

12 June 2021

Dear Shareholder

A Notice of Annual General Meeting of Paygroup Limited (**Paygroup or the Company**) to be held on 22 July 2021 at 4.00 pm is now available at <https://paygrouplimited.com/index.php/asx-announcements/>

Safety of our shareholders and staff is our paramount concern, and therefore, in line with State Government regulations and ASIC recommendations during the COVID 19 pandemic, we will hold the Annual General Meeting by way of live video conference. There will be no physical meeting.

The consequences of this are as follows:

1. If you wish to attend the virtual meeting, you must email oliver@ocarton.com.au and you will be provided with a link to enable you to join the video conference;
2. We recommend that any questions concerning the business of the meeting are submitted to oliver@ocarton.com.au in advance of the meeting;
3. All resolutions will be determined by way of a poll. The poll will be conducted based on votes submitted by proxy and by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.
4. Due to the virtual nature of the Meeting, Computershare, the Company's share registry, will be facilitating voting during the Meeting. If you wish to cast your vote during the Meeting, you will need to visit web.lumiagm.com/341732913 on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at www.computershare.com.au/onlinevotingguide.

Shareholders are strongly encouraged to lodge a proxy form to vote at the AGM at least 48 hours before the meeting.

Yours sincerely



Oliver Carton
Company Secretary

PAYGROUP LIMITED
ACN 620 435 038
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the members of PayGroup Limited (**PayGroup or Company**) will be held by videoconference, at 4.00 pm AEST on 22 July 2021.

BUSINESS

FINANCIAL REPORT

To receive and consider the Annual Financial Statements, the Directors' Report and Audit Report of the Company and its Controlled Entities for the financial period ended 31 March 2021.

The above documents are contained in the Annual Report. Shareholders who have elected to receive an electronic copy of the Annual Report can download a copy at www.paygrouplimited.com under the investors and annual reports tabs. Shareholders who have elected to receive a hard copy of the Annual Report will receive one with this Notice of Meeting.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following non-binding resolution:

That the Remuneration Report contained in the Directors' Report for the financial period ended 31 March 2021 be adopted.

Short Explanation

The Corporations Act requires listed companies to put to Shareholders at the Annual General Meeting a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the 2021 Annual Report.

Shareholders will be given an opportunity to ask questions concerning the Remuneration Report at the Annual General Meeting. As stated, Resolution 1 is non-binding.

Voting Exclusion Statement

The Company will disregard any votes cast on the proposed resolution for adoption of the remuneration report by or on behalf of: (a) a Key Management Personnel (**KMP**) named in the Remuneration Report; or (b) a Closely Related Party of a KMP, whether the votes are cast as a Shareholder, proxy or in any other capacity. However, the Company will not disregard a vote cast by a KMP or Closely Related Party of a KMP if it is cast as a proxy and it is not cast on behalf of a KMP or a Closely Related Party of a KMP. If the proxy is the Chairman, and the proxy does not specify the way in which the proxy should vote, the Chairman intends to vote in favour of the resolution.

Important for Resolution 1

If you are KMP or a Closely Related Party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

RESOLUTION 2 - RETIREMENT OF DIRECTORS BY ROTATION AND BY OPERATION OF THE CONSTITUTION

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

- 1.1 *That, having being appointed during the year and retired pursuant to the Constitution of the Company, Shane Gild be elected as a director.*
- 1.2 *That, having retired pursuant to the Constitution of the Company, Ian Bassar be re-elected as a director.*

Short Explanation

The Company's Constitution requires directors appointed since the last AGM to be elected at the first Annual General Meeting following their appointment. Mr Gild was elected during the year and offers himself for election.

The Constitution also requires one third of the other directors (other than the Managing Director) to retire at each Annual General Meeting, being the directors longest in office since being re-elected by Shareholders at the date of the Annual General Meeting. Mr Bassar retires under this rule and offers himself for re-election.

Details of Mr Gild and Mr Bassar are contained in the Directors' Report section of the Annual Report.

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Shares equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.

Short Explanation

ASX Listing Rule 7.1A provides that a listed entity such as the Company may seek shareholder approval at its annual general meeting to allow it to issue equity securities up to 10% of its issued capital over a period up to 12 months after its Annual General Meeting. This is in addition to the 15% permitted by ASX Listing Rule 7.1. That approval is the purpose of Resolution 3.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of fully paid ordinary securities (**Shares**)), if the resolution is passed, or any associates of those persons.

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

- 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
- 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
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board:



Oliver Carton
Company secretary
Dated: 12 June 2021

NOTES

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The Chairman of the meeting intends to exercise all available proxies by voting in favour of all resolutions.

To be valid, the enclosed proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged:

- a) at the offices of the Share Registry – Computershare Investor Services Pty. Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia;
- b) by faxing it to the Share Registry office on fax number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
- c) online: www.investorvote.com.au;
- d) for Intermediary online subscribers only (custodians) - electronically at www.intermediaryonline.com.

not later than 48 hours before the time for commencement of the meeting, being 4.00 pm AEST on 20 July 2021.

OTHER INFORMATION

A person may attend the meeting under an appointment of corporate representative pursuant to section 250D of the Corporations Act or Power of Attorney only if a copy of that duly executed appointment or Power of Attorney is lodged with the Share Registry or produced prior to the commencement of the meeting.

The Company has determined that a person's entitlement to vote at the Annual General Meeting will, in accordance with the Corporations Act, be the entitlement of that person set out in the register of Shareholders as at 7:00 pm 20 July 2021. This means that any Shareholder registered at 7:00 pm on 20 July 2021 is entitled to attend and vote at the Annual General Meeting.

Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting, unless it had already been provided to the Share Registry.

EXPLANATORY STATEMENT

INTRODUCTION

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the meeting and the Resolution proposed to be considered at the Annual General Meeting.

1 FINANCIAL STATEMENTS AND REPORT

At the Annual General Meeting, Shareholders will be given an opportunity to ask questions and comment on the Directors' Report, Financial Statements and Independent Auditor's Report for the financial period ended 31 March 2021.

Shareholders who have elected not to receive a hard copy of the Company's 2021 Annual Report can view or download a copy from the Company's website at www.paygrouplimited.com

The Company's auditors will be present at the meeting and be available to answer questions as to the conduct of the audit and the auditor's report.

RESOLUTION 1 - REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, listed entities are required to put to Shareholders at their Annual General Meeting a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the Annual Report.

As stated the resolution is non-binding however if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the report, then there are the following consequences. The Corporations Act was amended in June 2011 to introduce the "two-strikes" rule. The two strikes rule provides that if at least 25% of the votes cast (excluding KMP and their Closely Related Parties) on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on a Spill Resolution.

A Spill Resolution is a resolution that a separate meeting be called where all Directors other than the Managing Director retire and can be re-elected.

The Directors recommend that all Shareholders vote in favour of the Remuneration Report.

As stated the Company will disregard any votes cast on the proposed resolution for adoption of the remuneration report by or on behalf of:

- (a) a KMP; or
- (b) a Closely Related Party of a KMP.

2 RESOLUTION 2 - RETIREMENT OF DIRECTORS BY ROTATION AND BY OPERATION OF THE CONSTITUTION

The PayGroup Constitution requires directors appointed during the year to retire and offer themselves for election at the first AGM following their appointment. The Constitution also requires one third of directors, other than the Managing Director, to retire at each Annual General Meeting. Those directors are eligible to be elected by Shareholders.

Mr Shane Gild and Mr David Fagan retire under this rule and offer themselves for re-election.

The details and experience of Mr Gild and Mr Fagan are set out in the Directors' Report section of the Annual Report.

The Directors recommend that all Shareholders vote in favour of this resolution.

The Chairman intends to vote open proxies in favour of this resolution.

3 RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**). The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 4.2 below).

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue on the date of issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1, being a total of 25% of the Company's fully paid ordinary securities on issue.

If resolution 3 is not passed, the Company will not be able to access the additional 10% placement capacity in Listing Rule 7.1A and will be limited to its placement capacity under Listing Rule 7.1 without first obtaining shareholder approval.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

3.2 ASX Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation less than \$300 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of Equity Securities on issue, being the Shares (ASX Code: AUZ).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

A is the number of Shares on issue at the commencement of the relevant period:

- plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- plus the number of Shares issued in the relevant period on conversion of convertible securities within Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or take under these rules to have been approved, under Rule 7.1 or 7.4;
- plus the number of Shares issued in the relevant period under an agreement to issue securities within Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or take under these rules to have been approved, under Rule 7.1 or 7.4;
- plus the number of Shares issued in the relevant period with approval of holders of Shares under rules 7.1 or 7.4;
- plus the number of partly paid shares that became fully paid in relevant period; and
- less the number of Shares cancelled in relevant period.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under Listing Rule 7.1 or 7.4.

Relevant period means:

- If the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- If the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

3.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

3.3.1 *Minimum Price*

Any Equity Securities issued under Rule 7.1A.2 must be in an existing quoted class of the eligible entity's quoted securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed by the entity and recipient of the Equity Securities; or
- if the Equity Securities are not issued within 10 ASX trading days of the date in the above bullet point, the date on which the Equity Securities are issued.

3.3.2 *Date of Issue*

An approval under this Rule 7.1A commences on the date of the AGM at which the approval is obtained and expires on the first to occur of the following:

- the date that is 12 months after the date of the AGM;
- the time and date of the entity's next AGM;
- the time and date of approval by holders of Shares of any transaction under Listing Rules 11.1.2 or 11.2.

(10% Placement Capacity Period).

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature and scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

3.3.3 *Risk of voting dilution*

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 10 June 2021.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.24 50% decrease in Issue Price	\$0.48 Issue Price	\$0.72 50% increase in Issue Price
114,539,241 (Current)	10% Voting Dilution	11,453,924	11,453,924	11,453,924
	Funds raised	2,748,941	5,497,883	8,246,825
171,808,861 (50% increase)	10% Voting Dilution	17,180,886	17,180,886	17,180,886
	Funds raised	4,123,412	8,246,825	12,370,237
229,078,482 (100% increase)	10% Voting Dilution	22,907,848	22,907,848	22,907,848
	Funds raised	5,497,883	10,995,767	16,493,650

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer), that are issued as a result of the exercise of unlisted options.

The table above uses the following assumptions:

- There are currently 114,539,241 Shares on issue.
- 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 issue price set out above is the price of the Shares on the ASX on 10 June 2021.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity being 10% of the Company's issued capital on the date of issue.

- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.

The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

3.3.4 Purpose of Issue under 10% Placement Capacity

The Company must issue Equity Securities under the 10% Placement Capacity as cash consideration in which case the Company intends to use funds raised as cash consideration for acquisitions of new assets and investments (including expenses associated with such acquisitions), and general working capital of the Company.

3.3.5 Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

At this point in time no decision has been made concerning use of the 10% placement capacity during the relevant period, including the number of Equity Securities it may issue and when this may occur.

Therefore the allottees of the Equity Securities that may be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

3.3.6 Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained approval under Listing Rule 7.1A at the 2018, 2019 and 2020 Annual General Meetings.

During the 12 months prior to the date of this meeting, the Company has issued 8,228,381 equity securities under Listing Rule 7.1A.2 as approved by Shareholders at the General Meeting held on 13 May 2021. The proceeds were used to fund: the cash consideration of the IWS acquisition; investment in additional sales capabilities across key markets; further investment in automation and artificial intelligence to enhance margins; and working capital and transaction costs. Further details are set out in Annexure 1.

3.3.7 Compliance with ASX Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will

- state in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A; and
- give to ASX immediately after the issue a list of names of the persons to whom the entity issued the Equity Securities and the number of Equity Securities issued to each.

3.3.8 Voting Exclusion

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

Annexure 1

Date of issue announcement	No of securities	Date of issue	Class	Issue Price (\$)	Close market price (\$)	Discount (%)	Consideration cash (\$)	Consideration non cash – current value	Purpose of issue	Persons issued to or basis on which those persons were determined
31 March 2021	8,228,381	9 April 2021	ordinary	\$0.56	\$0.63	14.9	\$0.56 per Share	Nil	See paragraph 3.3.6	Clients of Canaccord Genuity (Australia) Limited

PYG

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



Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4.00 pm (AEST) on Tuesday, 20 July 2021.**

PayGroup Limited Annual General Meeting

We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this letter.

Meeting date and location:

The Annual General Meeting of PayGroup Limited will be a virtual meeting, which will be conducted online on Thursday, 22 July 2021 at 4.00 pm (AEST).

Attending the meeting online:

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your vote in real time.

Webcast and Questions

If you wish to attend the virtual meeting, you must email oliver@ocarton.com.au and you will be provided with a link to enable you to join the video conference

Voting

To vote online during the meeting you will need to visit web.lumiagm.com/341732913 on your smartphone, tablet or computer.

You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/onlinevotingguide>

Access the meeting documents and lodge your proxy online:

Online:

Access the meeting documents and lodge your vote online at 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: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com



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

PayGroup Limited
ACN 620 435 038

PYG

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Need assistance?

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 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4.00 pm (AEST) on Tuesday, 20 July 2021.**

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 under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at 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

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.

MR SAM SAMPLE
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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 PayGroup 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 PayGroup Limited to be held as a virtual meeting on Thursday, 22 July 2021 at 4.00 pm (AEST) 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 Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is 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 Resolution 1 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 2a	Election of Shane Gild as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2b	Re-election of Ian Basser as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of additional 10% Placement Capacity	<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

PYG

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Computershare



PayGroup Limited
ACN 620 435 038

PYGRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in PayGroup Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

PayGroup Limited