



**EARLYPAY LIMITED**  
**ACN 098 952 277**

# **Notice of Annual General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Thursday, 17 November 2022**

Time of Meeting:  
**3.00pm (AEDT)**

The meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company's website <https://www.earlypay.com.au/>.

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If shareholders are in doubt as to how they should vote, they should seek advice from their  
accountant, solicitor or other professional advisor without delay*

# EARLYPAY LIMITED

ACN 098 952 277

Registered Office: Level 11, 201 Miller Street, North Sydney NSW 2060

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Earlypay Limited (“**Company**” or “**EPY**”) will be held virtually via a webinar conferencing facility **at 3.00pm (AEDT) on Thursday, 17 November 2022 (Annual General Meeting or AGM or Meeting).**

Shareholders are encouraged to submit their proxies as early as possible, and in any event, prior to the cut-off date for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form.

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions at the AGM.

The virtual meeting can be attended using the following details:

**When:** Thursday, 17 November 2022 at 3.00pm (AEDT)

**Topic:** Earlypay Limited - Annual General Meeting

**Register in advance for the virtual meeting:**

[https://us02web.zoom.us/webinar/register/WN\\_m9l9mfrNS2KlaxxxJE0fCQ](https://us02web.zoom.us/webinar/register/WN_m9l9mfrNS2KlaxxxJE0fCQ)

After registering, you will receive a confirmation email containing information about joining the meeting. As noted previously, the Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online. The Company will conduct a poll on each resolution presented at the meeting. The Company will accept questions during the meeting either by submitting a question through the Q&A box located on screen or by raising the hand function also located on screen at which point the Company will allow your question verbally.

The Company is happy to accept and answer questions submitted prior to the meeting by email to [mathew.watkins@vistra.com](mailto:mathew.watkins@vistra.com). The Company will address relevant questions during the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

Any shareholders who wish to attend the AGM online should therefore monitor the Company’s website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (ASX: EPY) and on its website at <https://www.earlypay.com.au/>.

# EARLYPAY LIMITED

ACN 098 952 277

Registered Office: Level 11, 201 Miller Street, North Sydney NSW 2060

Notice is hereby given that the Annual General Meeting of Shareholders of Earlypay Limited (**Company** or **EPY**) will be held virtually via a webinar conferencing facility at **3.00pm (AEDT) on Thursday, 17 November 2022 (Annual General Meeting or AGM or Meeting)**.

## AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Defined terms used in this Notice have the meanings given to them in the Glossary at the end of this Notice.

### ORDINARY BUSINESS

#### Receipt and consideration of Accounts & Reports

To receive and consider the Financial Report of the Company, together with the Directors' Report (including the Remuneration Report) and Auditor's Report as set out in the Company's Annual Report for the year ended 30 June 2022.

*Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.*

#### Resolution 1: Adoption of Remuneration Report

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

*"That, for the purpose of Section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2022 be adopted."*

#### Resolution 2: Re-Election of Ms. Susan Healy as a Director of the Company

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

*"That, for the purpose of rule 3.6 of the Constitution and for all other purposes, Ms. Susan Healy, being a Director who retires by rotation and being eligible for re-election, be re-elected as a Director of the Company."*

#### Resolution 3: Re-Election of Mr. Daniel Riley as a Director of the Company

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

*"That, for the purpose of rule 3.6 of the Constitution and for all other purposes, Mr. Daniel Riley, being a Director who retires by rotation and being eligible for re-election, be re-elected as a Director of the Company."*

#### Resolution 4: Ratification of prior issue of shares

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve, ratify and confirm the allotment and issue of 3,052,196 fully paid ordinary shares (Shares) in the Company on 10 June 2022 at an issue price of \$0.508 per Share in relation to the earn out of the Skippr acquisition as described in the Explanatory Statement."*

#### Resolution 5: Increase in Aggregate Non-Executive Director Remuneration pool

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

*"That for the purposes of clause 10.2 of the Constitution, ASX Listing Rule 10.17, and for all other purposes, the maximum aggregated annual Directors' fees payable to Non-Executive Directors of the Company, be increased*

from \$500,000 per annum to \$680,000 per annum, as described in the Explanatory Statement which accompanies and forms part of this Notice.”

**Resolution 6: Approval for issue of performance rights under rights plan – James Beeson (or his nominee)**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 709,614 Performance Rights to Mr James Beeson under the Company’s Rights Plan on the terms set out in the Explanatory Memorandum accompanying the Notice of the Meeting.”*

**Resolution 7: Refresh of Company’s Rights Plan and implement maximum securities under the plan**

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

*“That, under and for the purposes of ASX Listing Rule 7.2 Exception 13(b), and for all other purposes, approval is given to refresh the Company’s Rights Plan (**Plan**), and to issue securities under the Plan as described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**SPECIAL BUSINESS**

**Resolution 8: Approval of 10% Placement Facility**

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the fully paid ordinary securities of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

**BY ORDER OF THE BOARD**



**Steve Shin**  
**Company Secretary**  
**12 October 2022**

## Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
  - (a) Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
  - (b) Each shareholder has a right to appoint one or two proxies.
  - (c) A proxy need not be a shareholder of the Company.
  - (d) If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its Constitution or the Corporations Act.
  - (e) Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
  - (f) If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - (g) A proxy form must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
  - (h) To be effective, Proxy Forms must be received by the Company's share registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 3.00pm (AEDT) on Tuesday, 15 November 2022. Any proxy received after that time will not be valid for the scheduled Meeting.
4. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## 5. How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

## 6. Voting Exclusion Statement:

### Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is by the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

### Resolution 2 to 3

There is no voting exclusion on this resolution.

### Resolution 4

The Company will disregard any votes cast in favour on these Resolutions by or on behalf of any person who participated in the issue of securities and any associates of those persons, or any person who is a counterparty to the agreement being approved.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### Resolution 5

The Company will disregard any votes cast on this Resolution:

- (1) in favour of the Resolution by or on behalf of any Directors or any associate of a Director, regardless of the capacity in which the vote is cast; or
- (2) as a proxy by a person who is a member of the Company's Key Management Personnel at the date of the Meeting or a Closely Related Party of such a member,

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate or a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 6**

The Company will disregard any votes cast on this Resolution by or on behalf of:

- 1. Mr James Beeson and any of his Associates, regardless of the capacity in which the votes are cast;
- 2. a Director who is eligible to participate in the employee incentive scheme, or an associate of a Director, or an associate of the person referred to in Listing Rules 10.14.1 and 10.14.2; or
- 3. as a proxy by a person who is a member of Key Management Personnel on the date of the Annual General Meeting or a Closely Related Party of such a member,

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate or a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 7**

The Company will disregard any votes cast in favour on this Resolution by or on behalf of a person who is eligible to participate in the Rights Plan and any associates.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) as a proxy by a person who is a member of Key Management Personnel on the date of the Annual General Meeting or a Closely Related Party of such a member; or
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 8**

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

### **7. Special Resolutions**

Resolution 8 is proposed as special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

### **8. Enquiries**

Shareholders are invited to contact the Company Secretary on +61 3 9692 7222 if they have any queries in respect of the matters set out in these documents.

## EXPLANATORY STATEMENT

### Purpose of Information

This Explanatory Statement (“**Statement**”) accompanies and forms part of the Company’s Notice of Annual General Meeting (“**Notice**”) for the 2022 Annual General Meeting (“**Meeting**”) will be held virtually via a webinar conferencing facility at **3.00pm (AEDT) on Thursday, 17 November 2022**.

The Notice incorporates, and should be read together, with this Statement.

### Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2022 which incorporates the Company’s financial report, reports of the Directors (including the Remuneration Report and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at 02 8116 4712, and you may request that this occurs on a standing basis for future years.

Alternatively, you may access the Annual Report at the Company’s website <https://www.earlypay.com.au/> or via the Company’s announcement platform on ASX (ASX: EPY). Except for as set out in Resolution 1, no resolution is required on these reports.

Shareholders will have the opportunity to ask questions about or make comments on, the 2022 Annual Report and the management of the Company. The auditor will be invited to attend, to answer questions about the audit of the Company’s 2022 Annual Financial Statements.

### Resolution 1: Adoption of Remuneration Report

#### **Background**

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors’ Report in the Company’s 2022 Annual Report. The Remuneration Report sets out the Company’s remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company’s last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast on that resolution and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company’s remuneration policies.

#### **Board Recommendation**

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

The Chair intends to vote all undirected proxies in favour of this resolution.

### ***Voting Exclusions***

Refer to Note 6 for voting exclusions.

## **Resolution 2: Re-Election of Ms. Susan Healy as a Director of the Company**

### ***Background***

Ms. Susan Healy was appointed as a Non-Executive Director on 20 November 2012 and being eligible, offers herself for re-election to the Board.

Sue is an experienced Non-Executive Director, she is Deputy Chair of Ability Options and sits on 3 sub committees for this organisation, she is a Non-Executive Director of Olympus Solutions and has held previous Non-Executive Director roles with The Recruiting and Consulting Services Association, Women and Management and The Ryde Business Forum. She also holds advisory roles with a number of private organisations. She was the founder and MD of a Talent and HR Consulting Business for 20 years. She has also held Executive Leadership roles with the two of the largest ASX listed human capital companies in Australia.

### ***Board Recommendation***

The Board (with Ms Susan Healy abstaining) recommends that shareholders vote in favour of the re-election of Ms. Healy.

The Chair intends to vote all undirected proxies in favour of this resolution.

### ***Voting Exclusions***

Refer to Note 6 for voting exclusions.

## **Resolution 3: Re-Election of Mr. Daniel Riley as a Director of the Company**

### ***Background***

Mr. Daniel Riley was appointed as an Executive Director on 3 February 2005 and following his resignation as an Executive, will revert to a Non-Executive Director following the closure of the AGM on 17 November 2022 and as such being eligible for re-election, offers himself for re-election to the Board.

Daniel is a passionate supporter of SME's and understands that businesses need reliable and flexible funding solutions to support their growth. Daniel joined Earlypay in 2002 when the business was in its early development as a service provider to the recruitment industry and was appointed CEO in 2010. Operating under the name Earlypay, Daniel launched the invoice finance business in 2011 and an Equipment Finance offering in 2017. During this period Daniel has managed an accelerated growth program which includes \$250m+ in debt and equity raisings, the acquisition of four key competitors and the simplification of EPY's business structure through divestment of its historic business.

### ***Board Recommendation***

The Board (with Mr Daniel Riley abstaining) recommends that shareholders vote in favour of the re-election of Mr. Riley.

The Chair intends to vote all undirected proxies in favour of this resolution.

### ***Voting Exclusions***

Refer to Note 6 for voting exclusions.



## **Resolution 4: Ratification of Prior Issue of Shares**

### ***Background***

The Company is seeking shareholder approval to ratify the issue of 3,052,196 fully paid ordinary shares on 10 June 2022 at an issue price of \$0.508 per Share following completion of the final earn-out component relating to the Skippr acquisition first announced on 28 of July 2020 and Completion of payment of consideration for acquisition completed in August 2020 as announced on 19 August 2020.

The Shares were issued without shareholder approval from the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

### ***ASX Listing Rules***

ASX Listing Rules 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, excluding any issues that are subject to one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the Shares under tranche one of the Placement was within the Company's available placement capacity under ASX Listing Rule 7.1, with 3,052,196 Shares issued under Listing Rule 7.1.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. The Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4 in order to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

If this Resolution is approved, the prior issue of 3,052,196 Shares may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the 3,052,196 Shares counting towards the 15% threshold for the purposes of ASX Listing Rules 7.1.

If this Resolution is not approved, the prior issue of 3,052,196 Shares will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore have the 3,052,196 Shares, the subject of this Resolution, as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under the Listing Rule 7.1.

### ***ASX Listing Rule Disclosure Requirements***

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- a) The Shares were issued to Finova Pty Ltd to acquire The Invoice Exchange Pty Ltd as part of the Skippr acquisition final earn-out component as announced on 28 of July 2020;
- b) the number and class of securities issued were 3,052,196 fully paid ordinary shares in the Company;
- c) the Shares were issued on 10 June 2022;
- d) the Shares were issued at a price of \$0.508 per Share;
- e) the Shares were issued in relation to the completion of an earn out for the Skippr acquisition that occurred during August 2020 and as such no funds were raised from the issue of shares; and
- f) the Completion of payment of consideration for acquisition completed in August 2020 as announced on 19 August 2020.
- g) The summary of material terms of the agreement are outlined below:
  - i) On 18 August 2020, Earlypay Limited acquired 100% of the ordinary shares of The Invoice Exchange Pty. Ltd. ("Skippr") for the total consideration of \$6,500,000.
  - ii) The Initial payment for Skippr was \$2,250,000 via a mix of cash and ordinary shares, with earn-out structure over 2.5 years to a maximum transaction price of \$6,500,000 if all earn-out hurdles were achieved;
  - iii) Contingent consideration amount (earn-out) was calculated based on weighted funds in use over time from 31 December 2020 to 31 December 2022;
  - iv) During the FY22 financial year, all earn-out conditions were achieved and \$4,013,000 final earn-out payments of \$2,462,000 was paid in cash and \$1,551,000 in EPY shares were paid in accordance with the sale purchase agreement.

## **Board Recommendation**

The Board recommends that shareholders vote in favour of Resolution 4.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

## **Voting Exclusions**

Refer to Note 6 for voting exclusions.

## **Resolution 5: Increase in Aggregate Non-Executive Director Remuneration pool**

### **Background**

The Company seeks Shareholder approval to increase the maximum aggregate fees paid to Non-Executives of the Board by \$180,000 per annum from \$500,000 per annum to \$680,000 per annum. Shareholder approval is sought under clause 10.2 of the Constitution and ASX Listing Rule 10.17.

Clause 10.2 of the Constitution provides that Non-Executive Directors may be collectively paid as remuneration for their services a fixed sum not exceeding an aggregate maximum as determined by the Company at a general meeting.

Listing Rule 10.17 prohibits a Company increasing the amount of fees it pays to its Non-Executive Directors unless the increase is approved by shareholders.

The Constitution allows the Directors to divide the total aggregate amount between themselves in such manner and proportion as they may from time to time agree.

For the purposes of Listing Rule 10.17, the “total amount of directors’ fees payable” includes superannuation contributions made for the benefit of Non-Executive Directors and any fees which a Non-Executive Director agrees to sacrifice on a pre-tax basis.

The current total remuneration for all Non-Executive Directors was approved by Shareholders at the 2019 Annual General Meeting. Approval is sought pursuant to Clause 10.2 of the Constitution and Listing Rule 10.17, to increase the maximum aggregate amount of fees payable to Non-Executive Directors by \$180,000 per annum.

In determining the proposed increase in aggregate fees to Non-Executive Directors, the following matters were considered:

- a) to have flexibility to make additional appointments to the Board having regard to the increased size of the Company;
- b) to ensure the Company maintains the ability to remunerate, attract and retain Non-Executive Directors of high-calibre.
- c) to allow for growth in Non-Executive Directors’ remuneration in the future to reflect market competitiveness for Non-Executive Directors with the skills, expertise, and experience appropriate for the Company’s business; and
- d) the continued growth of the Company and resulting increased required commitment from Non-Executive Directors on the Board and its Committees may require adjustments to remuneration that reflect the growth and are comparative with peer companies.

It is imperative that the Company remains able in the future to attract and retain Non-Executive Directors with the appropriate experience, expertise, skills, and diversity to oversee the Company’s business and strategic direction. An increased maximum Non-Executive Director fees cap will assist to achieve this and will also provide the Company with sufficient flexibility to make appropriate appointments to the Board if suitable candidates are identified.

Shareholders should also note that, if the proposed new maximum Non-Executive Director fees cap is approved, it will not necessarily represent the full sum paid to Non-Executive Directors each financial year. The Company will in future continue to set the actual level of remuneration of its Non-Executive Directors within the maximum fees cap, having regard to independent external advice, market practice, Board performance and other appropriate factors.

If Shareholders do not approve this Resolution, the maximum Non-Executive Director fees cap will not be increased and the existing cap of \$500,000 will remain in effect.

The remuneration of each Non-Executive Director for the financial year ended 30 June 2022 is detailed in the Annual Report.

The following information is provided in accordance with ASX Listing Rule 10.17:

- (a) The amount of the proposed increase is by \$180,000 to a maximum aggregate of \$680,000; and
- (b) The Company has not issued any securities to Non-Executive directors under ASX Listing Rule 10.11 or 10.14 in the last three (3) years.

### **Board Recommendation**

Given the personal interests of the Non-Executive Directors, the Board does not believe it is appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

### **Voting Exclusions**

Refer to Note 6 for voting exclusions.

## **Resolution 6: Approval for issue of performance rights under rights plan – James Beeson**

### **Background**

The Company is seeking Shareholder approval to grant Performance Rights, as noted in the table below, to the Mr James Beeson Director (or his appointed nominee) as a FY2023 Long Term Incentive (“**FY23 LTI**”) on the terms described below.

The Performance Rights proposed to be issued in accordance are with the Rights Plan (“**Plan**”) approved by the Shareholders at the Annual General Meeting on 25 June 2019 which is proposed to be refreshed as set out in Resolution 7 of this Notice of Meeting. Should Resolution 7 not be approved by shareholders and the Company’s Plan not be refreshed the securities will be issued out of the Company’s placement capacity under ASX Listing Rule 7.1. A copy of the terms of the Plan, which is the same as was approved by shareholders in 2019, is set out in Annexure A. The terms of the Performance Rights, including the performance measures for conversion, are set out below.

### **Long Term Incentives**

LTIs are designed to provide an incentive to key executives to drive long term company-wide performance and provide strong alignment with shareholders.

Executive Key Management Personnel (KMP), who are critical to the long-term success of the business, including the CEO, are eligible to receive an LTI in the form of Performance Rights at no cost. Performance Rights converts to Shares where certain performance conditions are met.

In the Board’s view, Performance Rights are an appropriate reward and retention tool for senior executives as nominated performance milestones much be achieved before any Performance Rights convert to Shares. This aligns executives’ contributions to the Company’s growth and to shareholders.

The key terms of the Managing Director and CEO proposed LTI are summarised below:

<b>Number of rights</b>	The number of Performance Rights proposed to be granted to James Beeson is 709,614.
<b>Vesting and conversion of rights</b>	<p>The number of Performance Rights that will vest and become exercisable to convert to fully paid ordinary shares depends on whether a threshold, target or stretch performance measure level is achieved (with pro rata conversions between those levels).</p> <p>The maximum number of shares to be issued at each of the performance levels is set out in the following table. See below under “Performance Measures” for the respective threshold, target or stretch performance measure.</p>

	If the threshold level for a tranche is not achieved then no Performance Rights in that tranche will vest or become exercisable to convert to shares.
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	James Beeson		
Performance level: Tranche	Threshold	Target	Stretch
<b>Tranche 1</b> <b>Performance Rights</b> with earnings per share growth (EPSG) vesting condition:	59,135	118,269	236,538
<b>Tranche 2</b> <b>Performance Rights</b> with an Absolute TSR (ATSR) vesting condition:	59,135	118,269	236,538
<b>Tranche 3</b> <b>Performance Rights</b> with a Return on Equity (ROE) vesting condition:	59,135	118,269	236,538
<b>Total</b>	<b>177,405</b>	<b>354,807</b>	<b>709,614</b>

Date of issue	The Performance Rights are expected to be granted on or about 18 November 2022 and no later than three years after the date of the meeting.																				
Performance period	The LTI has a three-year performance period, commencing 1 July 2022 to 30 June 2025.																				
Performance measures	<div>The performance measures for each tranche are: <b>Tranche 1</b> <b>EPSG – Compound annual growth rate on EPS</b><table><tr><th>Performance level</th><th>EPS</th><th>Vesting % of Tranche</th></tr><tr><td>Threshold</td><td>2.5%</td><td>25%</td></tr><tr><td>Between Threshold &amp; Target</td><td>2.5% to 5%</td><td>Pro-rata</td></tr><tr><td>Target</td><td>5%</td><td>50%</td></tr><tr><td>Between Target &amp; Stretch</td><td>5% to 7.5%</td><td>Pro-rata</td></tr><tr><td>Stretch</td><td>7.5%</td><td>100%</td></tr></table> <div>Vesting will be determined by reference to the Compound Annual Growth Rate (“CAGR”) applicable to achieving the EPS for the last year of the Measurement Period over the Measurement Period starting with the EPS for the year immediately prior to the commencement of the Measurement Period.</div></div>			Performance level	EPS	Vesting % of Tranche	Threshold	2.5%	25%	Between Threshold & Target	2.5% to 5%	Pro-rata	Target	5%	50%	Between Target & Stretch	5% to 7.5%	Pro-rata	Stretch	7.5%	100%
Performance level	EPS	Vesting % of Tranche																			
Threshold	2.5%	25%																			
Between Threshold & Target	2.5% to 5%	Pro-rata																			
Target	5%	50%																			
Between Target & Stretch	5% to 7.5%	Pro-rata																			
Stretch	7.5%	100%																			
	<div><b>Tranche 2</b> Total Shareholder Return (“TSR”) – Share price appreciation and dividends<table><tr><th>Performance Level</th><th>TSR</th><th>Vesting % of Tranche</th></tr><tr><td>Threshold</td><td>8%</td><td>25%</td></tr><tr><td>Between Threshold &amp; Target</td><td>8 to 10%</td><td>Pro-rata</td></tr><tr><td>Target</td><td>10%</td><td>50%</td></tr><tr><td>Between Target &amp; Stretch</td><td>10% to 16%</td><td>Pro-rata</td></tr><tr><td>Stretch</td><td>16%</td><td>100%</td></tr></table> <div>TSR is the sum of Share price appreciation and dividends (assumed to be reinvested in Shares) during the Measurement Period. It is annualised for the purposes of the above vesting scale. The company’s Share Price at the end of the Measurement Period will be calculated on a volume weighted average price</div></div>			Performance Level	TSR	Vesting % of Tranche	Threshold	8%	25%	Between Threshold & Target	8 to 10%	Pro-rata	Target	10%	50%	Between Target & Stretch	10% to 16%	Pro-rata	Stretch	16%	100%
Performance Level	TSR	Vesting % of Tranche																			
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Target	10%	50%																			
Between Target & Stretch	10% to 16%	Pro-rata																			
Stretch	16%	100%																			

	(VWAP) over the ten (10) trading days up to and including the last day of the Measurement Period.																		
	<p><b>Tranche 3</b> <b>ROE – Return on equity</b></p> <table><tr><th>Performance Level</th><th>ROE</th><th>Vesting % of Tranche</th></tr><tr><td>Threshold</td><td>13.5%</td><td>25%</td></tr><tr><td>Between Threshold &amp; Target</td><td>13.5% to 14.5%</td><td>Pro-rata</td></tr><tr><td>Target</td><td>14.5%</td><td>50%</td></tr><tr><td>Between Target &amp; Stretch</td><td>14.5% to 16.5%</td><td>Pro-rata</td></tr><tr><td>Stretch</td><td>16.5%</td><td>100%</td></tr></table> <p>ROE will be calculated as the sum of reported net profit after tax over each year of the Measurement Period divided by the sum of opening shareholders' equity (OSE) for each year. In the case of capital raising via equity, the equity issued will be time weighted (time weighted equity raised or TWER) in respect of the year in which it occurs. For example, a 3-year period, the following formula would apply:</p> $\text{ROE} = \frac{\text{NPAT Year 1} + \text{NPAT Year 2} + \text{NPAT Year 3}}{\text{OSE Yr1} + \text{TWER Yr1} + \text{OSE Yr2} + \text{TWER Yr2} + \text{OSE Year 3} + \text{TWER Yr3}}$	Performance Level	ROE	Vesting % of Tranche	Threshold	13.5%	25%	Between Threshold & Target	13.5% to 14.5%	Pro-rata	Target	14.5%	50%	Between Target & Stretch	14.5% to 16.5%	Pro-rata	Stretch	16.5%	100%
Performance Level	ROE	Vesting % of Tranche																	
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Target	14.5%	50%																	
Between Target & Stretch	14.5% to 16.5%	Pro-rata																	
Stretch	16.5%	100%																	
Performance assessment	The performance will be calculated at the end of the performance period, once the results are known.																		
Conversion	Subject to vesting conditions, each Performance Right will convert into one Share, regardless of market value.																		
Vesting period	<p>Subject to satisfaction of the performance measure applicable to that tranche of Performance Rights (noting that the number of Performance Rights to vest and convert depends on the performance level achieved), Performance Rights will vest in three tranches over three years in line with the following table. The vesting date below assumes that the results will be known by that date. The vesting date will be extended if the results are not known by that date to the date on which the results are known:</p> <table><tr><th>Tranche</th><th>Maximum number of Performance rights</th><th>Vesting date</th><th>Issue price</th></tr><tr><td>1</td><td>236,538</td><td>1 Oct 2025</td><td>Nil consideration</td></tr><tr><td>2</td><td>236,538</td><td>1 Oct 2025</td><td>Nil consideration</td></tr><tr><td>3</td><td>236,538</td><td>1 Oct 2025</td><td>Nil consideration</td></tr></table>	Tranche	Maximum number of Performance rights	Vesting date	Issue price	1	236,538	1 Oct 2025	Nil consideration	2	236,538	1 Oct 2025	Nil consideration	3	236,538	1 Oct 2025	Nil consideration		
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1	236,538	1 Oct 2025	Nil consideration																
2	236,538	1 Oct 2025	Nil consideration																
3	236,538	1 Oct 2025	Nil consideration																
Service Condition	Continued service during the whole Measurement Period is not a requirement in order for Rights to vest. See below regarding termination during the year of grant.																		

<b>Termination of Employment</b>	This Termination of Employment item is to be read subject to the items that immediately follow it, being Fraud, Gross Misconduct etc. and Actions that May Harm the Company. Unvested Performance Rights held at the date of termination and granted in the first year of the measurement period, will be forfeited in the proportion that the remainder of the first year of the measurement period following the termination bears to the full first year of the measurement period, unless otherwise determined by the Board. All other unvested Performance Rights will be retained for possible vesting based on performance during the Measurement Period, to be assessed following the completion of the Measurement Period.
<b>Fraud, Gross Misconduct etc.</b>	If the Board forms the view that the executive has committed an act of fraud, defalcation or gross misconduct in relation to the Company then all unvested Performance Rights held by the executive will be forfeited.
<b>Actions that May Harm the Company</b>	If the executive engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board, all unvested Performance Rights held by the executive will be forfeited, unless otherwise determined by the Board.
<b>Dealing/ Disposal Restrictions</b>	<p><b>Rights</b> Rights may not be disposed of or otherwise dealt with and will lapse if there is any attempt to do so.</p> <p><b>Shares</b> By default, Shares acquired by Participants as a consequence of conversion of vested Rights, shall be Restricted Shares which may not be disposed of or otherwise dealt with until;</p> <ul style="list-style-type: none"> <li>(a) the time specified by the Company's share trading policy with regards to when the Participant may deal in the securities of the Company, and</li> <li>(b) the time at which dealing in the securities of the Company by the Participant is permitted under the Corporations Act 2001 having regard to Division 3 of Part 7.10 (which prohibits insider trading).</li> </ul> <p>Under the Plan Rules, the Board may determine that Specified Disposal Restrictions apply to Restricted Shares, however no such restrictions apply in the case of the Rights/Shares that are the subject of this Invitation.</p> <p><b>Release of Disposal Restriction</b> Disposal restrictions may be released early in two circumstances being:</p> <ul style="list-style-type: none"> <li>(i) in cases of hardship the Board has discretion to waive the Specified Disposal Restrictions; or</li> <li>(ii) if a taxing point arises in relation to Restricted Shares,</li> </ul> <p>then disposal restrictions, other than those that arise under the Corporations Act having regard to Division 3 of Part 7.10 (which prohibits insider trading) or as imposed by ASX, will be automatically lifted in respect of 50% of such Shares.</p>
<b>No Hedging</b>	Executives must not enter into an arrangement with anyone if it would have the effect of limiting your exposure to risk in relation to Rights (vested or unvested) or Restricted Shares.

<b>Change of Control</b>	<p>Unless otherwise determined by the Board, in the event of a Change of Control including a takeover, the Vesting Conditions attached to the Tranche at the time of the Application will cease to apply and:</p> <ul style="list-style-type: none"> <li>(a) unvested Performance Rights granted in the financial year of the Change of Control will be assessed by the Board for vesting,</li> <li>(b) all remaining unvested Performance Rights will vest if the Change of Control Share Price is greater than the price at the commencement of the measurement period and the Change of Control Share Price leading up to the Change of Control has a 20% premium to the price at the beginning of the Measurement Period,</li> <li>(c) any unvested Performance Rights that do not vest pursuant to (a) and (b) will lapse,</li> <li>(d) disposal restrictions applied to Restricted Shares by the Company will be lifted, including the removal of any Company initiated CHES holding lock, if applicable. However, Shares may not be sold if the holder is in possession of "inside information".</li> </ul> <p>A Change of Control is defined in the Plan.</p>
<b>Other terms</b>	<p>Performance Rights:</p> <ul style="list-style-type: none"> <li>• are not transferable;</li> <li>• do not confer any right to vote, except as otherwise required by law;</li> <li>• do not confer any entitlement to a dividend, whether fixed or at the discretion of the Directors;</li> <li>• do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;</li> <li>• do not confer any right to participate in surplus profit or assets of the entity upon a winding up; and</li> <li>• do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues,</li> </ul> <p>unless and until the applicable milestone for conversion of the Performance Rights is achieved and the Performance Rights convert to ordinary shares.</p> <p>The Performance Rights will otherwise have terms as required by ASX and/or any applicable law.</p>

## Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act,

unless an exception to the need to obtain shareholder approval applies.

The issue of Performance Rights to James Beeson constitutes giving a financial benefit James Beeson is related party of the Company by virtue of being a Director.

Section 211 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company and to give the remuneration would be reasonable given:

- (a) the circumstances of the Company; and
- (b) the related party's circumstances (including the responsibilities involved in the office or employment).

The Directors (other than Mr Beeson, who has a material personal interest in this Resolutions consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights because the Performance Rights are to be issued as reasonable remuneration in accordance with the exception set out in Section 211 of the Corporations Act.

In reaching this view, the Company has considered the respective positions and responsibilities of James Beeson, the need for the Company to effectively incentivise its executives to attract and retain high calibre staff whilst aligning the incentive with increasing shareholder value.

If Resolutions this is passed, James Beeson (and/or his nominee) will be issued the performance rights the subject of those approvals.

#### **ASX Listing Rule 10.14**

ASX Listing Rule 10.14 requires shareholder approval to be obtained where a director, an associate of a director or a person whose relationship with the entity or a director or their associate is, in ASX's opinion, such that approval should be obtained is to acquire securities under an employee incentive scheme.

As the issue of the Performance Rights, the subject of this Resolutions involves the issue of securities to a Director of the Company under the Plan, Shareholder approval pursuant to ASX Listing Rule 10.14 is therefore required.

As shareholder approval is being sought under Listing Rules 10.14 for this Resolutions approval is not required under Listing Rule 7.1.

If shareholders:

- pass this Resolution, the Company will be able to issue all of the Performance Rights the subject of those Resolution. In addition, shares issued on conversion of those Performance Rights (if any) will increase the placement capacity available to the Company.
- do not pass this Resolution, the Company will not be able to issue the performance rights.

#### **Information required by ASX Listing Rule 10.15**

The following information is provided in accordance with the requirements of Listing Rule 10.15:

- The proposed recipient and the maximum number of Performance Rights to be received by James Beeson (Resolution 6, is 709,614 Performance Rights).
- The value of the Performance Rights is \$0.388 per right, calculated using volume weighted average share price at which the Company's shares were traded on ASX over the 10 trading days prior to the date for which the calculation is made less dividends calculated for measurement period.
- The Performance Rights may be issued to a nominee of the recipient as advised to the Company.
- The proposed recipient of Performance Rights is a Director and is therefore persons to whom Listing Rule 10.14.1 applies with respect to the proposed issue of Performance Rights under the Plan.
- No loan is being made and no funds are payable for the issue of Performance Rights, which are being issued as incentive securities to remunerate the recipient.
- Details of the total remuneration package of the proposed recipient of the Performance Rights the subject of Resolutions 6 are set out below:
  - James Beeson: \$550,000 per annum inclusive of statutory superannuation for acting as a Managing Director and CEO. Mr Beeson is entitled to receive a Short-Term Incentive (STI) up to a maximum of 25% of his remuneration and will be entitled to participate in an LTI that may be offered from time to time at the discretion of the Board up to a maximum of 25% of his fixed remuneration.
- James Beeson was issued 363,120 Performance rights under the plan at a Nil issue price.
- The terms of the Performance Rights are set out above and in terms of the Plan in Annexure A.
- The price at which the entity will issue the securities is nil.
- Subject to receipt of shareholder approval, the Company intends to issue the Performance Rights shortly after the meeting and in any event no more than three years after the date of the meeting.
- The terms of the Plan are set out in Annexure A.
- Details of any securities issued under the Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice of Meeting will not participate in the Plan until approval is obtained under that rule.



## **Board Recommendation**

The Directors do not make any recommendations with respect to resolutions 6 as such recommendations are in connection with the remuneration of the Directors of the Company and the making of a recommendation by one Director in respect of the remuneration of one or more of the other Directors may be a conflict of interest.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

## **Voting Exclusions**

Refer to Note 6 for voting exclusions.

## **Resolution 7: Refresh of Company's Rights Plan and implement maximum securities under the plan**

### **Background**

The Company is seeking Shareholder approval to refresh the Company's Rights Plan ("**Plan**") as approved by the shareholders at the Annual General Meeting on 25 June 2019. A copy of the terms of the Plan, which is the same as was approved by shareholders in 2019, is set out in Annexure A.

The Board is committed to incentivising and retaining the Company's Directors, employees and consultants in a manner which promotes alignment of their interests with Shareholder interests. Additionally, the Board considers equity-based compensation an integral component of the Company's remuneration platform as it allows it to be fiscally prudent by conserving cash resources while still enabling it to offer market-competitive remuneration arrangements.

The Plan enables employees, Directors or such other persons as the Board should deem fit, to receive Rights to acquire Shares in the Company.

No Directors or their associates can or will be issued Rights under the Plan unless Shareholder approval of specific issues to them is obtained.

Since 25 June 2019, the date on which Shareholders approved the Plan, the Company has issued 2,722,613 rights issued under the Plan. Currently, 2,722,613 securities are still on issue pursuant to the Plan.

ASX Listing Rule 7.2 exception 13(b) provides an exception to ASX Listing Rule 7.1 for securities issued under an employee incentive scheme within 3 years after shareholder approval of the scheme. The Company therefore seeks approval of the Plan under ASX Listing Rule 7.2 Exception 13(b) so that issues of securities under the Plan do not impede the capacity of the Company to issue up to a further 15% of its capital without shareholder approval.

ASX Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue in a 12-month period without prior shareholder approval.

Approval is sought to issue up to 14,000,000 Rights (each right conditionally entitling the applicable holder to one fully paid ordinary shares upon exercise or achievement of the applicable milestone). Any additional issues under the Plan above that number would utilise the Company's 15% placement capacity under ASX Listing Rule 7.1. Issues made under the Plan in reliance on ASIC Class Order [CO14/1000] in any 3 year period must not exceed 5% of the then issued shares of the Company.

The objects of the Plan are to:

- enable the Company to provide variable remuneration that is performance focussed and linked to long-term value creation for shareholders;
- enable the Company to compete effectively for the calibre of talent required for it to be successful;
- ensure that participants in the Plan have commonly shared goals; and
- assist participants in the Plan to become shareholders.

## **ASX Listing Rules Chapter 7**

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 13(b)) which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the Plan.

Shareholder approval is sought to refresh the Plan in accordance with Exception 13(b) of ASX Listing Rule 7.2 and to enable the Company to subsequently issue equity securities under the Plan for 3 years after the Meeting, without utilising the Company's the 15% limit on issuing securities in each 12 month period contained in the ASX Listing Rule 7.1.

The Company wishes to preserve the flexibility to issue the full 15% capacity for each of the next 3 years. Approval under this Resolution will provide more scope for the Company to raise additional equity if required.

If this Resolution is approved, the Company will be able to issue equity securities under the Plan to eligible participants over a period of 3 years and these equity securities will not count towards the 15% limit in ASX Listing Rule 7.1. If this Resolution is not passed, the Company may (subject to the Listing Rules and applicable law) issue equity securities under the Plan, however those incentives will be taken into account when calculating whether the 15% limit under Listing Rule 7.1 has been reached.

### ***Board Recommendation with respect to resolution 6 as the resolution is in connection with the remuneration of a director***

The Board recommends that Shareholders vote in favour of Resolution 7.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

### ***Voting Exclusions***

Refer to Note 6 for voting exclusions.

## **SPECIAL BUSINESS**

### **Resolution 8: Approval of 10% Placement Facility**

#### ***Background***

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of this Resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve this Resolution, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

If Shareholders do not approve this Resolution, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for under Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

## **Description of Listing Rule 7.1A**

### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Fully Paid Ordinary Shares.

### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):

- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
  - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  - (i) the agreement was entered into before the commencement of the relevant period; or
  - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
- (E) plus the number of partly paid shares that became fully paid in the relevant period;
- (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.1 or 7.4.

### **(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer above).

*(e) Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

*(f) 10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(10% Placement Period).**

**Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) If this Resolution is approved by Shareholders, the period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 17 November 2022, and expires on the first to occur of the following:
  - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 17 November 2023;
  - (ii) the time and date of the Company's next annual general meeting;
  - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
  - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
  - (i) fund any acquisition plans for future strategic plans;
  - (ii) advancements of the Company's current and future operations; and
  - (i) general working capital.
- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. Shareholders may also be exposed to economic risk and voting dilution, including the following:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 10 October 2022 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.22 50% decrease in Current Share Price	\$0.44 Current Share Price	\$0.88 100% increase in Current Share Price
<b>Current Variable A</b> 289,928,690 Shares	<b>10% Voting Dilution</b>	28,992,869 Shares		
	<b>Funds raised</b>	\$6,378,431	\$12,756,862	\$25,513,725
<b>50% increase in current Variable A</b> 434,893,035 Shares	<b>10% Voting Dilution</b>	43,489,304 Shares		
	<b>Funds raised</b>	\$9,567,647	\$19,135,294	\$38,270,587
<b>100% increase in current Variable A</b> 579,857,380 Shares	<b>10% Voting Dilution</b>	57,985,738 Shares		
	<b>Funds raised</b>	\$12,756,862	\$25,513,725	\$51,027,449

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - No Rights are exercised into Shares before the date of the issue of the Equity Securities;
  - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
  - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  - The Current Share Price is \$0.44 (44 cents), being the closing price of the Shares on ASX on 10 October 2022.
- (e) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

#### **Equity Issues over the Last 12 Months – Listing Rule 7.3A.6**

The Company has not issued any shares under ASX Listing Rule 7.1A in the prior 12 month period.

- (f) The company has not agreed, before the 12 month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

#### ***Board Recommendation***

The Board believes that this Resolution is in the best interests of the Company and recommends that Shareholders vote in favour of this Resolution.

The Chair intends to vote all undirected proxies in favour of this resolution.

#### ***Voting Exclusions***

Refer to Note 6 for voting exclusions.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 8;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for Resolution 8;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2022;

“**AEDT**” means Australian Eastern Standard Time;

“**AGM**” means Annual General Meeting;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chair**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member;
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Earlypay Ltd ACN 098 952 277;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Eligible Employee**” means an Employee whom the Board determines is to be issued (or transferred)

Rights under the Rights Plan;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Options**” means the right of the holder to be issued one new Share on payment of the applicable exercise price.

“**Proxy Form**” means the Proxy Form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 June 2022 and which is set out in the 2022 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Rights**” means a right to acquire a Share, subject to conditions specified by the Board

“**Section**” means a section of the Explanatory Statement

“**Share**” means a fully paid ordinary share in the capital of the Company; and

“**Shareholder**” means shareholder of the Company.

“**Share Registry**” means Computershare Investor Services Pty Ltd (ABN 48 078 279 277); and

“**VWAP**” means the volume weighted average price.

## **ANNEXURE A (RIGHTS PLAN)**



# **Earlypay Limited Rights Plan Rules**



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# **Earlypay Limited Rights Plan**

## **1 Purpose**

- 1.1 This Earlypay Limited Rights Plan (the Plan) is governed by these Rules.
- 1.2 The purposes of the Plan are to:
  - (a) enable the Company to provide variable remuneration that is performance focussed and linked to long-term value creation for shareholders,
  - (b) enable the Company to compete effectively for the calibre of talent required for it to be successful,
  - (c) ensure that Participants have commonly shared goals, and
  - (d) assist Participants to become Shareholders.

## **2 Interpretation**

- 2.1 Unless the context otherwise requires:
  - (a) headings and subheadings are for convenience only and shall not affect interpretation except for specific cross-references,
  - (b) words denoting the singular shall include the plural, and the converse also applies,
  - (c) words denoting any gender include all genders,
  - (d) any reference to a party to any agreement or document includes its successors and permitted assigns and substitutes by way of assignment or novation, and
  - (e) any reference to any agreement or document includes that agreement or document as amended at any time.
- 2.2 The capitalised words used in these Rules have the meaning ascribed to them in Rule 41 Dictionary.

## **3 Administration**

This Plan will be administered by the Board, but it may delegate responsibility to a committee of the Board in relation to all Participants or to the Managing Director in relation to other Participants. The Board is authorised, subject to the provisions of these Rules, to establish such guidelines for the administration of the Plan as are deemed appropriate, and to make determinations under the Plan as may be deemed necessary or advisable from time to time. Such determinations shall be conclusive and binding on all Participants.

## **4 Eligibility**

All Eligible Persons are eligible to receive Invitations.

## **5 Invitations**

- 5.1 The Plan will operate through a series of Invitations. The Board will in its absolute discretion determine those Eligible Persons who will receive Invitations.
- 5.2 Subject to compliance with the Listing Rules, the Corporations Act and the Company's Constitution, the Board may make Invitations at such times and to such Eligible Persons as it determines in its discretion.

- 5.3 Each Invitation may contain terms and conditions that vary between Invitations. The variable terms and conditions that apply to a grant of Rights under the Plan are to be determined by the Board and included in the Invitation.
- 5.4 Details to be contained in an Invitation will include each of the following to the extent applicable to the intended features of a particular Invitation and the type of Rights that are the subject of the invitation (Performance Rights, Service Rights, and/or Restricted Rights):
- (a) name of the Eligible Person,
  - (b) date of the Invitation,
  - (c) number of each type of Right in each Tranche, that may be applied for,
  - (d) price of the Rights which will be nil, unless otherwise determined by the Board,
  - (e) Exercise Price which will be nil, unless otherwise determined by the Board,
  - (f) the Term of Rights in each Tranche which will be 15 years unless otherwise determined by the Board,
  - (g) vesting conditions which are to apply to Service and/or Performance Rights, as may be applicable to each Tranche,
  - (h) Measurement Period, in the case of Performance and Service Rights,
  - (i) the Vesting Date or how the Vesting Date will be determined,
  - (j) in respect of unvested Service Rights held at the date of termination of employment whether they will lapse or vest or may be retained for possible vesting at a later date,
  - (k) Specified Disposal Restrictions period for Shares that may be acquired on exercise of vested Rights,
  - (l) whether any Shares to be provided to a Participant on exercise of Rights that are the subject of an Invitation must be purchased on-market or may be acquired otherwise,
  - (m) other terms and conditions that the Board determines to include, and
  - (n) how to apply for Rights that are the subject of the Invitation, including the name of the person to whom the Application should be sent and the Application Period.
- 5.5 The receipt of an Invitation or Invitations under the Plan does not guarantee nor confer any entitlement to receive any other Invitation under the Plan.

## **6 Application for Rights**

The form of Application and the Application Period shall be determined by the Board in its discretion from time to time. In submitting an Application, the Eligible Person will be agreeing to be bound by these Rules and the terms of the Invitation.

## **7 Granting of Rights**

- 7.1 The Board will consider valid Applications that are made in response to Invitations and determine whether or not to accept them.
- 7.2 In respect of accepted Applications, the Board will use reasonable endeavours to grant the Rights within 30 days of the last date on which a valid Application may be made.
- 7.3 Participants will be advised in writing when Rights have been granted and the date of the grant, via a Grant Notice.

## **8 Participants**

- 8.1 Eligible Persons whose applications have been accepted and have been granted Rights will be referred to as Participants in the Plan.
- 8.2 They will remain Participants until all Rights they have been granted have either lapsed or been exercised and both any risk of forfeiture and disposal restrictions applicable to the Shares acquired by exercising the Rights have ceased to apply.

## **9 Rights May Not Be Disposed of or Transferred or Encumbered**

Rights may not be disposed of or transferred or otherwise dealt with (including for purposes of this Rule, encumbered or made subject to any interest in favour of any other person) and will lapse immediately on purported disposal, transfer or dealing unless the transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.

## **10 Measurement Periods**

- 10.1 The Measurement Period applicable to each Tranche of Performance Rights will be three years unless otherwise specified in the Invitation. The Measurement Periods for Performance Rights will relate to periods when performance conditions must be satisfied for them to vest.
- 10.2 The Measurement Period applicable to each Tranche of Service Rights will be specified in the Invitation. The Measurement Periods for Service Rights will relate to periods when service conditions must be satisfied for them to vest.
- 10.3 Measurement Periods for grants of Performance and Service Rights will commence on the first day of the financial year in which the grant is made unless otherwise determined by the Board and specified in the Invitation.

## **11 Vesting Conditions**

- 11.1 Vesting Conditions may relate to:
  - a) performance of the Company or an aspect of the Company's operations or the performance of the Participant, or
  - b) continued service of the Participant with a Group Company, or
  - c) any combination of the foregoing determined by the Board for each Tranche.
- 11.2 Vesting Conditions, if applicable, must be specified in the Invitation, along with the relationship between various potential levels of performance and levels of vesting that may occur.
- 11.3 Performance conditions may vary between different Invitations and between different Tranches of Rights specified in an Invitation.

## **12 Vesting of Performance Rights**

- 12.1 Following the end of the Measurement Period, the Board will determine for each Tranche of Performance Rights to which the Measurement Period applies, and which have not previously lapsed, the extent to which it has vested, if at all, and notify Participants in a Vesting Notice of both the extent of vesting and the date of vesting.
- 12.2 Prior to the end of a Measurement Period the Board may determine that some or all of the Performance Rights held by a Participant will vest in which case the Board will notify Participants in a Vesting Notice of both the extent of vesting and the date of vesting. In such circumstances the Board may also determine that any remaining Performance Rights

will be forfeited in which case the Board shall notify Participants in writing, in a form determined by the Board in its absolute discretion.

### **13 Board Discretion Regarding Vesting of Performance Rights**

- 13.1 The Board retains discretion to increase or decrease, including to nil, the extent of vesting in relation to each Tranche of Performance Rights if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Measurement Period. In exercising this discretion, the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of Shareholders over the relevant Measurement Period.
- 13.2 Before exercising its discretion under this Rule, the Board may seek advice from an independent advisor as to whether the discretion should be exercised and if so then the alternative extent of vesting that should be considered by the Board.

### **14 Vesting of Service Rights**

- 14.1 Following the end of the Measurement Period, the Board will determine for each Tranche of Service Rights to which the Measurement Period applies and which have not previously lapsed, the extent to which it has vested, if at all, and notify Participants in writing of the vesting and the date of vesting.
- 14.2 Prior to the end of a Measurement Period the Board may determine that some or all of the Service Rights held by a Participant will vest in which case the Board will notify Participants in a Vesting Notice of both the extent of vesting and the date of vesting. In such circumstances the Board may also determine that any remaining Service Rights will be forfeited in which case the Board shall notify Participants in writing, in a form determined by the Board in its absolute discretion.

### **15 Lapsing of Rights**

Rights will lapse on the earlier of:

- a) For unvested Rights when there is no opportunity for them to vest at a later date, or
- b) The end of their Term.

### **16 Exercise of Rights**

- 16.1 Subject to Rule 27, when a Tranche of Performance Rights or Service Rights vests, it shall be automatically exercised.
- 16.2 Subject to Rule 27, Restricted Rights will be automatically exercised ninety days after the date of their grant, and may not be exercised earlier except as provided for in these Rules.
- 16.3 On exercise of Rights the Board will determine in its absolute discretion whether to settle the Exercised Rights Value in Shares, a cash payment to the Participant or a combination of Shares and a cash payment to the Participant. The Board will advise the Participant in writing of the result of its determination, in the Vesting Notice.
- 16.4 To the extent that the Exercised Rights Value is to be provided in Shares, the Board will in its discretion, either:
  - (a) issue Shares to Participants, or
  - (b) arrange for Shares to be acquired for the benefit of Participants by the trustee of the EST. The Company or another Group Company will contribute such funds as are needed from time to time to the EST trustee to enable the EST trustee to acquire Shares and the trustee shall apply those funds to acquire Shares by:

- i. on-market purchase, or
- ii. subscription to a new issue

as directed by the Board.

- 16.5 To the extent that the Exercised Rights Value is to be paid in cash it will be paid via payroll less any legally required withholdings such as PAYG tax.

## **17 Disposal Restriction Attached to Shares**

- 17.1 All Shares acquired by Participants or held by the trustee of the EST for the benefit of Participants as a consequence of the exercise of Rights, shall be subject to a disposal restriction being that such Shares may not be sold or disposed of in any way until their sale would not breach any of the following:
- (a) the Company's share trading policy, or
  - (b) Division 3 of Part 7.10 of the Corporations Act, or
  - (c) Specified Disposal Restrictions.
- 17.2 In cases of severe and demonstrable hardship the Board may in its absolute discretion waive the remaining portion of the disposal restriction period.
- 17.3 If Shares subject to disposal restrictions are held in the name of the Participant then the Company shall impose a CHESS holding lock to ensure that the disposal restrictions are complied with.
- 17.4 Disposal restrictions attached to Restricted Shares acquired when Rights have been exercised shall cease when the Participant ceases to be an employee of a Group Company and is not immediately re-employed by another Group Company, unless otherwise determined by the Board and specified in the Invitation.
- 17.5 Any CHESS holding lock applied by the Company to Restricted Shares will be removed when the Participant ceases to be an employee of a Group Company and is not immediately re-employed by another Group Company, unless otherwise determined by the Board and specified in the Invitation.
- 17.6 On the first occasion following the cessation of Specified Disposal Restrictions, if any, when Shares may be sold without breaching the Company's share trading policy the Board will advise the Participant in writing of the date of that occasion. A Notice of Cessation of Disposal Restrictions will be used for this purpose. However, if sale of the Shares may not be undertaken due to Division 3 of Part 7.10 of the Corporations Act (insider trading restriction provisions) then the issue of the Notice of Cessation of Disposal Restrictions will be delayed until the next point in time when sales of Shares may occur without breaching either the Company's share trading policy or Division 3 of Part 7.10 of the Corporations Act (insider trading restriction provisions).

## **18 Disposal Restrictions Release at Taxing Point**

In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporations Act, will cease to apply to 50% of such Restricted Shares.

## **19 Fraud, Gross Misconduct, Etc.**

In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.

## **20 Competition and Other Actions that May Harm the Company**

If a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board, then all unvested Rights held by the Participant will be forfeited, unless otherwise determined by the Board.

## **21 No Hedging**

Participants must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Rights (vested or unvested) or Restricted Shares.

## **22 Bonus Issues, Rights Issues and Capital Reorganisation**

- 22.1 In cases of bonus share issues by the Company the number of Rights held by a Participant shall be increased by the same number as the number of bonus shares that would have been received by the Participants had the Rights been fully paid ordinary shares in the Company, except in the case that the bonus share issue is in lieu of a dividend payment, in which case no adjustment will apply.
- 22.2 In the case of general rights issues to Shareholders there will be no adjustment to the Rights. However, the Board may consider issuing options to Participants:
  - (a) of a number up to the number of Shares to which the Participant would have been entitled had the Rights been Shares, and
  - (b) the exercise price of such options will be equal to the amount payable by Shareholders to exercise a right to acquire a Share.
- 22.3 In the case of an issue of rights to other than to Shareholders there will be no adjustment to the Rights.
- 22.4 In the case of other capital reconstructions the Board may make such adjustments to the Rights as it considers appropriate with a view to ensuring that holders of Rights are neither advantaged nor disadvantaged.
- 22.5 This rule is subject to the application of the Listing Rules.

## **23 Termination of Employment**

- 23.1 If a Participant ceases to be an employee of a Group Company and is not immediately re-employed by another Group Company then Performance Rights granted in the financial year of termination of employment which are not vested will be forfeited in the same proportion as the remainder of the financial year bears to the full financial year, unless otherwise determined by the Board.
- 23.2 Performance Rights other than those referred to in Rule 23.1 that do not lapse at the termination of employment will continue to be held by Participants with a view to testing for vesting at the end of the Measurement Period.
- 23.3 Service Rights will be dealt with as specified in the relevant Invitation.
- 23.4 If a Participant has previously ceased to be an employee of a Group Company and was not immediately re-employed by another Group Company then Performance and Service Rights that vest will be dealt with pursuant to Rule 16 except that if the market value of a

Share at the time of exercise is less than the market value of a Share at the date of the termination of employment then the Exercised Rights Value will be paid in cash, unless otherwise determined by the Board.

- 23.5 If a Participant ceases to be an employee of a Group Company and is not immediately re-employed by another Group Company then any unexercised Restricted Rights will be automatically exercised as at the date of the cessation of employment.
- 23.6 If a Participant ceases to be an employee of a Group Company and is not immediately re-employed by another Group Company then any Restricted Shares held by the Participant will cease to be subject to any Specified Disposal Restrictions, unless otherwise determined by the Board and specified in the relevant Invitation.

## **24 Retirement Benefit Limit**

Notwithstanding any other provision in these Rules, the Company is not required to provide or procure the provision of any benefit which would result in a breach by the Company of Division 2 of Part 2D.2 of the Corporations Act relating to termination benefits to any Participants who are the holder of an managerial or executive office unless any prior approval required from the Shareholders for the provision of such a benefit has been sought and obtained by the Company.

## **25 Change of Control Including Takeover**

- 25.1 Unless otherwise determined by the Board, in the event of a Change of Control including a takeover, the Vesting Conditions attached to the Tranche at the time of the Application will cease to apply and:
- (a) unvested Performance Rights granted in the financial year of the Change of Control will be subject to a determination by the Board as to the extent of vesting and if they do not vest will lapse,
  - (b) all remaining unvested Performance Rights will vest if the Change of Control Share Price is greater than the price at the commencement of the measurement period and the Change of Control Share Price leading up to the Change of Control has a 20% premium to the price at the beginning of the Measurement Period,
  - (c) any remaining unvested Rights will vest to the extent, if any, determined by the Board having regard to performance over the Measurement Period prior to the Change of Control,
  - (d) any unvested Performance Rights that do not vest pursuant to (a), (b) and (c) will lapse,
  - (e) all unvested Service Rights will vest,
  - (f) the date of automatic exercise of any unexercised Restricted Rights will be brought forward to a date determined by the Board, and
  - (g) disposal restrictions applied to Restricted Shares by the Company and specified in the Invitation (Specified Disposal Restrictions) will be lifted, including the removal of any Company initiated CHES holding lock, if applicable.

## **26 Major Return of Capital to Shareholders**

- 26.1 In the event of a major return of capital to Shareholders, unvested Performance Rights will be dealt with as is determined to be appropriate in the discretion of the Board, under the circumstances. The terms and conditions that apply to the remainder of the Rights, in particular the standards of performance required for vesting, would then be reviewed to account for the Company's changed circumstances.



- 26.2 In the event of a major return of capital to Shareholders, the Board will have sole and absolute discretion to vest unvested Service Rights, or to determine that they will be unaffected, as may be appropriate in the circumstances of the return to Shareholders at the time. If the decision is made not to vest the Service Rights, the number of Rights may be adjusted to ensure that Participants are neither advantaged nor disadvantaged by the return of capital to Shareholders, at the Board's discretion.
- 26.3 In the event of a major return of capital to Shareholders, any unexercised Restricted Rights will be automatically exercised on a date determined by the Board, prior to the return occurring, unless otherwise determined by the Board.

## **27 Exercise of Plan Securities Granted to a Director without Shareholder Approval**

If a grant of Rights to a Director has not received prior approval of the Company's shareholders, then on exercise of such Rights and subject to the Listing Rules any Shares to be provided to the Participant shall be acquired by the trustee of the EST by on-market purchase.

## **28 Clawback**

While the Company has a policy governing clawback of incentive remuneration and that policy allows clawback of unvested and/or vested Rights and/or Restricted Shares then in the event of any inconsistency between the Plan Rules and the clawback policy, the latter shall prevail.

## **29 ASIC Class Order Compliance**

Invitations will be made in reliance on ASIC Class Order 14/1000 (or any successor class order) and the Board will take such action or refrain from taking actions so as to remain able to rely on the relief provisions of the Class Order, including notifying ASIC when it first relies on the Class Order and not making grants that may exceed the limit contained in the Class Order.

## **30 Employee Share Scheme Taxing Provisions to Apply**

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to this Plan including to all Rights granted under the Plan and all Shares that arise from the exercising of Rights.

## **31 Overseas Transfers**

- 31.1 If a Participant is transferred to work in another country and, as a result of that transfer, the Participant would:

- (a) suffer a tax disadvantage in relation to their Rights (this being demonstrated to the satisfaction of the Board); or
- (b) become subject to restrictions on their ability to deal with the Rights, or to hold or deal in the Shares or the proceeds of the Shares acquired on exercise, because of the security laws or exchange control laws of the country to which he or she is transferred,

then, if the Participant continues to hold an office or employment with a Group Company, the Board may decide that the Performance or Service Rights will vest on a date it chooses before or after the transfer takes effect. The Rights will vest to the extent determined by the Board and may lapse or not lapse as to the balance as determined at the discretion of the Board.

## **32 Non-Australian Residents**

When a Right is granted under the Plan to a person who is not a resident of Australia, the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any applicable or relevant laws, matters of convenience and desirability and similar factors which may have application to the Participant or to the Company in relation to Rights. Such alterations or additions shall be specified in the Invitation.

## **33 Board Determinations and Amendment of the Plan**

- 33.1 A determination by the Board or a Board committee or a delegate of the Board may be evidenced by minutes of a meeting of the Board or Board committee or a record of a determination by the delegate (as applicable). Any such minute or determination shall be prima facie evidence of the determination in the absence of manifest error.
- 33.2 The Board may at any time by written instrument, or by resolution of the Board, amend or repeal all or any of the provisions of the Rules, including this Rule.
- 33.3 No amendment to or repeal of the Rules is to reduce the existing rights of any Participant in respect of any accepted Application that had commenced prior to the date of the amendment or repeal, other than with the consent of the Participant or where the amendment is introduced primarily:
- (a) for the purpose of complying with or conforming to a present or future State, Territory or Commonwealth legal requirement governing, regulating or effecting the maintenance or operation of the Plan or like plans;
  - (b) to correct any manifest error or mistake;
  - (c) to address possible adverse tax implications for Participants generally or the Company arising from:
    - i. a ruling of any relevant taxation authority;
    - ii. a change to tax legislation or the application or termination of the legislation or any other statute or law (including an official announcement by any relevant taxation or government authority);
    - iii. a change in interpretation of tax legislation by a court of competent jurisdiction or by any relevant taxation authority; or
    - iv. to enable the Company to comply with the Corporations Act or the Listing Rules.

## **34 Not Exclusive Method of Incentive**

This Plan shall not be an exclusive method of providing incentive remuneration for employees of the Company, nor shall it preclude the Company from authorising or approving other forms of incentive remuneration.

## **35 No Right to Continued Employment**

Neither the establishment of the Plan nor receipt of an Invitation, nor the approval of an Application, nor the payment of an award nor the vesting of Performance Rights or any other action under the Plan shall be held to confer upon any Participant the right to continue in the employment of the Company or affect any rights the Company may have to terminate the employment of the Participant.

## **36 Relationship to Other Plans**

Participation in the Plan shall not affect or be affected by participation in or payment under any other plan of the Company, except as otherwise determined by the Board.

## **37 Notices**

- 37.1 A notice (meaning for the purposes of this Rule 37, notice, application, permission or other communication) under the Rules or in connection with the Plan may be given in writing, addressed to the person to whom it is given, and is taken to be given and received if sent in accordance with Rules 37.2, 37.3 or 37.4.
- 37.2 For the purposes of Rule 37.1 a notice is duly given and received by the Company or another Company if sent to the Company by pre-paid mail or by facsimile or other electronic communication, to an address at which it is actually received by:
- a) the person who is, from time to time, designated by the Board as the person to whom the notice should be sent or by whom it should be received, and whose name or title and address are notified to the sender; or
  - b) if no other person is designated by the Board for this purpose, the secretary of the company.
- 37.3 For the purposes of Rule 37 notice is duly given and received by a company other than a Company if sent to the company:
- a) by pre-paid mail to its registered office; or
  - b) by facsimile or other electronic communication to the last known facsimile or other electronic communication address of its registered office.
- 37.4 For the purposes of Rule 37.1 a notice is duly given and received by a natural person (other than a person referred to in Rule 37.1) if sent to:
- a) the person's last known mailing address or the person's last known facsimile or other electronic communication address; or
  - b) in the case of a Participant who has not ceased to be an employee of the Company, to the last known mailing, facsimile or other electronic communication address of the place of business at which the person performs the whole or substantially the whole of his or her Employment.
- 37.5 A notice given under Rule 37.1 to a person being a natural person (referred to in Rule 37.4), is duly given even if the person is then deceased (and whether or not any Company has notice of his or her death), unless the legal personal representative of the person has established title to this position to the satisfaction of the Company and supplied to the Company an address to which documents should be sent.
- 37.6 A notice sent in accordance with Rule 37.1 is treated as given and received:
- a) in the case of a notice sent to the Company or another Company, at the time it is actually received by the appropriate person referred to in Rule 37.1;
  - b) in the case of any other notice sent by prepaid mail, 48 hours after it was put into the post properly stamped; and
  - c) in the case of any other notice sent by facsimile or other electronic communication, at the time of transmission.

## 38 Constitution and Listing Rules

The Rules are subject to the Company's constitution and applicable Listing Rules in force from time to time.

## 39 Effective Date

These rules will be effective from 1 July 2019 and will continue until the Plan is amended or terminated.

## 40 Governing Law

40.1 These Rules are governed by the laws of New South Wales, Australia.

## 41 Dictionary

41.1 Unless the context otherwise requires, the following terms and abbreviations have the following meanings.

Application	The document that must be submitted to apply for Rights under the Plan, as specified in Rule 6, which is annexed to the Invitation.
Application Period	The period between the date of the Invitation and the last date on which an Application may be submitted.
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 (aka Australian Securities Exchange) or the securities market which it operates, as the context requires.
Board	The Board of Directors of the Company.
Company	Earlypay Limited ABN 88 098 952 277.
Change of Control	When the Board advises Participants that one or more persons acting in concert have acquired or are likely to imminently acquire "control" of the Company as defined in section 50AA of the Corporations Act.
Change of Control Share Price	The volume weighted average share price at which the Company's shares were traded on the ASX over the twenty (20) trading days prior to the date for which the calculation is made.
CHES	Clearing House Electronic Sub-register System
Corporations Act	Corporations Act 2001 (Cth).
Director	Means a member of the Board whether in an executive or non-executive capacity.

Eligible Person	Means a full time or part-time employee (including an executive director but excluding a non-executive director), a casual employee of a Group Company or a contractor to a Group Company or a person who will prospectively fill one of the foregoing roles.
EST	The Earlypay Limited Employee Share Trust or any other employee share trust established to facilitate the operation of this Plan.
Exercise Price	Means the amount, if any, payable to exercise a Right.
Exercised Rights Value	The value determined by multiplying the relevant number of vested Rights in a Tranche by the relevant Share Price at the date of exercise of the Rights.
Grant Notice	The document issued to a Participant to notify them that a grant of Rights has been made to them, which must include the date of the grant.
Group	Means the Company and its Related Bodies Corporate.
Group Company	Means any body corporate within the Group.
Invitation	Means a communication to an Eligible Person that contains the terms and conditions of the specific invitation to apply for Rights.
Listing Rules	The Listing Rules of the ASX.
Managing Director	Means a Director who simultaneously holds the most senior executive role within the Company.
Measurement Period	In relation to Invitations of Performance and Service Rights means the period or periods specified in the Invitation in relation to conditions applying to the vesting of the Rights.
Notice of Exercise Execution	The written advice from the Board to a Participant indicating whether exercised Rights will be settled in cash or Shares or a combination of both.
Participant	See Rule 8.
PAYG	Pay As You Go tax instalment system.
Performance Rights	These are Rights which are subject to performance related Vesting Conditions.
Plan	Earlypay Limited Rights Plan.
Related Bodies Corporate	Has the meaning in section 50 of the Corporations Act.
Restricted Right	Means a Right which is fully vested at grant.

Restricted Shares	Shares acquired by exercise of vested Rights and which are subject to disposal restrictions.
Right	Means an entitlement to the value of a Share which may be settled in the form of cash, or a Share (including a Restricted Share), as determined by the Board in its discretion.
Rules or Plan Rules	These Rules that govern the Plan.
Service Rights	These are Rights that are subject to service related Vesting Conditions.
Shareholders	Means those persons who hold Shares.
Share	A fully paid ordinary share in the Company.
Share Price	The volume weighted average share price at which the Company's shares were traded on the ASX over the ten (10) trading days prior to the date for which the calculation is made.
Specified Disposal Restrictions	Means the period for which Restricted Shares may not be disposed of or transferred or otherwise dealt with (including encumbered or made subject to any interest in favour of any other person) unless the transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.
Tranche	Refers to a group of Rights defined by the fact that each Right in the group has identical terms and features.
Term	Means the period between the date of grant of a Right and the date on which it will lapse if not earlier exercised, which will be the 15 <sup>th</sup> anniversary of the date of grant unless otherwise determined by the Board and specified in an Invitation.
Vesting Notice	The document issued to a Participant to notify them that Rights have vested, including the date of vesting.
Vested Right	Means a Rights in respect of which a Vesting Notice has been issued to a Participant.
Vesting Conditions	Conditions that must be satisfied in order for vesting of a Right to occur, as contemplated in Rule 11.
Vesting Date	The date on which unvested Rights become vested, as specified in a Vesting Notice.
\$	Australian Dollars.

**Need assistance?****Phone:**

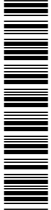
1300 855 080 (within Australia)  
+61 3 9415 4000 (outside Australia)

**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

EPY

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Earlypay Limited Annual General Meeting

The Earlypay Limited Annual General Meeting will be held on Thursday, 17 November 2022 at 3:00pm (AEDT). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:

**Control Number: 999999****SRN/HIN: I9999999999****PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 3:00pm (AEDT) on Tuesday, 15 November 2022.



### ATTENDING THE MEETING VIRTUALLY

To view the live webcast and ask questions on the day of the meeting you will need to visit [https://us02web.zoom.us/webinar/register/WN\\_m9l9mfrNS2KlaxxJE0fCQ](https://us02web.zoom.us/webinar/register/WN_m9l9mfrNS2KlaxxJE0fCQ)

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

EPY

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123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



### Phone:

1300 855 080 (within Australia)  
+61 3 9415 4000 (outside Australia)



### Online:

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (AEDT) on Tuesday, 15 November 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

XX

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Earlypay Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Earlypay Limited to be held as a virtual meeting on Thursday, 17 November 2022 at 3:00pm (AEDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 and 6 by marking the appropriate box in step 2.

### Step 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-Election of Ms. Susan Healy as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-Election of Mr. Daniel Riley as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Increase in Aggregate Non-Executive Director Remuneration pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval for issue of performance rights under rights plan - James Beeson (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Refresh of Company's Rights Plan and implement maximum securities under the plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

EPY

293712A



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