):

Link Market Services  
Locked Bag A14  
Sydney South NSW 1235 Australia

It may not be possible to respond to all questions during the meeting. Individual responses to written questions will not be sent to Shareholders. The Chair of the meeting will endeavour to address as many of the frequently raised topics as possible during the meeting.

## 9. 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 2023 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).
Executive Directors	means the Executive Director(s) of the Company.
Explanatory Memorandum	means the Explanatory Memorandum accompanying the resolutions contained in this Notice of Meeting.
Explanatory Notes	means the Explanatory Notes 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, the Group Chief Financial Officer and each of the Non-Executive Directors.
Listing Rules	means the listing rules of ASX.
Non-Executive Directors	means the Non-Executive Directors of the Company.
EPLRP or Plan	means the EML Payments Limited Rights Plan where approval was granted by Shareholders at the 2021 Annual General Meeting.
Shares	means fully paid ordinary shares in the capital of the Company.

# Appendix 1.

## Nomination of KPMG as Auditor of EML Payments Limited

9 October 2023

EML Payments Limited  
Level 12  
333 Ann Street  
Brisbane, QLD 4000

### **Nomination of KPMG as auditor of EML Payments Limited ACN: 104 757 904.**

I, Sonya Tissera-Isaacs, being a member of EML Payments Limited, pursuant to section 328B of the Corporations Act 2001, nominate KPMG for appointment as auditor of the Company at the next Annual General Meeting of the Company.

Yours sincerely,



Sonya Tissera-Isaacs  
EML Payments Limited Shareholder

# Appendix 2.

## Terms of the EML Payments Limited Rights Plan (EPLRP)

Terms of EML's EPLRP, which was approved by Shareholders at the 2021 AGM held on 17 November 2021, include:

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 (<b>SARs</b>) 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 (<b>VWAP</b>), relevant market practices and the relevant policies of the Company regarding remuneration, such that total remuneration is appropriate in both quantum and structure.</p>

# Appendix 2.

## Terms of the EML Payments Limited Rights Plan (EPLRP) (continued)

Terms of EML's EPLRP, which was approved by Shareholders at the 2021 AGM held on 17 November 2021, include:

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><i>Exercised Rights Value = Number of Rights Exercised x (Share Price at Exercise - Exercise Price)</i></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.
<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>The Company's securities trading policy, and</li> <li>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 CHES holding locks or alternatively by any trustee of an Employee Share Trust that may be engaged in connection with the Plan.</p>



# Appendix 2.

## Terms of the EML Payments Limited Rights Plan (EPLRP) (continued)

Terms of EML's EPLRP, which was approved by Shareholders at the 2021 AGM held on 17 November 2021, include:

Aspect	Details
<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>
<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> $\text{Number of Performance Rights to Vest} = \frac{\text{Unvested Performance Rights}}{\text{Rights}} \times \frac{\text{\% of First Year of Measurement Period Elapsed}}{\text{\% of First Year of Measurement Period Elapsed}} \times \frac{[\text{Share Price at the Effective Date} - \text{Share price at Measurement Period Commencement}]}{\text{Share price at Measurement Period Commencement}}$ <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>

## Appendix 2.

### Terms of the EML Payments Limited Rights Plan (EPLRP) (continued)

Terms of EML's EPLRP, which was approved by Shareholders at the 2021 AGM held on 17 November 2021, include:

Aspect	Details
<b>Major Return of Capital or Demerger</b>	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.
<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>	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.
<b>Issue or Acquisition of Shares</b>	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.
<b>Cost and Administration</b>	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.
<b>Hedging</b>	The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by specified Participants.

# Appendix 3.

## Renew rule 38 of the Company's Constitution

### 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.

#### 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.

# Appendix 3.

## Renew rule 38 of the Company's Constitution (continued)

### 38. Proportional takeover approval (continued)

#### **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.

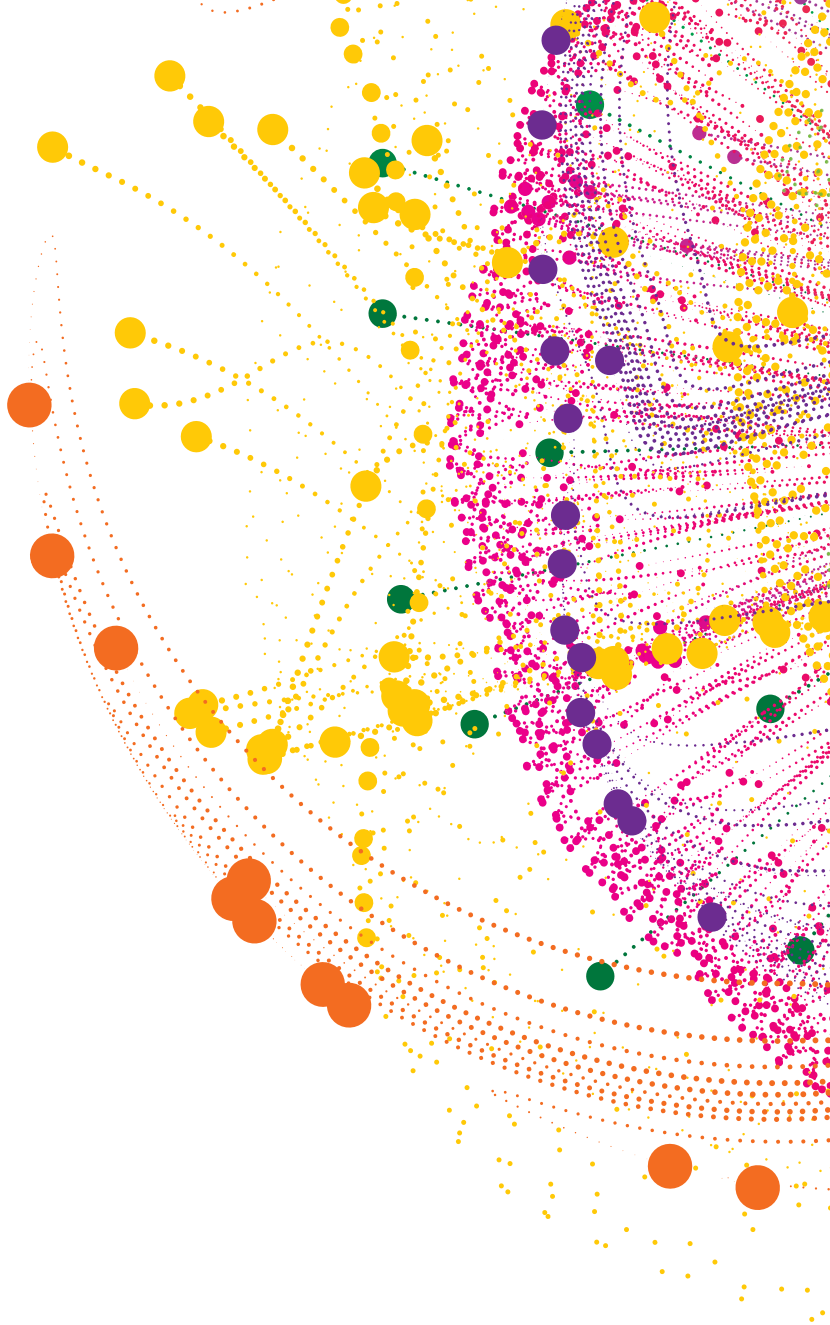
#### **38.7 Failure to propose resolution**

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.



[emlpayments.com](http://emlpayments.com)

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