

SCHEDULE 1



**SUPREME COURT OF VICTORIA
NOTICE OF PROPOSED SETTLEMENT**

EML PAYMENTS SHAREHOLDER CLASS ACTION

***Paul Leighton Mumford and Gayle Mumford v EML Payments
Limited***

(PROCEEDING NUMBER: S ECI 2021 04738)

IMPORTANT COURT NOTICE

PLEASE READ CAREFULLY

This notice contains important information about the proposed settlement of a class action against EML Payments Limited.

You should read this notice carefully as it may affect your legal rights. Any questions you have concerning this notice should not be directed to the Supreme Court of Victoria. If there is anything in this notice that you do not understand, you should seek legal advice.

A. WHY HAVE YOU RECEIVED THIS NOTICE?

1. The Supreme Court of Victoria (**Court**) has ordered that you receive this notice because, according to information contained in the share register of EML Payments Limited (**EML**), you may be a Group Member in the EML Payments Shareholder class action (**Class Action**). The Court has ordered this notice be published to inform you about the proposed settlement of the Class Action, the parties' intention to seek Court approval of that settlement, and your rights in relation to that process.

B. WHAT IS THE CLASS ACTION ABOUT?

2. The Class Action alleges that EML:
 - (a) for the period between 19 December 2020 to 19 May 2021, breached its continuous disclosure obligations by failing to inform the Australian Securities Exchange of information relating to alleged deficiencies in the anti-money laundering and counter-terrorism financing risk and control frameworks and governance of its subsidiary, PFS Card Services (Ireland) Limited; and the potential regulatory consequences of those deficiencies;
 - (b) for the period between 18 August 2021 to 25 July 2022, engaged in conduct that was misleading or deceptive and/or in contravention of its continuous disclosure obligations in relation to EML's financial guidance, the timing of its remediation plan, and potential regulatory consequences.
3. The Class Action says that Group Members suffered loss as a result of EML's alleged breaches of its continuous disclosure obligations and/or misleading or deceptive conduct. EML denies the claims made against it in the Class Action.
4. On 25 June 2025, an in-principle settlement between the parties was announced. The parties have agreed to settle the Class Action without EML making any admission of liability, subject to the approval of the Court.
5. When the parties reached the in-principle agreement to settle the Class Action, they had been preparing for trial, which was set to commence on 11 August 2025, the trial was planned to run for at least three weeks, they had filed a total of 10 expert reports and three lay witness outlines and they had attended an in-person mediation.

C. ARE YOU PART OF THIS CLASS ACTION?

6. You are a **Group Member** if you:
 - (a) acquired an interest in ordinary shares in EML during the periods between:
 - (i) 19 December 2020 to 19 May 2021; and/or
 - (ii) 18 August 2021 to 25 July 2022,

(Relevant Periods);

- (b) suffered a loss or damage by reason of the conduct alleged against EML in this Class Action;
- (c) during the Relevant Periods and as at 24 February 2025, were not:
 - (i) a related party, a related body corporate, an associated entity, or an officer or close associate of EML; or
 - (ii) a Judge or the Chief Justice of the Court, or a Justice or the Chief Justice of the High Court of Australia.
- 7. If you do not fit this description of a Group Member, you may disregard this notice.
- 8. If you opted out of the Class Action by:
 - (a) lodging an opt-out notice with Shine Lawyers or the Supreme Court of Victoria on or before 24 February 2025; or
 - (b) providing a valid late opt out request which was accepted by the Supreme Court of Victoria and recorded in the orders of the Honourable Justice Nichols dated 1 April 2025,

you are no longer a Group Member of this Class Action and you should disregard this notice.

- 9. You **have 3 options** to respond to this notice. See Point E – ‘WHAT ARE MY OPTIONS?’ below.

D. PROPOSED SETTLEMENT

I. What is the proposed settlement?

- 10. Under the proposed settlement, EML will pay a total of \$37,356,125 inclusive of all legal costs, expenses, disbursements, interest and any taxes (**Settlement Sum**) to fully and finally settle all claims brought by the plaintiffs and Group Members against EML in the Class Action. The Settlement Sum will be paid without any admission of liability by EML.
- 11. The proposed settlement of the Class Action must be approved by the Court. The Court will hold a hearing on **30 October 2025 (Settlement Approval Hearing)** to hear the plaintiffs’ application to approve the proposed settlement. This will involve the Court deciding whether to approve the deed entered into by the parties (**Settlement Deed**) and the scheme by which payments are to be calculated and made to Group Members who have registered (**Settlement Distribution Scheme**).
- 12. All Group Members will be bound by the terms of the proposed settlement (including unregistered group members), if approved by the Court, and will not be permitted to

take any other legal action against EML or its related parties for the same or related circumstances to those that are the subject of the Class Action.

13. The proposed settlement will only take effect if it is approved by the Court. If the proposed settlement is not approved by the Court, the Class Action will continue and there will be no distribution of payments to Group Members unless and until the plaintiffs are successful in the proceeding, or a further settlement is reached and approved by the Court.

II. Are all Group Members eligible to participate in the proposed settlement?

14. Not all Group Members are eligible to participate in the proposed settlement.
15. The Court previously made orders that only Group Members who registered their claim with Shine Lawyers by 4:00pm on 24 February 2025 (**Registered Group Members**) would be eligible to participate in any settlement reached prior to trial.
16. If you are a Group Member (as defined in paragraph 6 above) but you did not register for the Class Action by 4:00pm on 24 February 2025, you are an **Unregistered Group Member**. This means that, if the Court approves the proposed settlement and unless the Court makes a further order:
 - (a) you will **not** be entitled to participate in the settlement, and will therefore not be entitled to receive any distribution from the Settlement Sum; and
 - (b) as noted in paragraph 12 above, you will be bound by the terms of the proposed settlement and will not be permitted to take any legal action against EML or its related parties for the same or related circumstances to those that are the subject of the Class Action.
17. If you are an Unregistered Group Member and wish to seek permission from the Court to participate in the proposed settlement, you must apply by sending an email to Shine Lawyers email address by **4:00pm on 29 August 2025**. For more information, see "Option 3" described at paragraph 37 below.

III. Proposed Settlement Distribution Scheme

18. At the Settlement Approval Hearing, the Court will decide whether to approve the proposed settlement, Settlement Deed and Settlement Distribution Scheme by considering whether the terms of those documents are fair and reasonable, having regard to the interests of the plaintiffs and Group Members.
19. The purpose of the Settlement Distribution Scheme is to set out the process for distributing the Settlement Sum, including between Registered Group Members and determine how each Registered Group Member's compensation is to be calculated by reference to a proposed loss assessment formula (**Loss Assessment Formula**).

20. The amount of compensation each Registered Group member will receive under the Loss Assessment Formula will vary depending on several factors, including (but not limited to):
- (a) the number of EML shares purchased by that Registered Group Member;
 - (b) the date(s) of purchase, and whether any of those shares were sold;
 - (c) the total deductions from the Settlement Sum that are approved by the Court (such as legal costs and administration fees);
 - (d) any interest earned on the Settlement Sum before it is distributed to Registered Group Members; and
 - (e) the relative strength of Registered Group Member's claims depending upon the period in which they acquired and held shares in EML.
21. A copy of the Settlement Distribution Scheme (excluding the Loss Assessment Formula) is available at <https://www.shine.com.au/service/class-actions/eml-payments-shareholder-class-action>. If you wish to obtain a copy of the confidential Loss Assessment Formula, you may do so by requesting a copy from Shine Lawyers, and by signing and returning a confidentiality undertaking to Shine Lawyers.
22. The Settlement Distribution Scheme provides for legal costs and deductions as set out below.

IV. Deductions and Legal Costs

23. You **will not** be liable for any out-of-pocket legal costs by remaining a Registered Group Member or Unregistered Group Member.
24. The Court will be asked to approve the following deductions from the Settlement Sum before the remainder of the Settlement Sum is to be distributed to Registered Group Members.
25. If the Court approves the below deductions from the Settlement Sum, Registered Group Members share in no less than 74% of the Settlement Sum. Those deductions must be approved by the Court before the Settlement Sum is distributed.

Group Cost Orders

26. The amount the plaintiffs' lawyers will be paid has been set by the Court ahead of settlement in what is called a **Group Costs Order**. Unless the Court changes the current Group Costs Order, the plaintiffs' lawyers will be paid 24.5% (inclusive of GST) of the Settlement Sum to cover the legal costs they incurred and the legal risks they took in running the Class Action.

Settlement Administration Costs

27. The Court will be asked to approve settlement administration costs to be deducted from the Settlement Sum. These costs are associated with the implementation of the Settlement Distribution Scheme by a Court-appointed settlement administrator.
28. The Court will be asked to appoint Shine Lawyers as the settlement administrator.
29. The settlement administration costs are estimated to be \$385,000 (including GST). These costs are in addition to the Group Costs Order percentage.

Plaintiffs' Reimbursement

30. The Court will be asked to approve a reimbursement payment of \$15,000 to each plaintiff (being \$30,000 in total) to compensate them for their time and respective contributions to the Class Action. The Court will only approve this amount if it deems it to be fair and reasonable, having regard to the interests of the plaintiffs and Group Members.

V. How much money will you receive under the proposed settlement?

31. At this stage, it is not possible to advise Registered Group Members of the specific amount they may receive from the Settlement Sum. The final distribution will depend on several variables, including the total number of Registered Group Members who are eligible to participate in the settlement, and the loss suffered by each Registered Group Member.
32. It is possible that certain Registered Group Members will not receive any compensation from the Settlement Sum if they did not incur a compensable loss in relation to the EML shares they acquired.
33. In addition to approving the overall Settlement Sum, the Court must also approve the criteria for determining whether a Registered Group Member is eligible to receive a distribution and the formula for calculating the amount to be distributed to each eligible Registered Group Member.

E. WHAT ARE MY OPTIONS?

Option 1: Do nothing

34. If you are content with the proposed settlement, and do not want to object to it, you do not need to do anything in response to this notice. If the proposed settlement is approved, the settlement administrator will contact you with further information about the settlement distribution process and any actions you may be required to take to receive a distribution under the Settlement Distribution Scheme.

Option 2: Object to the proposed settlement

35. Any Group Member (whether Registered or Unregistered) may, if they wish to do so, object to any aspect of the proposed settlement. If you wish to object to the proposed settlement, you **must** notify the Court in writing of your objection, by no later than **4:00pm on Friday 29 August 2025**, by:

- (a) submitting a completed Notice of Objection via the Supreme Court of Victoria website at <https://www.supremecourt.vic.gov.au/areas/group-proceedings/eml-payments/objection>; or
- (b) submitting a completed Notice of Objection (which is also on pages 9 to 11 of this document and is also available for download from <https://www.supremecourt.vic.gov.au/areas/group-proceedings/eml-payments>) to the Commercial Court Registry of the Supreme Court of Victoria at the addresses found on the Notice of Objection.

36. Any Group Member who wishes to oppose any aspect of the proposed settlement must attend the hearing either in person, by remote audio-visual link, or with legal representation on 30 October 2025 at 9.30am to address the Court in relation to their objection.

Option 3: Unregistered Group Members who wish to seek permission to participate in the proposed settlement

37. If you are an Unregistered Group Member and wish to seek permission from the Court to participate in the proposed settlement, you must:

- (a) by **4:00pm on 29 August 2025** send an email to lateregistrationseml@shine.com.au identifying the basis on which you consider the Court should grant you leave to participate and must attach evidence in support (in the form of an affidavit or statutory declaration) and any written submissions of no more than two (2) pages; and
- (b) may attend, or send a legal representative to attend, the Supreme Court of Victoria on 30 October 2025 when the Settlement Approval Application is to be heard.

38. **MORE INFORMATION**

38. You can obtain more information and relevant documents about the Class Action at:

- (a) <https://www.shine.com.au/service/class-actions/eml-payments-shareholder-class-action>; and
- (b) <https://www.supremecourt.vic.gov.au/areas/group-proceedings/eml-payments>.

39. If you have any questions, please do not contact the Court. The Court staff are not permitted to give legal advice.
40. If you have any questions regarding the Class Action, you should contact Shine Lawyers by emailing emlclassaction@shine.com.au or seek independent legal advice without delay.

Annexure A

EML PAYMENTS SHAREHOLDER CLASS ACTION GROUP MEMBER NOTICE OF OBJECTION TO PROPOSED SETTLEMENT

Or you can object to the proposed settlement online here:

<https://www.supremecourt.vic.gov.au/areas/group-proceedings/eml-payments/objection>

SUPREME COURT OF VICTORIA

Paul Leighton Mumford & Anor v EML Payments Ltd (S ECI 2021 04738)

**ONLY COMPLETE THIS NOTICE IF YOU DO NOT WANT THE COURT TO
APPROVE THE PROPOSED SETTLEMENT OF THE CLASS ACTION.**

**If you have opted out of the EML Payments Shareholder Class Action, you are
unable to object to the proposed settlement.**

You must complete this form online via the Supreme Court of Victoria website OR ensure that a completed objection notice reaches the Court by post or at the email address below, by **4:00pm (AEST) on 29 August 2025.**

Postal address:	Commercial Court Registry Supreme Court of Victoria 210 William Street MELBOURNE VIC 3000
Email address:	emlclassaction@supcourt.vic.gov.au

A. DETAILS OF OBJECTOR

Name of Group Member OR contact name (if different from name of Group Member)	
Capacity of person completing Notice of Objection (select one)	☐ Group Member;
	☐ Director of [company name]
	☐ Executor for the estate of [name]

	 ☐ Power of attorney for [name] ☐ Solicitor acting for [name]
Telephone:	
Email Address:	
Postal Address:	
HIN/SRN under which EML securities were traded:	
Total number of EML Payments securities <u>purchased</u> by the objector during 19 December 2020 to 19 May 2021 and/or 18 August 2021 to 25 July 2022:	
Total number of EML Payments securities <u>sold</u> by the objector during 19 December 2020 to 19 May 2021 and/or 18 August 2021 to 25 July 2022:	
Are you a Registered Group Member [Select]:	☐ Yes ☐ No ☐ Unsure

B. REASONS FOR OBJECTING

Please explain in the box below why you are objecting to the proposed settlement.
Please note if you are completing this form online there is a character limit.

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C. SUBMISSIONS AND EVIDENCE

I attach submissions and/or evidence in support of my objection [Select]::	☐ Yes (2 page limit) ☐ No
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D. APPEARANCE AT THE SETTLEMENT APPROVAL HEARING

Please indicate below how you will appear at the Settlement Approval Hearing on **30 October 2025** to present your reasons for objection to the Judge.

My appearance at the Settlement Approval Hearing to present my objection/s to the Court will be [Select]:	☐ In-person ☐ Remote link
At the hearing [Select]::	☐ I will appear on my behalf ☐ I will be represented by a lawyer: [print name of lawyer]

E. SIGNING OF NOTICE:

.....

Please sign notice here

Date:.....

IMPORTANT NOTE – if you want this form to be considered by the Court you must ensure that you complete this form online via the Supreme Court of

Victoria website OR ensure that a completed objection notice reaches the Court by post or at the email address above, by 4:00pm (AEST) on 29 August 2025.