



E M L
empowering your payments

Disclosure and Communication Policy

INTRODUCTION

EML Payments Limited (**EML** or the **Company**) is a public company listed on the Australian Securities Exchange (**ASX**). EML is required to comply with continuous disclosure regime set out in section 674 of the *Corporations Act 2001* and the ASX Listing Rules (**Listing Rules**). The continuous disclosure regime requires listed entities to immediately disclose information which may materially affect the price of value its securities. The regime reflects the expectation of investors and the market to have ready access to that type of information.

This Disclosure and Communication Policy (**Policy**) sets out how EML will deal with its continuous disclosure obligations, establishes a procedure for compliance with those obligations and is a general guide to complex legal provisions relating to continuous disclosure. This Policy should not be taken as legal advice.

This Policy also sets out how the EML will provide all shareholders equal and timely access to material information concerning the Company and communicate effectively with shareholders making it easy for them to participate in general meetings.

Scope

This Policy applies to all Directors, senior executives, employees and consultants of EML and its subsidiaries (**Group**). All Group personnel need to be familiar with the terms of this Policy. Failure to comply with this Policy may result in a breach of the *Corporations Act 2001* or the Listing Rules which carry personal and criminal penalties for Directors and officers. Any breach of this policy will be regarded as serious misconduct and may lead to termination of employment.

CONTINUOUS DISCLOSURE OBLIGATIONS

Underlying Principle

The Company has obligations under the *Corporations Act* and the Listing Rules to keep the market fully informed of Price Sensitive Information and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release.

Listing Rule 3.1 Continuous Disclosure

Listing Rule 3.1 requires the Company to immediately disclose Price Sensitive Information to the market by notifying ASX (unless an exception applies).

What is Price Sensitive Information?

Price Sensitive Information is any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of EML securities.

The types of information that are likely to constitute Price Sensitive Information in relation to the Company is information that:

- relates to the affairs of the Company or the Group;
- may give a person proposing to deal in EML securities an advantage over other persons holding or dealing in EML securities; and
- if it were generally available, would likely to materially affect the price of EML securities.

Information about the Company or Group regarding any of the following subjects which is not publicly available might also constitute Price Sensitive Information:

- transactions that will lead to a significant change in the nature or scale of the Company's activities;
- a material acquisition or disposal;
- the granting or withdrawal of a material licence;
- the entry into, variation or termination of a material agreement;
- becoming a plaintiff or defendant in a material law suit;
- the fact that the Company's earnings will be materially different from the market expectations;
- the appointment of a liquidator, receiver or administrator;
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- undersubscriptions or oversubscriptions to an issue of securities;
- giving or receiving a notice of intention to make a takeover; and
- any rating applied by a rating agency to the Company or its securities and any change to such a rating.

Exceptions to Disclosure of Information

Listing Rule 3.1 provides that disclosure is not required where:

- one or more of the following applies:
 - it would be a breach of law to disclose the information; or
 - the information concerns an incomplete proposal or negotiation; or
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
 - the information is generated for internal management purposes; or
 - the information is a trade secret; and

- the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- a reasonable person would not expect the information to be disclosed.

The exception operates only for as long as all three conditions are satisfied. If one or more of the requirements ceases to be satisfied, the exception no longer applies and the Company must disclose the information to ASX immediately.

Information will be confidential so long as the Company has control over the use and disclosure of information. Confidentiality will not be lost if the Company gives confidential information to its advisers and financiers, or gives the information to a third party subject to a confidentiality arrangement.

ASX can form the view that confidentiality has been lost if all or part of the information becomes known with reasonable specificity, selectively or generally, whether inadvertently or deliberately. For example, media speculation and market rumours may signal that confidentiality has been lost. If ASX forms the view that confidentiality in respect of Price Sensitive Information has been lost, that information must be immediately disclosed.

DISCLOSURE ROLES, RESPONSIBILITIES AND INTERNAL PROCEDURES

Board Responsibilities

The Board is responsible for:

- monitoring the Company's compliance with its continuous disclosure obligations;
- ensuring adequate processes and controls are in place for the identification, reporting and disclosure of Price Sensitive Information in a timely manner;
- ensuring that personnel are educated on the Policy and the internal reporting processes and controls; and
- where requested to do so, reviewing media announcements proposed to be made by the Company (irrespective of whether they contain Price Sensitive Information) and making recommendations (if any) as to content.

The Company has appointed the Company Secretary as the person responsible for communication with ASX in relation to Listing Rule matters and also for the general administration of this Policy.

General Reporting Procedure

When personnel become aware of information which they believe may need to be disclosed, they should immediately advise full details to the Group Chief Executive Officer and Company Secretary who will then liaise and take the following steps:

- review the information reported and assess whether it is Price Sensitive Information and whether disclosure is required or an exception applies;

- coordinate the actual form of disclosure, if disclosure is required;
- consult with the Board as necessary and where reasonably practicable, obtain the approval for the announcement of Price Sensitive Information from the Board; and
- release the information to ASX if required.

Since the obligation to notify ASX of Price Sensitive Information is an obligation to notify immediately, it may not be possible to convene a Board meeting before making an announcement containing Price Sensitive Information. If this is the case, the announcement must have been reviewed by the Chair (or their delegate) and the Group CEO (or their delegate).

Where a decision is made that the item or information does not warrant an ASX release, the Group CEO and Company Secretary are to advise Directors of the rationale for the decision.

ASX announcements that are administrative and routine may be prepared by the Company Secretary without requiring further approval or formal consideration by the Board.

DISCLOSURE MATTERS GENERALLY

Release of Information to the Public

The Company must not release Price Sensitive Information to any person until it has given that information to the ASX and it has been cleared by the ASX. The Group CEO and/or the Company Secretary or their delegates will advise all relevant parties when the ASX announcement has been released to the market. All information disclosed to ASX is to be promptly placed on the Company's website after clearance by ASX.

Speculation and Rumours

Generally the Company will not respond to market speculation or rumours unless a response is required by law or ASX. On media speculation the Company has a strict "no comment" policy which must be observed by all personnel. The Company may only make a statement about or respond to speculation or rumour where the Company considers that it is obliged or required to do so and any response must be in accordance with law and this Policy.

False Market

If ASX considers that there is or is likely to be a false market in EML securities and asks the Company to give it information to correct or prevent a false market, the Company must give ASX the information needed to correct or prevent the false market. The obligation to give information requested by ASX to correct a false market applies regardless of whether the exception in Listing Rule 3.1A otherwise applied in respect of that information.

An example of circumstances where ASX would be likely to consider a false market exists include where:

- the Company has information that has not been released to the market because it is relying on Listing Rule 3.1A;
- there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed, denied or clarified by the Company; and
- there is evidence that the rumour or comment is having, or ASX forms the view that it is likely to have, an impact on the price of the Company's securities.

Trading Halts and Voluntary Suspensions

The Company recognises that in certain circumstances it may be appropriate for the Company to request a trading halt from ASX. This may include circumstances where:

- confidential information about the Company has inadvertently been made public and has created a false market or is particularly damaging to the Company (or both), and further time is required to enable the Company to prepare an appropriate announcement; or
- the Company is preparing to make a major announcement and is concerned to prevent speculative or insider trading.

If such a circumstance arises only the Board can authorise a request for a trading halt.

If the Company does not expect to be able to make an announcement regarding the relevant Price Sensitive Information within the usual two trading days permitted for the trading halt, the Company will also consider whether a voluntary suspension on the trading of securities is more appropriate.

MARKET COMMUNICATION

Analysts and Institutional Investors

The Company may conduct briefings for analysts and institutional investors from time to time to discuss matters concerning the Group. Only the Chair, Group CEO and CFO or approved representatives of the Company are authorised to speak with analysts and institutional investors.

Any slides or presentations prepared for briefings will be released through ASX and thereafter posted on the Company's website prior to the briefing taking place.

Before each reporting period, the Group CEO and CFO will formulate guidelines for briefings for that period. The Company's policy at these briefings is that:

- the Company will not disclose Price Sensitive Information at any meeting with an investor or analyst without formally disclosing it to the market beforehand;
- the Company will not comment on price sensitive issues already disclosed to the market; and
- any questions raised in relation to price sensitive issues not already disclosed to the market will not be answered or will be taken on notice.

If a question is taken on notice and the answer would involve the release of Price Sensitive Information, the information must be released through ASX before responding.

At or after briefings, the Group CEO and CFO will consider the matters discussed to ascertain whether any Price Sensitive Information was inadvertently disclosed. If so, the procedures set out below at 'Inadvertent Disclosure or Mistaken Disclosure' must be followed.

Analyst Reports

If requested, the Company may review analyst reports. The Company's policy is that, unless otherwise required by ASX to dispel market speculation or rumours, it will only review these reports to clarify historical information and correct factual inaccuracies if this can be achieved using information that has been disclosed to the market generally.

No comment or feedback will be provided on financial forecasts, including profit forecasts prepared by the analyst, or on conclusions or recommendations set out in the report. The Company will communicate this policy whenever asked to review an analyst report.

Inadvertent Disclosure or Mistaken Disclosure

If Price Sensitive Information is inadvertently disclosed or personnel become aware of information which should be disclosed, the Group CEO and Company Secretary must immediately be contacted so that appropriate action can be taken including, if required, announcing the information through ASX and then posting it on EML website.

Media Relations and Public Statements

Media relations and communications are the responsibility of the Group CEO. On major matters, the Group CEO is generally the spokesperson, and on financial matters, the CFO or Group CEO may generally speak.

Other officers or senior executives may be authorised by the Board or the CEO to speak to the media on particular issues or matters.

Any inquiry from the media must be referred to the Group CEO and the Company Secretary.

SHAREHOLDER COMMUNICATION

The Company produces financial reports and an annual report in accordance with the *Corporations Act 2001*, the Listing Rules and applicable accounting standards. It seeks to give balanced and understandable information about the Company and its proposals in its reports to shareholders.

The Company's website contains information about the Company including shareholder communications, announcements made to the market and related information. Investor information is posted in a separate section on the website from other material about the Company. Relevant press releases, Company financial announcements and financial data and the Company's charters and

policies will also be available on the Company website. The website also provides information for shareholders to direct inquiries to the Company.

General meetings are used to communicate with shareholders and allow an opportunity for informed shareholder participation. The Company conducts its general meetings in accordance with the Company's constitution, the *Corporations Act 2001* and the Listing Rules.

POLICY REVIEW

The Company Secretary will review this Policy annually and report to the Board any changes that are recommended to be made. The Board may, in its discretion, adjust or exclude a specific requirement of this Policy from time to time, either generally or on a case by case basis.

Approved by the Board of EML Payments Limited on 24 August 2016