



# Securities Trading Policy.

Money in Motion



# Securities Trading Policy

## 1. Introduction

### Background

EML Payments Limited (EML or Company) is a public company, listed on the Australian Securities Exchange (ASX). EML is committed to responsible corporate governance, including ensuring that the appropriate processes are in place to promote compliance with insider trading laws. Accordingly, the Board has endorsed this Policy as part of EML's broader governance framework.

### Purpose

The purpose of this Policy is to:

- provide a summary on the law on insider trading in Australia;
- outline the prohibitions on dealing in EML Securities to prevent the misuse of unpublished information which could materially affect the value of such securities;
- set out processes for trading in EML Securities in particular circumstances; and
- support market confidence in the integrity of dealings in EML Securities.

### Scope of Policy

This Policy applies to all Directors, Nominated Persons, and employees (including any Officers, Senior Executives, contractors, and consultants) (collectively, Personnel) of EML and its subsidiary companies (Group).

### Defined Terms

For the purposes of this Policy:

**EML Securities** include shares, options or other securities issued by EML or issued or created over the Company's securities by third parties.

**Blackout Periods** means a relevant period as directed by the Board when Nominated Persons may not Deal in EML Securities.

**Closed Period** means the fixed periods specified in this Policy when Personnel are prohibited from Dealing in EML Securities.

**Connected Person** means, in relation to a Nominated Person:

- a. their spouse or partner;
- b. any of their children (including stepchildren) under the age of 18;
- c. a trust which they, any members of their family, or family-controlled company are a trustee or beneficiary; and
- d. a company which they or their family control.

**Deal or Dealing** includes:

- a. applying for, acquiring, or disposing of securities;
- b. entering into an agreement to apply for, acquire or dispose of, securities;
- c. granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of securities;
- d. procuring or encouraging any other person to do any of the above.

**Inside Information** means information relating to EML that is not generally available to the market and that a reasonable person would expect to have a material effect on the price or value of EML Securities (either upwards or downwards) if the information were generally available to the market.

**Nominated Persons** means:

- a. the Directors of EML;
- b. Senior Executives (being all members of the Group's Executive Leadership Team (i.e., those who report directly to the Group CEO (Group CEO)), the Chief Corporate Development Officer (CCDO), all members of EML's Investor Relations team and each subsidiary CEO; and
- c. any person who by their role or otherwise becomes aware of inside information<sup>1</sup>, and who has been advised by the Company Secretary that they are subject to special restrictions under this Policy

<sup>1</sup> For example, by having access to confidential material which may contain potentially price sensitive information. This could include EML board papers, management reports, periodic disclosure materials, drafts of any such material or any other document containing sensitive information.

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## 2. The Insider Trading Prohibition

If Personnel have **Inside Information**, it is illegal to 'Deal' in EML Securities, including to:

- buy, sell, or otherwise deal in EML Securities;
- advise, procure, or encourage another person (for example, a family member, a friend, a family Company, or trust) to buy or sell EML Securities; or
- pass on the information to any other person, if it is known or ought reasonably to be known that the person may use the information to buy or sell (or procure another person to buy or sell) EML Securities.

It is the responsibility of Personnel to ensure that they do not do any of the things prohibited by the insider trading law. The consequences for breach of this law are set out below.

**Examples of possible Inside Information include, but are not limited to:**

- information about the financial performance of the Group;
- entry into or termination of a material contract (such as a material contract win);
- a material acquisition or asset sale by EML;
- an actual or proposed takeover or merger;
- a material claim against a Group member or other unexpected liability;
- an actual or proposed change to EML's capital structure, including a proposed capital raising;
- a proposed dividend or a change in dividend policy;
- a change to EML's credit rating; or
- information that has the potential to significantly impact EML's reputation.

**When is the information "generally available"?**

Information is **generally available** if:

- it consists of publicly available, readily observable matter; or
- it has been made known in a manner that is likely to bring the information to the attention of the market, and since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- it is derived wholly from information which has been made public; or
- it consists of observations, deductions, conclusions, or inferences made or drawn entirely from other generally available information.

**Consequences for breach of the insider trading prohibition**

Breach of the Insider Trading Prohibition by Personnel is a breach of this Policy, and separately may expose them to criminal and civil liability. The penalties for breaching the law may include fines and/or imprisonment and is a serious matter.

A breach of Insider Trading law or this Policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

**Extra-territorial application**

Under the Corporations Act 2001 the prohibition against Insider Trading applies to acts within Australia and acts outside of Australia that involve the securities of companies that are Australian or do business in Australia.

## 3. Dealings in EML Securities

**General Rule**

All Personnel are prohibited from Dealing in EML Securities when:

- they are aware of Inside Information in relation to EML; or
- the Company has notified them that they must not deal in EML Securities (either for a specified period, or until the Company gives further notice).

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## Closed Periods

All Personnel are prohibited from Dealing in EML Securities during a Closed Period.

Unless the Board otherwise directs, in its absolute discretion, **Closed Periods:**

- commence from the end of 31 December until the end of the trading day on which the Company's half-year financial results are released to the ASX;
- commence from the end of 30 June until the end of the trading day on which the Company's full year financial results are released to the ASX;
- commence four weeks prior to the Company's Annual General Meeting and ending at the end of the day on which the Company's Annual General Meeting is held.

## Blackout Periods

Nominated Persons are prohibited from dealing in the EML Securities during a Blackout Period. **Blackout Periods** are periods during which Nominated Persons may not Deal in EML Securities, in addition to the Closed Periods specified above.

Nominated Persons are routinely in possession of material non-public information, which, if generally available may or may be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell EML

Securities. The Board will make a direction as to whether and which Nominated Persons are the subject of a Blackout Period, and such persons will be informed that they are subject to a Blackout Period by the Company Secretary or their immediate manager on a confidential basis.

Blackout Periods outside of the Closed Periods scheduled above may be declared by the Board if appropriate, including when the Company is engaging in a market sensitive transaction or has other price sensitive information. These periods will be determined by the Board and communicated to Personnel on a confidential basis.

For a Closed Period or a Blackout Period to be lifted, the following process will be followed:

1. the Company Secretary will seek confirmation from the Chair and the Group CEO that it may be appropriate for a Closed Period or Blackout Period to be lifted;
2. upon receipt of such confirmation, the Company Secretary will seek approval from the Board to lift the Closed Period or Blackout Period; and
3. upon receipt of such Board approval, the Company Secretary will notify Personnel that the Closed Period has been lifted (or notify relevant Nominated Persons that the Blackout Period has been lifted).

## 4. Front Page Test

It is important that public confidence in the Company is maintained. It would be damaging to the Company's reputation if the market or the general public perceived that Personnel might be taking advantage of their position in the Company to make financial gains (by dealing in securities on the basis of Inside Information).

As a guiding principle, Personnel should ask themselves:

*If the market was aware of all the current circumstances, could I be perceived to be taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (The Front Page Test)*

If the Personnel is unsure, he or she should consult the Company Secretary or Group General Counsel.

Where any approval is required for a Dealing under this Policy, approval will not be granted where the dealing would not satisfy the Front Page Test. This includes a request from Personnel to Deal in 'exceptional circumstances' and a request from Nominated Persons to Deal in EML Securities at any time.

## 5. Exceptions

### Exceptional Circumstances

In certain exceptional circumstances Personnel may submit a securities trading request form to the Company Secretary, seeking written approval to Deal in EML Securities during a Closed Period or Blackout Period when the Dealing would otherwise be prohibited under this Policy.

The request for approval will be considered and, if considered appropriate, given by both the Board Chair and the Group CEO (or, in the case of the Board Chair wishing to Deal in EML Securities, both the Group CEO and the Chair of Audit and Risk Committee). Such approval may permit Personnel to dispose of or transfer EML Securities (but not acquire or otherwise Deal with EML Securities) during

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a Closed Period or Blackout Period or engage in other activity that would otherwise be prohibited by this Policy.

A securities trading request form providing details of the proposed Dealing must be provided in writing to the Company Secretary and any approval and conditions applicable to the approval must be provided in writing by electronic delivery via email before the Personnel is permitted to Deal. After the approved Dealing, the Company Secretary must be provided with a transaction confirmation in order to lodge the appropriate ASX forms (if any).

What constitutes “exceptional circumstances” will be assessed on a case-by-case basis, and may include, without limitation, severe financial hardship, or a requirement to comply with a court order or court enforceable undertaking.

Approval to Deal will only be granted if the Personnel’s securities trading request is accompanied by sufficient evidence (in the absolute opinion of the person providing clearance) that the proposed Dealing is the most reasonable course of action available in the circumstances. Approval will not be given where the relevant approvers form the view that the relevant Dealing would constitute a breach of insider trading laws prescribed in the Corporations Act.

Unless otherwise specified in the notice, any Dealing permitted under this section must comply with the other sections of this Policy (to the extent applicable) including the procedures applicable to approvals, as set out on page 6.

## Excluded Dealings

Personnel may at any time:

- trade EML Securities where the trading does not result in a change of beneficial interest in the Securities;
- acquire securities under the Company’s employee share option plan or through the exercise of options or performance rights under an option or performance rights plan or acquire, or agree to acquire, options or performance rights under an option or performance rights plan. However, where securities cease to be held under the terms of that plan, any Dealing in those EML Securities remains subject to this Policy and the provisions of the Corporations Act;
- transfer EML Securities already held into a self-managed superannuation fund or other saving scheme in which the person is a beneficiary;
- undertake to accept, or accept, a takeover offer;
- trade under an offer or invitation made to all or most of the securityholders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buyback, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes deciding whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- trade under a pre-approved non-discretionary trading plan, where the Personnel did not enter into the plan or amend the plan during a blackout period, the plan does not permit the Personnel to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a blackout period, other than in exceptional circumstances; and
- Make a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement.

However, given such dealings remain subject to the Insider Trading rules in the Corporations Act, Personnel should still consider any legal or reputational issues (and discuss any concerns they have with the Company Secretary or Group General Counsel) before proceeding with the dealing.

## 6. Dealing in EML Securities by Nominated Persons

### Approval requirements

During any period that is not a Closed Period or Blackout Period, any Nominated Person (excluding the Board Chair) wishing to Deal in EML Securities must complete and submit EML’s securities trading request form to the Company Secretary and obtain the prior written approval of both the Board Chair and Group CEO before doing so.

Separate processes apply to Directors wishing to Deal in EML Securities (please refer to page 6). All such requests to Deal in EML Securities must include:

- the intended volume of securities to be purchased or sold;
- an estimated time frame for the sale or purchase; and
- a statement that the Director is not aware of or in the possession of any Inside Information. Copies of written approvals will be recorded by the Company Secretary.

There are certain times during the year when approval under this Policy is more likely to be granted. These are the 4 week periods immediately following:

- the day after release of the Company’s full-year results; and

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- the day after release of the Company's half-year results;

Nominated Persons who wish to seek approval to trade under this Policy are encouraged to do so during these periods. Dealing at any time (even if approval has been obtained under this Policy) remains subject to the Insider Trading prohibition in the Corporations Act.

## Procedures for approvals

For any approval given under this Policy, including an approval given for exceptional circumstances, the following procedures will apply:

- Request for approval to Deal will be answered as soon as practicable and the approver may:
  - grant or refuse the request; and
  - impose conditions on the dealing in their discretion.
- The approver is not obliged to provide reasons for any aspect of their decision and may revoke their approval at any time.
- If a request is not approved or an approval is revoked, that fact must be kept confidential.
- Following receipt of approval to Deal, the approved Dealing must occur within five (5) business days following approval (or such other time specified in the approval), otherwise the approval is no longer effective and fresh approval must be sought.
- Approval under this Policy is not an endorsement of the Dealing. Personnel are responsible for their own compliance with the law.

## Protocol for selling of EML Securities by Directors

Directors are mindful of the market perception associated with any sale of EML Securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the Company has adopted the following protocols to manage the orderly selling of EML Securities by Directors:

- Any Director wishing to Deal EML Securities must comply with the application for approval requirements set out above.

## Notification requirements

Subsequent to written approval being obtained in accordance with the procedures outlined above, any Nominated Person (including any Director) who (or through his or her Connected Persons) Deals in EML Securities must notify a Company Secretary in writing of the details of the transaction as soon as possible upon execution of the transaction and in any event within five (5) business days of the transaction occurring.

## Notification process not an approval

The processes for notification of an intention to Deal in EML Securities, and any written approvals that may be provided, does not relieve Personnel intending to Deal in EML Securities from their obligations under this Policy or the Corporations Act. Personnel intending to Deal in EML Securities are personally responsible for any decision to Deal and compliance with this Policy and the law.

## Connected Persons

Nominated Persons must take appropriate steps to ensure that their Connected Persons only Deal in securities in circumstances where the Nominated Person to whom they are connected would be permitted to deal under this Policy. For example, by obtaining clearance in accordance with this Policy in respect of the Connected Persons' dealings.

## 7. Other Prohibited Transactions

### Hedging Transactions

No Personnel is permitted to enter into a security transaction (or any derivative thereof) which limits the economic risk of any of their unvested entitlements or vested entitlements subject to holding locks, which were awarded under an equity-based remuneration scheme or otherwise, or which will be offered by EML in the future.

### Margin Loans

Nominated Persons may not, without the Company's prior written approval:

- enter into a margin loan or similar funding arrangement to acquire any EML Securities;
- transfer securities in the Company into an existing margin loan account; or
- use EML Securities as security for a margin loan or similar funding arrangement.

The Company may, at its discretion, make any approval conditional upon such terms and conditions as the Company sees fit (for example, with regard to the circumstances in which the Company's securities may be sold to satisfy a margin call).

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## **No short-term or speculative dealing**

Personnel must not Deal in the Company's securities on a short-term trading basis, without written approval of the Group CEO and Company Secretary. Short-term trading includes buying and selling securities on market within a 3-month period, and entering into other short-term dealings (for example, forward contracts).

Selling shares received on vesting of entitlements under an employee, executive or director equity plan within 3 months of the vesting date is not a short-term dealing and is not a breach of this restriction.

Personnel must not Deal in the Company's securities on a speculative basis, including short selling. Short selling involves borrowing and selling securities in the hope that they can be bought back at a lower price in the future to close out the short position at a profit.

## **Dealings in Securities of Other Companies**

If Personnel become aware of **Inside Information** relating to a company other than EML, the same Insider Trading rules outlined in this Policy apply to Dealing in securities in that company.

For example, in the course of performing duties on behalf of EML, Personnel may obtain Inside Information relating to another company in a variety of circumstances. Examples include, but are not limited to the following:

- another company may provide price sensitive information about itself to EML in the course of a proposed transaction;
- another company with whom EML is dealing may provide price sensitive information about a third company; or
- information concerning EML or actions which may be taken by EML (i.e., a planned transaction or strategic change) could reasonably have an effect on a third-party company.

## **Confidentiality**

In addition to the application of the insider trading law to securities in other companies, Personnel are also bound by a duty of confidentiality in relation to information obtained in the course of their duties as an employee of EML, in respect of third parties.

## 8. Who to Contact

If you are in any doubt regarding your proposed dealing in EML Securities, you should contact the Company Secretary of EML or the Group General Counsel