



Money in Motion

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EML Payments Limited

11 October 2019

ASX Market Announcements

20 Bridge Street
SYDNEY NSW 2000

EML 2019 ANNUAL GENERAL MEETING

EML PAYMENTS LIMITED (ASX: EML) (“EML”) is pleased to advise that its Annual General Meeting will be held at the offices of Herbert Smith Freehills, ANZ Tower, Level 34, 161 Castlereagh Street, Sydney NSW 2000, at 10.00am (Sydney time) on Wednesday, 13 November 2019.

EML’s Notice of Meeting which sets out the resolutions sought and explanatory statement, together with a shareholder voting form (proxy form) are attached.

These will be despatched to shareholders today.

About EML Payments Limited

With EML, you will be empowered with more control, transparency and flexibility over your payment processes. Whether you serve businesses or consumers, EML makes your payment processing more efficient and secure from start to finish, while helping you improve customer service and increase brand loyalty.

Our portfolio offers innovative financial technology that provide solutions for payouts, gifts, incentives and rewards, and supplier payments. We issue mobile, virtual and physical card solutions to some of the largest corporate brands around the world, processing billions of dollars in payments each year, and manage more than 1,400 programs across 23 countries in North America, Europe and Australia.

For more information on EML Payments Limited, visit: EMLpayments.com

For further information, please contact:

Robert Shore

Group CFO

EML Payments Limited (ASX: EML)

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Notice of Annual General Meeting.

EML Payments Limited ACN 104 757 904

Notice is given that the 2019 Annual General Meeting of EML Payments Limited ACN 104 757 904 (**Company** or **EML**) will be held at:

Date Wednesday, 13 November 2019

Time 10.00am (Sydney time)

Location The offices of Herbert Smith Freehills, ANZ Tower,
Level 34, 161 Castlereagh Street, Sydney, New South Wales, 2000

Money in Motion

Notice of Annual General Meeting.

Business of Meeting

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the Directors and the Company's auditor for the financial year ended 30 June 2019.

Note: There is no requirement under the Corporations Act for shareholders to approve these reports and accordingly no shareholders' resolution is sought.

Directors' Remuneration Report

To consider and, if thought fit, to pass the following resolution, as an ordinary resolution, under section 250R(2) of the Corporations Act:

1. 'That the Remuneration Report for the financial year ended 30 June 2019 be adopted.'

Note: The vote on this resolution is advisory only and does not bind the Company or the Directors. A voting exclusion statement applies to this resolution.

VOTING EXCLUSION:

The Company will disregard any votes cast on resolution 1:

- by or on behalf of a person who is a member of the key management personnel named in the Remuneration Report for the year ended 30 June 2019 and 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 key management personnel on the date of the AGM and their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- in accordance with the directions on the proxy form; or
- by the person chairing the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though resolution 1 is connected with the remuneration of the key management personnel.

Re-election of Director – Mr Peter Martin

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

2. 'That, Mr Peter Martin, who retires from office under rule 3.6(c) of the Constitution and Listing Rule 14.5, and being eligible, be re-elected as a Director.'

Note: Information about Mr Martin appears in the Explanatory Memorandum.

Increase in Non-Executive Director Fee Pool

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

3. 'That, for the purposes of Listing Rule 10.17 and rule 10.2 of the Constitution, the maximum aggregate annual Directors' fees that may be paid by the Company to the Non-Executive Directors be increased from \$750,000 per annum to \$1,250,000 per annum.'

Note: A voting exclusion statement applies to this resolution.

VOTING EXCLUSION:

The company will disregard any votes on resolution 3:

- cast in favour of the resolution by or on behalf of all Directors or their associates (regardless of the capacity in which the vote is cast); and
- cast as proxy by a person who is a member of the key management personnel on the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- in accordance with the directions on the proxy form; or
- by the person chairing the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected with the remuneration of the key management personnel.

Notice of Annual General Meeting.

Grant of Short-Term Incentive Options to Chief Executive Officer and Managing Director

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

4. 'That, for the purposes of Listing Rule 10.14 and all other purposes, Shareholders approve the grant of 185,994 Options to Mr Tom Cregan, the Chief Executive Officer and Managing Director of the Company, as the short-term incentive component of Mr Cregan's remuneration for financial year ended 30 June 2019 under the Plan on the terms set out in the Explanatory Memorandum.'

Note: Information about the grant of these Options to Mr Cregan appears in the Explanatory Memorandum. A voting exclusion statement applies to this resolution.

VOTING EXCLUSION:

The Company will disregard any votes on resolution 4:

- cast in favour of the resolution by or on behalf of Mr Cregan or his associates (regardless of the capacity in which the vote is cast); and
- cast as proxy by a person who is a member of the key management personnel on the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- in accordance with the directions on the proxy form; or
- by the person chairing the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected with the remuneration of the key management personnel.

Grant of Long-Term Incentive Options to Chief Executive Officer and Managing Director

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

5. 'That, for the purposes of Listing Rule 10.14 and all other purposes, Shareholders approve the grant of 226,481 Options to Mr Tom Cregan, the Chief Executive Officer and Managing Director of the Company, as the long-term incentive component of his remuneration for the financial year ending 30 June 2020 under the Plan on the terms set out in the Explanatory Memorandum.'

Note: Information about the grant of these Options to Mr Cregan appears in the Explanatory Memorandum. A voting exclusion statement applies to this resolution.

VOTING EXCLUSION:

The Company will disregard any votes on resolution 5:

- cast in favour of the resolution by or on behalf of Mr Cregan or his associates (regardless of the capacity in which the vote is cast); and
- cast as proxy by a person who is a member of the key management personnel on the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- in accordance with the directions on the proxy form; or
- by the person chairing the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected with the remuneration of the key management personnel.

Amendment to the Company's Constitution

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

6. 'With effect from the end of the Meeting, and in relation to any dividend determined on or after the date of the Meeting, rule 28.9 of the Constitution be deleted and replaced with the following:

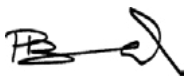
28.9 Method of Payment

- a) The Directors may decide the method of payment of any dividend or other amount in respect of a share. Different methods of payment may apply to different members or groups of members (such as overseas members).

- b) Without limiting any other method of payment which the Company may adopt, payment in respect of a share may be made:
- (i) by such electronic or other means approved by the Directors directly to an account (of a type approved by the Directors), nominated in writing by the member or joint holders; or
 - (ii) by cheque sent to the address of the member shown in the Register or, in the case of joint holders, to the address shown in the Register of any of the joint holders, or to such other address as the member or any of the joint holders in writing direct.
- c) A cheque sent under rule 28.9(b):
- (i) may be made payable to the member shown in the Register or, in the case of joint holders, to either joint holder member, in which case payment will be deemed to have been made to the joint holder members in full, or to any other person the member or a joint holder member directs; and
 - (ii) is sent at the member's risk.
- d) If the Directors decide that payments will be made by electronic transfer into an account (of a type approved by the Directors) nominated by a member, but no such account is nominated by the member or an electronic transfer into the account is rejected or refunded, the Company may credit the amount payable to an account of the Company to be held until the member nominates a valid account.
- e) Where the member does not have a registered address or the Company believes that the member is not known at their registered address, the Company may credit an amount payable in respect of the member's shares to an account of the Company to be held until the member claims the amount payable or nominates an account into which a payment may be made.
- f) An amount credited to an account under rules 28.9(d) or 28.9(e) is to be treated as having been paid to the member at the time it is credited to that account. The Company will not be a trustee of the money and no interest will accrue on that money. The money may be used for the benefit of the Company until claimed, reinvested under rule 28.9(g) or disposed of in accordance with the laws relating to unclaimed monies.
- g) If a cheque for an amount payable under rule 28.9(b) is not presented for payment for at least 11 calendar months after issue or an amount is held in an account under rules 28.9(d) or 28.9(e) for at least 11 calendar months, the Directors may reinvest the amount, after deducting reasonable expenses, into shares in the Company on behalf of, and in the name of, the member concerned and may stop payment on the cheque. The shares may be acquired on-market or by way of new issue at a price the Directors accept is market price at the time. Any residual sum which may arise from the reinvestment may be carried forward or donated to charity on behalf of the member, as the Directors decide. The Company's liability to pay the relevant amount is discharged by an application under this rule 28.9(g). The Directors may do anything necessary or desirable (including executing any document) on behalf of the member to effect the application of an amount under this rule 28.9(g). The Directors may determine other rules to regulate the operation of this rule 28.9(g) and may delegate its power under this rule to any person.'

Dated 10 October 2019

By order of the Board



Paul Wenk
Company Secretary

Notice of Annual General Meeting.

Notes

- a) Entitlement to vote – The Company has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting or an adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7:00pm (Sydney time) on Monday, 11 November 2019.
- b) A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy. If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.
- c) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- d) If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- e) If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands.
- f) If the proxy is the chair of the Meeting, the proxy must vote on a poll or must vote the way specified in the proxy form.
- g) If the proxy is not the chair of the Meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- h) If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the Meeting and a poll is demanded and either:
 - i) the proxy is not recorded as attending; or
 - ii) the proxy does not vote,the chair of the Meeting is deemed the proxy for that resolution.
- i) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- j) If you have any queries on how to cast your votes, please call EML's Company Secretary, Paul Wenk, on 043 888 1704 during business hours.
- k) The Proxy Form must be delivered or sent by facsimile transmission to the Company's share registry Link Market Services Limited at 1A Homebush Bay Drive, Rhodes, NSW or by facsimile +61 2 9287 0309 or post Locked Bag A14, Sydney, NSW 1235, Australia or to the Company's registered office at Level 12, 333 Ann Street, Brisbane, QLD 4000 by no later than Monday 11 November at 10:00am (Sydney time) (i.e. at least 48 hours prior to the Meeting).

Explanatory Memorandum.

EML Payments Limited ACN 104 757 904

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at the offices of Herbert Smith Freehills, ANZ Tower, Level 34, 161 Castlereagh Street, Sydney, New South Wales, 2000 at 10:00am (Sydney time) on 13 November 2019.

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and forms part of the Notice of Meeting.

Ordinary business

Financial statements and reports

1. The Corporations Act requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting.
2. Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
3. Shareholders will be given reasonable opportunity at the Meeting to raise questions and make comments on these reports.
4. In addition to asking questions at the Meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, Deloitte Touche Tohmatsu, if the question is relevant to:
 - a) the content of the auditor's report; or
 - b) the conduct of its audit of the annual financial report to be considered at the Meeting.
5. A Shareholder must submit written questions for the Company or for the auditor to the Company by 5:00pm (Sydney time) on Wednesday, 6 November 2019 to the following address:

Paul Wenk
Company Secretary
EML Payments Limited
Level 12, 333 Ann Street
BRISBANE QLD 4000
6. 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 Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

Resolution 1: Directors' Remuneration Report

7. The Corporations Act requires that the section of the Directors' report dealing with the remuneration of each member of the KMP ('Key Management Personnel') of the Company (Remuneration Report) be put to a vote of Shareholders for adoption.
8. This resolution of Shareholders is advisory only and is not binding on the Company.
9. The Remuneration Report is in the Annual Report, which is also available on EML's website at <https://www.emlpayments.com/investors/>.
10. The Remuneration Report:
 - a) explains the Board's policies on the nature and level of remuneration paid to Directors and KMP;
 - b) discusses changes made to the Company's Remuneration Framework during the year to ensure the framework 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.
 - c) explains the strategy and principles that underly EML's Remuneration Framework;
 - d) discusses the link between EML's Remuneration Framework and EML's business strategy, performance and reward;
 - e) 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;
 - f) sets out the remuneration details and outcomes for each Director and for each member of KMP; and
 - g) makes clear that the basis for remunerating non-Executive Directors is distinct from the basis for remunerating executives, including Executive Directors.

Explanatory Memorandum.

11. 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.
12. The objectives of EML's Remuneration Framework are to:
 - a) align remuneration to the Groups 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.
13. 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.
14. At the Meeting, the chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

DIRECTORS' RECOMMENDATION

15. As resolution 1 relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding this resolution.

Resolution 2: Re-election of Director – Mr Peter Martin

16. Listing Rule 14.5 states that a public company must hold an election of Directors each year. Similarly, Rule 3.6(c) of EML's Constitution requires that at least one Director retire from office at the AGM. Accordingly, Mr Martin will retire at the 2019 AGM.
17. Being eligible, Mr Martin will stand for re-election as a Director of the Company at the Annual General Meeting.
18. Mr Martin was appointed as a Director on 19 April 2012. He was most recently re-elected to the Board at the AGM held on 15 November 2017. Mr Martin has been Chairman of the Board since 18 February 2015.
19. Mr Martin holds a MBA from Harvard Business School and a Bachelor of Civil Engineering from Monash University. He was formerly the Chief Executive Officer of Rothschild Australia Asset Management (Rothschild) and was a Director of a number of Rothschild boards in Australia and overseas. Mr Martin has more than 45 years international commercial experience in marine construction, finance and investment management.
20. Mr Martin has a beneficial interest in 7,655,213 ordinary shares.
21. Mr Martin is an independent non-executive director and is also a member of the Company's Audit and Risk Committee and Remuneration and Nomination Committee.
22. If re-elected, the Directors intend that Mr Martin will continue as Chairman of the Board.

DIRECTORS' RECOMMENDATION

23. The Directors (with Mr Martin abstaining) recommend the re-election of Mr Martin to the Board.

Resolution 3: Increase in non-Executive Director Fee Pool

24. Under rule 10.2 of the Constitution and in accordance with Listing Rule 10.17, the maximum aggregate amount payable as remuneration to non-Executive Directors in any financial year may not exceed an amount determined by shareholders from time to time in general meeting (Fee Pool).
25. The Company is seeking shareholder approval at the 2019 AGM of an increase to the Fee Pool by \$500,000 from \$750,000 to \$1,250,000. The current Fee Pool is capped at \$750,000 – having been increased to that level at the Company's 2017 AGM.
26. Since the Fee Pool was increased at the Company's 2017 AGM, two additional non-Executive Directors have been appointed, Dr Kirstin Ferguson and Ms Melanie Wilson, increasing the fees payable. In respect of the financial year ended 30 June 2019, the total aggregate amount of remuneration paid to the non-Executive Directors was \$591,396. Directors have no intention of increasing individual Director's fees during the fiscal year ending 30 June 2020.

27. The Board presently consists of 5 non-Executive Directors and one Executive Director. Since Ms Wilson and Dr Ferguson were appointed as non-Executive Directors in February 2018, the Company has grown, both through accretive acquisitions (notably PerfectCard DAC and Flex-e-Card Limited) and organically. Since FY18, GDV has increased by 34%, revenue by 37% and EBITDA by 40%. Over the same period the Company has also grown its headcount from 182 people to 275 people. Over time, if the Company continues to grow at this pace, it may support a case for the appointment of one or more additional Directors, which at the current Fee Pool cap may not be possible.
28. The Board is seeking Shareholder approval to increase the Fee Pool for the following reasons:
- an increase of the Fee Pool will give the Company flexibility as regards appointment of additional Directors, which may prove desirable in the future.
 - to ensure that the Fee Pool can accommodate payment of fees to any additional non-Executive Directors who may be appointed;
 - to enable the Company to maintain remuneration arrangements that are market-competitive, so it can attract and retain high calibre individuals as non-Executive Directors; and
 - in the longer term, to provide for non-Executive Directors' fees to grow in the future to reflect market trends.
29. The fees payable to non-Executive Directors are reviewed from time to time by the Remuneration and Nomination Committee. Details of the remuneration of each Non-Executive Director are set out in the Remuneration Report. As set out above, the Board does not intend to increase individual Director fees during FY20.
30. The Fee Pool comprises all remuneration payable to non-Executive Directors, and is inclusive of all Board and Board Committee membership fees, any special responsibilities such as Chairmanship and membership of other Committees which may be required from time to time, and superannuation contributions. The Company does not pay retirement benefits to non-Executive Directors, other than superannuation.
31. Although an increase in the Fee Pool is being sought, it does not imply that the full amount will be used. The Fee Pool is a maximum annual limit and does not indicate that fees will necessarily be increased up to that limit. Full details of the remuneration arrangements applicable to non-Executive Directors are set out in EML's Remuneration Report, contained in its Annual Report.
32. In the past three years, none of EML's non-executive directors have received securities from the company.
33. As an Executive Director, Mr Cregan does not receive any fees under the Fee Pool.

DIRECTORS' RECOMMENDATION

34. As resolution 3 relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding this resolution.

Resolution 4: Grant of Short-Term Options to Chief Executive Officer and Managing Director

35. Resolution 4 seeks approval from Shareholders under Listing Rule 10.14 for the Board to grant 185,994 Options to Mr Tom Cregan, the Group Chief Executive Officer and Managing Director of the Company. This grant represents Mr Cregan's short-term incentive for the financial year ended 30 June 2019 under the Plan, and recognises Mr Cregan's performance as Group CEO during the financial year ended 30 June 2019. The proposed grant of Options represents a one year deferral of Mr Cregan's entire STI award into equity.

Why is shareholder approval being sought?

36. The issue of securities to a Director under an employee incentive scheme (in this case Options under the Plan) requires Shareholder approval pursuant to Listing Rule 10.14. Accordingly, Shareholder approval is sought for the proposed grant of short-term incentive Options under the Plan to Mr Cregan.
37. Once approval is obtained under Listing Rule 10.14, approval will not be required under Listing Rule 7.1, and the issue of Options to Mr Cregan will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1.

Explanatory Memorandum.

Details of the proposed grant

38. The Company proposes to issue 185,994 Options under the Plan to Mr Cregan shortly after the meeting, representing a one year deferral of his entire short-term incentive (STI) award for the financial year ended 30 June 2019. Details of Mr Cregan's FY19 STI award can be found in the Company's 2019 Remuneration Report. It is the view of the Board that deferring the payment of Mr Cregan's STI by granting such Options under the Plan to Mr Cregan is important recognition that an appropriate part of his remuneration is linked to generating satisfactory returns for shareholders and such grant will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.
39. 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 2019 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.

Key terms of grant

40. The key terms of the proposed grant are as follows:
- a) the number of Options to be issued to Mr Cregan has been calculated by dividing the dollar value of his short-term incentive opportunity for FY2019 (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 24 September 2018 (which has been calculated to be \$1.66), rounded down to the nearest whole number;
 - b) the date of 24 September 2018 corresponds to the date the Board approved deferral of Mr Cregan's STI award into Options and seeking shareholder approval for the grant of such Options – subject to his STI award being assessed based on his performance against Key Performance Indicators during the FY19 financial year.
 - c) as Mr Cregan has already earned his STI award, the Options will be granted for no consideration.
 - d) Mr Cregan will not be required to pay any amount to exercise the Options on vesting;
 - e) subject to the terms of the Plan, the Options are subject to a retention vesting condition requiring that Mr Cregan is still an employee of the Company as at 30 June 2020;
 - f) the Options will expire on 30 August 2020 if not exercised earlier;
 - g) the Options are not transferrable;
 - h) subject to the terms of the Plan and the grant, each Option proposed to be granted to Mr Cregan will give him the right to acquire one share in the Company (or a cash payment equivalent to the value of one share) subject to the Option vesting on 30 June 2020;
 - i) 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;
 - j) 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 by 30 June 2020.
41. 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) Mr Cregan received 391,566 rights for nil consideration pursuant to EML's Equity Incentive Plan offer approved by Shareholders at the Company's 2018 Annual General Meeting on 14 November 2018;
 - c) other than Mr Cregan, no persons referred to in Listing Rule 10.14 have previously been issued securities under the Plan;
 - d) no loan will be made available to Mr Cregan in relation to the acquisition or exercise of the Options proposed to be granted to him if this resolution is approved.

DIRECTORS' RECOMMENDATION

42. The Directors (with Mr Cregan abstaining) recommend that shareholders vote in favour of resolution 4.

Resolution 5: Grant of long-term incentive Options to Chief Executive Officer and Managing Director

43. Resolution 5 seeks approval from Shareholders under Listing Rule 10.14 for the Board to grant up to 226,481 Options to Mr Tom Cregan, the Chief Executive Officer and Managing Director of the Company, as the long-term incentive component of his remuneration for the financial year ending 30 June 2020 under the Plan.

Why is shareholder approval being sought?

44. As explained in the explanatory notes to resolution 4, the acquisition of securities by a Director under an employee incentive scheme requires Shareholder approval under Listing Rule 10.14. Accordingly, Shareholder approval is sought for the proposed grant of Options under the Plan to Mr Cregan.
45. Once approval is obtained under Listing Rule 10.14, approval will not be required under Listing Rule 7.1, and the issue of Options to Mr Cregan will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1.

Details of the proposed grant

46. The Company proposes to issue up to 226,481 Options under the Plan to Mr Cregan shortly after the meeting as the long-term incentive component of his remuneration for the financial year ending 30 June 2020. It is the view of the Board that the grant of such Options under the Plan to Mr Cregan is important to ensure that an appropriate part of his remuneration is linked to generating satisfactory long-term returns for shareholders and such grant will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.
47. If Shareholders do not approve the proposed grant of Options to Mr Cregan, the proposed grant of Options will not proceed. In that circumstance, issues may arise with the competitiveness of Mr Cregan's total remuneration package and alignment of rewards with other senior executives in the Group. The Board would then need to consider alternative remuneration arrangements for Mr Cregan which are consistent with the Company's remuneration principles, including providing an equivalent cash long-term incentive subject to the same risk of forfeiture, vesting conditions and performance period as described below for the grant of the Options.

Key terms of grant

48. The key terms of the proposed grant are as follows:
- a) the maximum number of Options to be issued to Mr Cregan has been calculated by dividing the dollar value of his long-term incentive opportunity for FY2020 (which equates to 100% of fixed annual remuneration) by the volume weighted average price of the Company's share price represented by the 10 day VWAP up to and including 19 June 2019 (which has been calculated to be \$2.87), rounded down to the nearest whole number;
 - b) the date of 19 June 2019 corresponds to the date the Board approved seeking shareholder approval for the grant of Options to Mr Cregan – subject to the vesting conditions attached to the Options;
 - c) as the grant represents the long term incentive component of Mr Cregan's remuneration, the Options will be granted for no consideration;
 - d) Mr Cregan will not be required to pay any amount to exercise the Options on vesting;
 - e) the Options will expire on 30 October 2022;
 - f) the Options are not transferrable;
 - g) subject to the terms of the Plan and the grant, each Option proposed to be granted to Mr Cregan will give him the right to acquire one share in the Company (or a cash payment equivalent to the value of one share) subject to the Option vesting after a three year performance period beginning on 1 July 2019 and ending on 30 June 2022. Half of the Options will be subject to a vesting condition based upon achieving a compound annual growth rate (**CAGR**) in respect of the Company's earnings before taxation, depreciation and amortisation (**EBTDA**) per share over the performance period (**EBTDA Options**), while the other half will be subject to an average return on capital employed (**ROCE**) vesting condition measured over the performance period (**ROCE Options**);
 - h) for any EBTDA Options to vest, the CAGR EBTDA per share targets must be met. The percentage of EBTDA Options that will vest, if any, will be determined at the end of the performance period by reference to the following vesting schedule:

Explanatory Memorandum.

LEVEL OF PERFORMANCE	PERCENTAGE VESTING (%)	CAGR IN EBTTA PER SHARE
Threshold	0%	15%
Target	50%	20%
Maximum	100%	25%

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

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

LEVEL OF PERFORMANCE	PERCENTAGE VESTING (%)	AVERAGE ROCE (TARGET)
Threshold	0%	11.5%
Target	50%	13%
Maximum	100%	14.5%

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

- j) subject to the Company's securities trading policy and any applicable laws (such as the insider trading provisions), shares acquired on the vesting and exercise of the Options proposed to be granted to Mr Cregan will not be subject to disposal restrictions;
- k) if Shareholder approval for the grant is obtained, the Options will be granted to Mr Cregan as soon as practicable after the meeting, but in any event within 12 months after the date of the meeting.
49. 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) Mr Cregan received 391,566 rights for nil consideration pursuant to EML's Equity Incentive Plan offer approved by Shareholders at the Company's 2018 Annual General Meeting on 14 November 2018;
- c) no persons referred to in Listing Rule 10.14 have previously been issued securities under the Plan;
- d) no loan will be made available to Mr Cregan in relation to the acquisition or exercise of the Options proposed to be granted to him if this resolution is approved.

DIRECTORS' RECOMMENDATION

50. The Directors (with Mr Cregan abstaining) recommend that shareholders vote in favour of resolution 5.

Resolution 6: Change to Company's Constitution

51. Rule 28.9 of the Company's Constitution presently contemplates that dividends, if any, will be paid either: (a) by cheque – if the dividend is to be paid in cash; or (b) by sending certificates or other evidence of title – if the dividend is to be paid by distribution of assets.
52. Given the nature of the business that the Company is engaged in, the Directors have determined that, by requiring cash dividends to be paid by cheque, current rule 28.9 is inappropriate, not cost effective and fails to acknowledge and support the business. The proposed change to rule 28.9 of the Company's Constitution reflects current market practice and will provide the Company with cost savings and greater flexibility.

DIRECTORS' RECOMMENDATION

53. The Directors recommend that shareholders vote in favour of resolution 6.

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 2019 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 Corporations Act 2001 (Cth).
Directors	means the Directors of the Company.
Explanatory Memorandum	means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.
Key Management Personnel or KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Managing Director and Group CEO.
Listing Rules	means the listing rules of ASX.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Plan	means EML's Equity Incentive Plan, approved by Shareholders on 14 November 2018
Remuneration Report	means the section of the Directors' report for the 2019 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 11 November 2019.
Shares	means fully paid ordinary shares in the capital of the Company.





Level 12 / 333 Ann Street
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Facsimile: (07) 3607 0111

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Money in Motion

ACN 104 757 904

LODGE YOUR VOTE

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
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of EML Payments Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Sydney time) on Wednesday, 13 November 2019 at the offices of Herbert Smith Freehills, ANZ Tower, Level 34, 161 Castlereagh Street, Sydney, New South Wales, 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important Note: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 3, 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Director's Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Grant of Long-Term Incentive Options to Chief Executive Officer and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Peter Martin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Amendment to the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Increase in Non-Executive Director Fee Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Grant of Short-Term Incentive Options to Chief Executive Officer and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Sydney time) on Monday, 11 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



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

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**