



25 May 2021

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**Attention: Maria Clemente**  
Advisor, Listing Compliance (Sydney)  
20 Bridge Street  
Sydney, NSW 2000

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Money in Motion

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Level 12  
333 Ann Street  
Brisbane QLD 4000

**EML Payments Limited**  
ACN 104 757 904

Dear Ms Clemente,

**Re: Response to ASX Aware Query**

EML Payments Limited ('EML') refers to the ASX Aware Query dated 21 May 2021.

ASX's queries relate to EML's ASX announcement dated 19 May 2021, regarding its Irish regulated subsidiary PFS Card Services (Ireland) Limited ('PCSIL') and PCSIL's receipt of correspondence from the Central Bank of Ireland ('CBI'), including a letter dated Thursday 13 May 2021 (provided to EML on Friday 14 May 2021, Australian time), raising significant regulatory concerns ('Information').

**1. Does EML consider the Information to be Information that a reasonable person would expect to have a material effect on the price or values of its securities?**

Yes. The letter from the CBI states that the CBI is minded to issue directions to PCSIL pursuant to section 45 of the CBI (Supervision and Enforcement) Act 2013. These directions, if made, could materially impact the European operations of the Prepaid Financial Services ('PFS') business, including potentially restricting PCSIL's activities under its Irish license.

EML acquired PCSIL (as part of the PFS Group) on 31 March 2020 and migrated PFS Group's non-UK programs from its FCA regulated business to PCSIL in mid-December 2020 in advance of the Brexit deadline. Since mid-December 2020, PCSIL has had increased interaction with its regulator CBI.

As a regulated entity, PCSIL regularly receives correspondence from and has communications with the CBI in the normal course of business and assesses matters raised by the CBI with the aim of ensuring compliance. These communications have covered a range of regulatory and compliance issues including governance and internal controls. EML did not consider that any of the previous regulatory communications, or the contents of those communications, between PCSIL and the CBI were likely to have a material effect on the price or value of EML's securities.

**2. If the answer to question 1 is "no", please advise the basis for that view**

Not applicable.

**3. When did EML first become aware of the Information?**

See response to question 4 below.

**4. If the answer to question 1 is "yes" and EML first became aware of the Information before the relevant date, did EML make any announcement prior to the relevant date which disclosed the information? If so, please provide**

**details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe EML was obliged to release the information under Listing Rule 3.1 and 3.1A and what steps EML took to ensure that the information was released promptly and without delay.**

PCSIL received the CBI's letter at 11:12pm on Thursday evening, 13 May 2021 (Australian time).

The letter was preceded by a call with the CBI at 10:00pm on Thursday evening, 13 May 2021 (Australian time). The call was attended by senior managers of PCSIL, including an executive director. EML's Group Chief Risk Officer also attended the 10:00pm call and was sent a copy of the letter at 11:12pm.

PCSIL's executive director provided a copy of the letter to EML at 12:37am on Friday morning, 14 May 2021 (Australian time). The letter was provided as an attachment to a calendar invitation for a meeting to be held at 6:30am on Friday morning, 14 May 2021 (Australian time). The calendar invitation was sent to senior managers of EML, including EML's Managing Director and Group CEO.

EML obtained urgent legal advice from its Irish lawyers following receipt of the Information. This occurred on Friday morning Irish time (which was Friday evening Australian time, after trading on the ASX closed) and again on Saturday, 15 May 2021.

The Board of EML was informed of, and provided with a copy of, the CBI's letter on Saturday, 15 May 2021.

The Board met on the morning of Monday, 17 May 2021, and the company requested a trading halt prior to the market opening while it considered the Information and prepared an ASX announcement. EML released its ASX announcement, lifting the trading halt, on the morning of Wednesday 19 May 2021 (Australian time), before trading on the ASX commenced.

**5. Please confirm that EML is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

EML confirms that it is complying with the Listing Rules and in particular, Listing Rule 3.1.

**6. Please confirm that EML's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EML with delegated authority from the board to respond to ASX on disclosure issues.**

The responses set out in this announcement have been authorised and approved by the board of EML.

Yours sincerely,



Paul Wenk  
Company Secretary



21 May 2021

Reference: 35405

Mr Paul Wenk  
Joint Company Secretary  
EML Payments Limited

By email: [pwenk@emlpayments.com](mailto:pwenk@emlpayments.com)

Dear Mr Wenk

**EML Payments Limited ('EML'): General – Aware Query**

ASX refers to the following:

- A. EML's request for a trading halt on 17 May 2021 pursuant to Listing Rule 17.1 pending it releasing an announcement *"in relation to significant regulatory concerns notified by the Central Bank of Ireland, and received by EML on Friday 14 May 2021, relevant to the Prepaid Financial Services business that EML acquired on 31 March 2020"*. ASX granted the trading halt at 9:50 AM on the same date.
- B. EML's announcement titled "Central Bank of Ireland Correspondence" lodged on the ASX Market Announcements Platform [and released at 9:49 AM] on 19 May 2021 (the 'Announcement'), disclosing that *"its Irish regulated subsidiary, PFS Card Services (Ireland) Limited ('PCSIL'), has received correspondence from the Central Bank of Ireland ('CBI'), including a letter received on Friday 14 May 2021 (Australian time) raising significant regulatory concerns"* ('Information').
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:  
*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.  

*"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

  - *It would be a breach of a law to disclose the information;*
  - *The information concerns an incomplete proposal or negotiation;*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
  - *The information is generated for the internal management purposes of the entity; or*
  - *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.*”

F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

### **Request for information**

Having regard to the above, ASX asks EML to respond separately to each of the following questions and requests for information:

1. Does EML consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did EML first become aware of the Information?
4. If the answer to question 1 is “yes” and EML first became aware of the Information before the relevant date, did EML make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe EML was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps EML took to ensure that the information was released promptly and without delay.
5. Please confirm that EML is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that EML’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EML with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Tuesday, 25 May 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EML’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require EML to request a trading halt immediately.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in EML’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

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- the reasons for the trading halt;
  - how long you want the trading halt to last;
  - the event you expect to happen that will end the trading halt;
  - that you are not aware of any reason why the trading halt should not be granted; and
  - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in EML's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to EML's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that EML's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Maria Clemente**  
Adviser, Listings Compliance (Sydney)

CC: Sonya Tissera-Isaacs, Joint Company Secretary, EML Payments