



Money in Motion

21 September 2020

Attention: Maria Clemente

Advisor, Listing Compliance (Sydney)

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EML Payments Limited

ACN 104 757 904

Dear Maria,

Re: Appendix 3Y – Change of Directors Interest Notice

We refer to your letter dated 17 September 2020 in relation to the Change of Directors Interest Notice query and address each question in turn.

1. Explanation of why the Directors Notice was lodged late.

The Appendix 3Y was lodged with ASX in respect of the disposal of shares held by Mr Peter Martin in relation to a structured finance facility Mr Martin had entered into with UBS AG (**UBS Facility**) in the context of his participation in EML's Retail Entitlement Offer announced to the market on 11 November 2019.

The UBS Facility matured on 4 September 2020. On maturity, an option over 318,893 EML shares held by Mr Martin was exercised at a pre-agreed price of \$3.807 per share, thereby repaying the facility in full. However, the effect of the option is that the underlying EML shares were also disposed of.

Mr Martin has not previously entered into a facility such as the UBS Facility, did not immediately appreciate that the exercise of the option triggered the ASX Listing Rule obligation, and inadvertently did not notify the Company immediately after the facility matured and the option was exercised. As such, the Company was unable to lodge the Appendix 3Y within the time required.

2. Company arrangements in place with Directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A

The following processes are in place to ensure that the Company is able to meet its disclosure obligations under Listing Rule 3.19A

- (a) Each Director is informed of the ASX disclosure obligations upon their appointment;
- (b) The Company has entered into agreements with each of its Directors, which places an obligation on the Directors to notify the Company of interests and any changes thereto so that ASX Appendices can be lodged;
- (c) A standing item on the agenda of board meetings is a directors' register of relevant interests and duties, including the number of shares held in the Company. At each Board meeting directors are requested to declare any interests and/or notifications of change to the register as presented; and



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- (d) Any director wishing to trade in the Company securities must first obtain the consent to do so from the Chairman, and/or Chair of the Audit Committee in accordance with the Company's security trading policy. All directors and employees receive training in relation to the application of EML's Securities Trading Policy.

3. Current arrangements deemed adequate for Listing Rule 3.19B?

The Company has reviewed its current practises and is satisfied that it is has the necessary reporting and notification policies in place to ensure compliance with its disclosure obligations under the ASX Listing Rules.

The Company considers the late lodgement of the Appendix 3Y to be an isolated incident.

Yours sincerely,

Sonya Tissera-Isaacs
Company Secretary



17 September 2020

Reference: 24508

Ms Sonya Tissera-Isaacs
Company Secretary
EML Payments Limited

By email: stisaacs@emlpayments.com

Dear Ms Tissera-Isaacs

EML Payments Limited ('EML'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. EML's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 16 September 2020 for Mr Peter Martin (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.*The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*
3. Listing rule 3.19B which states that:
'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notice indicates that a change in Mr Martin's notifiable interest occurred on 4 September 2020. It appears that the Notice should have been lodged with ASX by 11 September 2020. Consequently, EML may have breached Listing Rules 3.19A and/or 3.19B.

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does EML have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does EML intend to take to ensure compliance with Listing Rule 3.19B?

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 **1:00 PM AEST Monday, 21 September 2020**. 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:

- 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

Maria Clemente
Adviser, Listings Compliance (Sydney)