



Notice of 2019 Annual Shareholders' Meeting

20 SEPTEMBER 2019 - WELLINGTON, NEW ZEALAND

NOTICE OF ANNUAL SHAREHOLDERS' MEETING 2019

PaySauce Limited, Wellington, New Zealand

Notice is hereby given that the Annual Meeting of Shareholders of PaySauce Limited ("PaySauce", or "the Company") will be held at:

Where: Level 15, Grant Thornton House, 215 Lambton Quay, Wellington

When: Friday 20 September 2019 at 10:00am (NZT)

AGENDA

1. Chairman's Introduction
2. CEO's Address to Shareholders
3. Financial Statements & Auditor's Report
4. Ordinary Resolutions

Re-election of Director

Resolution A - Having retired, that Asantha Wijeyeratne be re-elected as a Director of PaySauce.

Resolution B - Having retired, that Mandy Simpson be re-elected as a Director of PaySauce.

Increase to Director's Remuneration

Resolution C - That the maximum aggregate amount of remuneration payable by PaySauce to all Directors (in their capacity as Directors) be increased from \$60,000 per annum to a maximum of \$125,000 (plus GST, if any) per annum, with this sum available to be paid to the Directors of the Company as the Board considers appropriate.

Auditor's Remuneration

Resolution D - That the Board is authorised to fix the fees and expenses of Grant Thornton as the auditor of PaySauce.

5. Special Resolutions

Alteration of PaySauce's Constitution

Resolution E - To amend PaySauce's constitution in the form and the manner described in the Notice of Meeting Explanatory Notes, with effect from the close of the Annual Shareholders' Meeting.

Each of the above resolutions is explained further in the explanatory notes that follow below in this notice.

EXPLANATORY NOTES

Resolutions A & B

Pursuant to NZX Listing Rule 2.7.1, a Director must not hold office (without re-election) past the third Annual Meeting following the Director's appointment or 3 years, whichever is longer.

In order to balance the number of Directors who will retire in accordance with NZX Listing Rule 2.7.1 in future years, the following Directors have chosen to retire, and offer themselves for re-election:

- Asantha Wijeyeratne chooses to retire and offers himself for re-election. The Board unanimously support his re-election.
- Mandy Simpson also chooses to retire and offers herself for re-election. The Board unanimously support her re-election.

Asantha Wijeyeratne

Director (Non-Independent) & CEO

Asantha is one of the Co-founders of PaySauce and a Director of the original company prior to its reverse acquisition of Energy Mad Limited. Asantha was elected as a Director at the special meeting of Shareholders in December 2018, where Energy Mad Limited was renamed "PaySauce Limited" and a new Board was elected for the Company.

Asantha moved to New Zealand in his twenties and built a number of successful businesses prior to founding one of New Zealand's largest SME payroll providers, SmartPayroll. He sold his shareholding in that business, and founded PaySauce to bring a fresh approach to payroll software and revolutionise the way SME owners pay staff and manage employment obligations.



Mandy Simpson

Independent Non-Executive Director & Chair of Audit & Risk Committee

Mandy joined the Board in December 2018 at the last special meeting of Shareholders.

The Board considers Mandy to be an Independent Director, as described in the NZX Listing Rules.

Mandy is currently Chief Digital Officer at Z Energy, Director at Punakaiki Fund, a fellow of the Institute of Chartered Accountants in England and Wales, and a member of the New Zealand Institute of Directors. Over the past decade, Mandy has held a number of senior executive roles in New Zealand including Chief Financial Officer at Fronde and Chief Operating Officer at NZX.



Resolution C

Under the NZX Listing Rules, any increase in the aggregate annual remuneration that can be paid to all Directors of the Company must be approved by shareholders by way of an ordinary resolution.

Under the Company's Corporate Governance Code, the Board annually reviews the remuneration structure and policy within the Company, as well as the remuneration packages of management and Directors. In accordance with clause 15.7.3 of the Company's Corporate Governance Code (found at <https://www.paysauce.com/investor/#/documents>), the details set out below describe the Board's expectations as to what individual Directors are proposed to be paid from the aggregate remuneration pool, including any additional remuneration for the Chairperson or for being a member of, or chair of, a committee.

The proposed maximum aggregate amount of remuneration payable in respect of all Directors' fees (excl. GST, if any) per annum, effective from the date of the Annual Shareholders' Meeting will be \$125,000 (previously \$60,000). If the resolution is passed, the Board intends to allocate the aggregate remuneration pool initially as detailed below:

Director & Position	\$NZD (plus GST, if any)	
	Proposed	Current
Asantha Wijeyeratne Director (Non-Independent), CEO	None	None
Andrew Barnes Director (Non-Independent), Chairman	None	None
Gavin Thompson Director (Non-Independent)	None	None
Mandy Simpson Non-Executive Director (Independent), Chair of Audit & Risk Committee	35,000	30,000
Nick Lewis Non-Executive Director (Independent)	30,000	30,000
Discretionary Pool	60,000	None

The unallocated balance identified as the "discretionary pool" above may be applied by the Board, if it believes it is appropriate to do so, to provide additional remuneration to persons who from time to time hold office as a non-executive Director. The Board believes it is important to have this discretionary pool approved in advance, so that the Company will be able to attract and retain Directors of the highest calibre, to best represent shareholders' interests and help achieve the Company's objectives.

Under the NZX Listing Rules, each of the Directors and their respective Associated Persons (as defined in the NZX Listing Rules) are disqualified from voting on Resolution C. A person appointed as a proxy who is disqualified from voting on a resolution may vote in accordance with the directions of the shareholder giving that proxy, but may not exercise a discretionary vote where directions are not given.

Resolution D

Grant Thornton is automatically reappointed auditor of the Company at the annual meeting under section 207T(1) of the Companies Act 1993. Resolution D is sought is to authorise the Directors to fix the fees and expenses of the auditor, in accordance with section 207S(a) of the Companies Act 1993. The Directors of the Company intend to vote proxies granted to them and marked 'proxy discretion' on Resolution D in favour of the resolution.

Resolution E

The former NZX Main Board & Debt Market Listing Rules (dated 1 October 2017) have been replaced by updated NZX Listing Rules (dated 1 January 2019) ("New Listing Rules"). PaySauce transitioned to the New Listing Rules on 1 July 2019. A small number of amendments are required to be made to PaySauce's existing constitution ("Constitution") to ensure that it meets the requirements of, and is consistent with, the New Listing Rules.

The proposed amendments to the Constitution can be summarised as follows:

- the provision allowing a managing director to be appointed for a fixed term not exceeding five years has been removed. The effect of this is that a managing director is treated as any other director and must not hold office without re-election past the third annual meeting following that individual's appointment or three years, whichever is longer;
- allowing shareholders to participate and vote by electronic means at shareholder meetings. This change reflects the alignment of the New Listing Rules with legislation permitting annual meetings to be held by electronic means;
- updating the provisions concerning the appointment of proxies, including to provide that different kinds of proxies (for example, electronic or postal) may be received by PaySauce by different due dates;
- to provide that a shareholder need not exercise all of their votes in the same manner;
- allowing for notices to be served electronically on shareholders outside of New Zealand;
- updating references and provisions for clarity and consistency with the New Listing Rules; and
- any consequential alterations, for example, in respect of numbering.

In accordance with the Companies Act 1993 ("Companies Act"), the proposed amendments must be approved by a special resolution of shareholders. As the amendments to the Constitution do not impose or remove a restriction on the activities of PaySauce, or affect the rights attaching to shares, the minority buy-out rights provisions in the Companies Act do not apply.

Russell McVeagh has provided an opinion to NZX that it considers that the amended constitution complies with the New Listing Rules.

A mark-up of the Constitution, setting out all of the proposed amendments can be viewed at <https://www.paysauce.com/investor/#/documents>. A copy of the marked-up Constitution will also be available to view at the Annual Shareholders' Meeting.



PROCEDURAL NOTES

Voting Entitlement

The persons who will be entitled to vote on the resolutions at the Annual Shareholders' Meeting are those persons who will be the shareholders of PaySauce at 5.00pm on Wednesday 18 September 2019. Voting at the meeting will be by way of a poll of the Company's shareholders entitled to vote and voting.

Voting in Person

If you are entitled to vote and wish to do so in person, we encourage you to attend the annual meeting. Please bring your Proxy Form with you to the meeting.

A corporation may appoint a person to attend the meeting as its representative in the same manner in which it would appoint a proxy.

Voting by Proxy

A shareholder who is entitled to vote at the annual meeting may appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder.

If you appoint a proxy you may either direct your proxy how to vote for you or you may give the proxy discretion to vote as they see fit. If you wish to give your proxy discretion then you should make the appropriate election on the Proxy Form to grant your proxy that discretion. You will be deemed to have given your proxy discretion if you do not make an election in relation to any of resolutions A to E.

The Chairperson of the Meeting or any other Director is willing to act as proxy for any shareholder who appoints him or her for that purpose. If, in appointing your proxy, you do not name a person as your proxy in the Proxy Form, or if your named proxy does not attend the annual meeting, the Chairperson of the Meeting will be your proxy and may vote only in accordance with your express direction.

Where the Chairperson of the Meeting or any other director is appointed as a discretionary proxy, the Chairperson and all other Directors intend to vote in favour of all resolutions, except for Resolution C. The Directors of the Company, including the Chairperson, may not exercise discretionary proxies on Resolution C because they are disqualified from voting on that resolution. Accordingly, if you intend to appoint a Director or the Chairperson as your proxy, please include voting instructions on your proxy form for Resolution C.

Proxy Form

Accompanying this notice of meeting is a Proxy Form which, if used, must be lodged with the share registrar, Link Market Services Limited, in accordance with the instructions set out on the form by 10:00am on 18 September 2019.

Ordinary Resolution

An ordinary resolution is one passed by a simple majority of votes from shareholders entitled to vote and voting on the resolution.

Special Resolution

A special resolution is one passed by 75% or more of the votes from shareholders entitled to vote and voting on the resolution.



Annual Report

The 2019 Annual Report is available on the Paysauce Limited website.

<https://www.paysauce.com/investor/#/documents>.

Shareholder questions

If you have any questions you would like considered at the annual meeting, please send them to investor@paysauce.com in advance of the meeting.



www.paysauce.com