



## CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to invite you to attend the 2018 Annual General Meeting (AGM) of Afterpay Touch Group (Afterpay or the Company). The AGM will be held at Baker McKenzie, Level 19, 181 William Street in Melbourne on Wednesday 28 November 2018 at 12.00pm. Enclosed is a Notice of Annual General Meeting detailing the business to be considered at the Meeting.

It has been an exciting year for our Company. We have achieved a number of critical milestones in our mission to become the world's most loved way to pay, with strong financial performance across the Group.

### **Becoming the world's most loved way to pay**

Driven by a passion and determination to empower the customer and innovate the retail economy, Afterpay has grown rapidly to become Australia's leading "buy now, receive now, pay later" service. We are proud of the success of our product and how it helps customers budget for life's purchases. Our success continues to be underpinned by prioritising customers, earning their trust by not charging interest and offering a free service if repayments are made on time.

Afterpay is clearly resonating with over 2.3 million customers having experienced Afterpay's service, with a large percentage of those customers returning on a regular basis. Customers have responded with high levels of engagement and trust in our values-based approach to budgeting and responsibility. Our platform is connecting customers with many of the world's best brands, services and thousands of small to medium sized businesses that would not otherwise gain access and exposure to such a large pool of core millennial customers.

We are proud to be an Australian-born company that has built an amazing team of highly dedicated and skilled professionals. We have a global opportunity and growing presence to introduce Afterpay to budget-focused consumers and retailers that span across borders. Our entry into the USA earlier this year has been encouraging in a short amount of time and we will look forward to launching in the UK during the current financial year.

It is a testament to our team, our customers and our retail partners to be highly ranked (#26) in the global 2018 Fintech 100, recently compiled by KPMG and H2 Ventures.

### **Business items for our AGM**

The AGM provides an opportunity to vote on matters that are important to you as a shareholder. Further details of the resolutions to be proposed at the AGM are set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting. For your convenience, a Proxy Form is attached for use if you are not able to attend the AGM.

On behalf of the Group, I would like to thank you for your ongoing support of Afterpay. My fellow directors and I look forward to welcoming you to the Annual General Meeting.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'A. Eisen'.

Anthony Eisen  
Executive Chairman



## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

	AFTERPAY TOUCH GROUP LIMITED
ACN	618 280 649
DATE	WEDNESDAY 28 NOVEMBER 2018
TIME	12.00PM (MELBOURNE TIME)
VENUE	BAKER MCKENZIE, LEVEL 19, CBW, 181 WILLIAM STREET, MELBOURNE, VIC 3000

### NOTICE OF 2018 ANNUAL GENERAL MEETING

**Notice is given that the 2018 Annual General Meeting of Afterpay Touch Group Limited ACN 618 280 649 will be held at Baker McKenzie, Level 19, CBW, 181 William Street, Melbourne VIC 3000 on Wednesday 28 November 2018 at 12.00pm (Melbourne time)**

### BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business at the Annual General Meeting:

#### 1. FINANCIAL AND RELATED REPORTS

FINANCIAL AND RELATED REPORTS	
DESCRIPTION	To receive and consider the financial report of the Company and its controlled entities and the related directors' and auditor's reports in respect of the financial year ended 30 June 2018.

#### 2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

RESOLUTION 1 ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)	
DESCRIPTION	Shareholders are asked to adopt the Company's Remuneration Report for the year ended 30 June 2018. The Remuneration Report is set out in the 2018 Annual Report and is available from the Company's website ( <a href="http://www.afterpaytouch.com">www.afterpaytouch.com</a> ). In accordance with section 250R(3) of the Corporations Act, the vote on this resolution will be advisory only and will not bind the directors or the Company.
RESOLUTION	To consider and, if thought fit, pass the following resolution: "That the Remuneration Report of the Company for the year ended 30 June 2018 be adopted."

RESOLUTION 1	ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)
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VOTING EXCLUSION	<p>The Company will disregard any votes cast on this Resolution by or on behalf of a member of the Key Management Personnel (KMP) named in the Remuneration Report for the year ended 30 June 2018, or that member's Closely Related Party, regardless of the capacity in which the vote is cast. However, a member of the KMP or Closely Related Party may cast a vote on this item as proxy for a person that is entitled to vote if:</p> <ul style="list-style-type: none"><li>• the appointment of the proxy specifies in writing the way the proxy is to vote on the resolution; or</li><li>• that person is the Chair of the Meeting, and the appointment of the proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.</li></ul>
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### 3. RE-ELECTION OF DIRECTORS

RESOLUTION 2	RE-ELECTION OF MR DANA STALDER AS DIRECTOR
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DESCRIPTION	<p>Mr Dana Stalder, who was appointed as a Director on 24 January 2018, retires as a Director in accordance with clause 19.6 of the Constitution and, being eligible, offers himself for re-election under clause 20.7 of the Constitution.</p>
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RESOLUTION (ORDINARY)	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p>"That Mr Dana Stalder, who retires as a Director of the Company in accordance with ASX Listing Rule 14.4 and clause 19.6 of the Constitution and, being eligible, offers himself for election, be re-elected as a Director of the Company."</p>
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RESOLUTION 3	RE-ELECTION OF MS ELANA RUBIN AS DIRECTOR
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DESCRIPTION	<p>Ms Elana Rubin, who was appointed as a Director on 30 March 2017, retires as a Director in accordance with clauses 20.2 and 20.4 of the Constitution and, being eligible, offers herself for re-election under clause 20.7 of the Constitution.</p>
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RESOLUTION (ORDINARY)	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p>"That Ms Elana Rubin, who retires as a Director of the Company in accordance with ASX Listing Rule 14.4 and clause 20.6 of the Constitution and, being eligible, offers herself for election, to be re-elected as a Director of the Company."</p>
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### 4. RATIFICATION OF ISSUE OF SHARES PURSUANT TO PLACEMENT

RESOLUTION 4	RATIFICATION OF ISSUE OF SHARES PURSUANT TO PREVIOUS PLACEMENT
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DESCRIPTION	<p>The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue of 6,864,383 Shares at an issue price of A \$17.05 per Share by the Company to certain institutional and professional investors in August 2018 (Placement).</p>
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RESOLUTION 4	RATIFICATION OF ISSUE OF SHARES PURSUANT TO PREVIOUS PLACEMENT
RESOLUTION (ORDINARY)	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p>"<b>That</b> for the purposes of ASX Listing Rule 7.4 and for all other purposes shareholders approve and ratify the issue of 6,864,383 ordinary fully paid shares on 31 August 2018 to certain institutional and professional investors on the terms and conditions set out in the Explanatory Notes accompanying this Notice."</p>
VOTING EXCLUSION	<p>The Company will disregard any votes cast in favour of the resolution (Resolution 4) by or on behalf of a person who participated in the issue or an associate of these persons.</p> <p>However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</p>

#### 5. RATIFICATION OF ISSUE OF SHARES TO MATRIX PARTNERS

RESOLUTION 5	RATIFICATION OF ISSUE OF SHARES
DESCRIPTION	<p>The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue by Afterpay US, Inc. of convertible notes totalling \$US100,000 face value entitling Matrix Partners to Shares in the Company in certain circumstances.</p>
RESOLUTION (ORDINARY)	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p>"<b>That</b>, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 2,880,426 Shares on 19 January 2018 at an issue price of A\$6.51 per share to Matrix Partners on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice."</p>
VOTING EXCLUSION	<p>The Company will disregard any votes cast in favour of the resolution (Resolution 5) by or on behalf of a person who participated in the issue (being Matrix Partners) or an associate of these persons.</p> <p>However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</p>

## 6. RATIFICATION OF CONVERTIBLE NOTES ISSUED BY AFTERPAY US, INC. ENTITLING MATRIX PARTNERS TO SHARES IN THE COMPANY

RESOLUTION 6	RATIFICATION OF CONVERTIBLE NOTES
DESCRIPTION	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for an issue by Afterpay US, Inc. of convertible notes totalling \$US100,000 face value entitling Matrix Partners to Shares in the Company in certain circumstances.
RESOLUTION (ORDINARY)	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  "That, for the purposes of ASX Listing Rule 7.4 and for all other purposes shareholders approve and ratify the issue of convertible notes totalling \$US100,000 face value entitling Matrix Partners to Shares in the Company upon conversion on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice".
VOTING EXCLUSION	The Company will disregard any votes cast in favour of the resolution (Resolution 6) by or on behalf of a person who participated in the issue (being Matrix Partners) or an associate of these persons.  However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 7. APPROVAL OF AFTERPAY US INC. 2018 EQUITY INCENTIVE PLAN

RESOLUTION 7	APPROVAL OF AFTERPAY US INC. 2018 EQUITY INCENTIVE PLAN
DESCRIPTION	The Company seeks shareholder approval pursuant to ASX Listing Rule 7.2, exception 9 for the issue of securities by Afterpay US Inc. to certain eligible participants under the Afterpay US Inc. 2018 Equity Incentive Plan ( <b>Plan</b> ), which may entitle those participants to Shares in the Company in certain circumstances.
RESOLUTION (ORDINARY)	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  "That, for the purposes of ASX Listing Rule 7.2, exception 9 and for all other purposes, shareholders approve the issue of securities (including Shares in the Company) under the Afterpay US Inc. 2018 Equity Incentive Plan on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice".
VOTING EXCLUSION	The Company will disregard any votes cast in favour of the resolution (Resolution 7) by a director of the Company (except a Director who is ineligible to participate in any employee scheme of the Company) and their associates.  However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 8. APPROVAL OF ISSUE OF OPTIONS TO MR DAVID HANCOCK

RESOLUTION 8	APPROVAL OF ISSUE OF OPTIONS TO MR DAVID HANCOCK
DESCRIPTION	The Company seeks shareholder approval pursuant to ASX Listing Rule 10.11, for the grant of 2,699,087 Options with an exercise price of \$2.70 per Option to Mr David Hancock.
RESOLUTION (ORDINARY)	<p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><b>"That</b>, for the purposes of Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 2,699,087 Options to Mr David Hancock on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice".</p>
VOTING EXCLUSION	<p>The Company will disregard any votes cast:</p> <ul style="list-style-type: none"><li>• in favour of the resolution (Resolution 8) by Mr Hancock and his associates; or</li><li>• on the resolution as proxy by any member of Key Management Personnel or a Closely Related Party of a member of Key Management Personnel, who is not directed how to vote.</li></ul> <p>However, the Company will not disregard a vote if it is cast by: a person as proxy for a person who is entitled to vote in accordance with the directions of the proxy form, or the person chairing the meeting as proxy for a person who is entitled to vote, without being directed how to vote and the appointment 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.</p>

DATED: 26 OCTOBER 2018

BY ORDER OF THE BOARD OF AFTERPAY TOUCH GROUP LIMITED



**CHRISTOPHER STEVENS**  
GENERAL COUNSEL & COMPANY SECRETARY

## QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Ernst & Young in relation to the conduct of the external audit for the year ended 30 June 2018, or the content of its audit report. Please send your questions to:

**General Counsel & Company Secretary  
Afterpay Touch Group Limited**

**Via mail:**

Level 6,  
406 Collins Street,  
Melbourne VIC 3000

**Via email:**

christopher.stevens@afterpay.com.au  
T. 03 8622 3351

**Written questions must be received by no later than 5.00pm (Melbourne time) on Wednesday 21 November 2018.**

Your questions should relate to matters that are relevant to the business of the Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the Corporations Act 2001 (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Company's Remuneration Report for the year ended 30 June 2018.

During the course of the Meeting, the Chair will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

## VOTING INFORMATION

### ENTITLEMENT TO VOTE AT THE MEETING

A determination has been made by the Board of the Company under regulation 7.11.37 of the Corporations Regulations 2001 that the persons eligible to vote at the Meeting are those who are registered shareholders of the Company as at 7.00 pm (Melbourne time) on Monday 26 November 2018, subject to any applicable voting exclusion.

### VOTING BY PROXY

- (a) A shareholder entitled to attend and vote at the Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the Meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority by **12.00pm (Melbourne time) on Monday 26 November 2018**:
  - online by going to **investorvote.com.au** or by scanning the QR code, found on the enclosed proxy form with your mobile device
  - by post at GPO Box 242, Melbourne, Victoria 3001;
  - by personal delivery at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067;
  - by facsimile: Australia – 1800 783 447, overseas – +61 3 9473 2555; or
  - Custodian voting – For Intermediary Online subscribers only (custodians) please visit **www.intermediaryonline.com** to submit your voting intentions.

## PROXY VOTING BY THE CHAIR

The Corporations Act imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 and 8. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 and 8. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman, Mr Anthony Eisen, will chair the Meeting and intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1 or 8 he or she will not vote your proxy on that item of business.



# EXPLANATORY MEMORANDUM TO NOTICE OF 2018 ANNUAL GENERAL MEETING

## 1. FINANCIAL AND RELATED REPORTS

FINANCIAL AND RELATED REPORTS	
DESCRIPTION	<p>Section 317 of the Corporations Act requires the Company's financial report, directors' report and auditor's report for the financial year ended 30 June 2018 to be laid before the Company's 2018 Annual General Meeting. There is no requirement for a formal resolution on this item.</p> <p>The financial report contains the financial statements of the consolidated group consisting of Afterpay Touch Group and its controlled entities.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2018 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2018 Annual Report is available from the Company's website (<a href="http://www.afterpaytouch.com.au">www.afterpaytouch.com.au</a>).</p> <p>The Chair of the Meeting will allow a reasonable opportunity at the Meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor Ernst &amp; Young questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2018, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Ernst &amp; Young in relation to the conduct of the audit.</p>

## 2. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

RESOLUTION 1 ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)	
EXPLANATION	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2018 Annual Report and is available from the Company's website (<a href="http://www.afterpaytouch.com.au">www.afterpaytouch.com.au</a>).</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"><li>• describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;</li><li>• sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and</li><li>• explains the differences between the basis for remunerating non-executive directors and senior executives, including the Group Head.</li></ul> <p>The vote on this item is advisory only and will not require the Company to alter the arrangements set out in the Remuneration Report if Resolution 1 is not passed. However, the Board will consider any discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.</p>

<b>RESOLUTION 1</b>	<b>ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)</b>
VOTING EXCLUSION	A voting exclusion statement applies to this resolution, as set out in the Notice.
BOARD RECOMMENDATION	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
CHAIR'S AVAILABLE PROXIES	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution 1.

### 3. RE-ELECTION OF DIRECTORS

<b>RESOLUTION 2</b>	<b>RE-ELECTION OF MR DANA STALDER AS DIRECTOR</b>
EXPLANATION	<p>Clause 19.6 of the Constitution provides that any Director, except the managing director, appointed under clause 19.5 after the Company is admitted to the Official List of the ASX must retire from office at, and will be eligible for re-election at, the next annual general meeting following that Director's appointment.</p> <p>Mr Dana Stalder was appointed during the year as an additional Director pursuant to clause 19.5 of the Constitution.</p> <p>Accordingly, Mr Stalder retires as a Director of the Company in accordance with clause 19.6 of the Constitution and, being eligible under clause 19.6, offers himself for election as a Director of the Company.</p>
ABOUT DANA STALDER	<p>Mr Dana Stalder is a Non-Executive Director and was appointed as a Non-Executive Director of the Company on 24 January 2018.</p> <p>Mr Stalder brings over 20 years of experience to the table as a technology company operator and investor. His experience cuts across multiple disciplines including Sales, Marketing, Finance, Technology and Product Management at companies such as eBay, Netscape and PayPal.</p> <p>Mr Stalder was the commercial chief at PayPal for 5 years, where he managed Product, Sales, and Marketing during the company's growth from approximately US\$100M to US\$3B in revenue.</p> <p>Mr Stalder holds a Bachelor of Science degree in Commerce from Santa Clara University, and began his career at Ernst &amp; Young advising technology companies.</p> <p>In 2008, Mr Stalder joined Matrix Partners as a General Partner where his investments are primarily in FinTech, Consumer Marketplaces, and Enterprise Software. He currently serves on the Board of Directors of several private US based technology companies and Zendesk (NASDAQ: "ZEN"), a global, cloud-based customer service software company.</p>
BOARD RECOMMENDATION	The Board, with Mr Stalder abstaining on Resolution 2, recommends that shareholders vote in favour of this Resolution.
CHAIR'S AVAILABLE PROXIES	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2.

<b>RESOLUTION 3</b>	<b>RE-ELECTION OF MS ELANA RUBIN AS DIRECTOR</b>
EXPLANATION	<p>Clause 20.2 of the Constitution provides that at least one Director must retire from office at each annual general meeting unless there has been an election of Directors earlier that year. Clause 20.3 provides that if no Director is required to retire at an annual general meeting under clause 20.1 or clause 20.2 the Director to retire will be the one who has been in office longest. In accordance with clause 20.4 for those Directors appointed on the same day unless otherwise agreed among themselves election is determined by lot.</p> <p>Accordingly, Ms Rubin retires as a Director of the Company in accordance with clause 20.2 and clause 20.4 of the Constitution and, being eligible under clause 19.6, offers herself for election as a Director of the Company.</p>
ABOUT ELANA RUBIN	<p>Ms Rubin is an Independent Non-Executive Director and was appointed as a Non-Executive Director of the Company on 30 March 2017.</p> <p>Ms Rubin has been a long-standing Director of a number of companies, with extensive experience in property, insurance and financial services. Ms Rubin is currently a Non-Executive Director of Mirvac Limited, Slater and Gordon Limited and a number of unlisted companies and government agencies.</p> <p>Ms Rubin was previously a Non-Executive Director of Touchcorp, TAL Life and Bravura Solutions, and was the former Chair of AustralianSuper and the Victorian Workcover Authority. Elana has over 20 years' experience as a Non-Executive Director.</p> <p>Ms Rubin is considered to be an Independent Director.</p>
BOARD RECOMMENDATION	<p>The Board, with Ms Rubin abstaining on Resolution 3, recommends that shareholders vote in favour of this Resolution 3.</p>
CHAIR'S AVAILABLE PROXIES	<p>The Chair of the Meeting intends to vote all available proxies in favour of Resolutions 3.</p>

#### 4. RATIFICATION OF ISSUE OF SHARES PURSUANT TO PLACEMENT

<b>RESOLUTION 4</b>	<b>RE-ELECTION OF MR DANA STALDER AS DIRECTOR</b>
EXPLANATION	<p>The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for previous issues of securities made by the Company during the last 12 months within the placement limit in ASX Listing Rule 7.1.</p>
ASX LISTING RULES	<p>ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue shares during any 12-month period in excess of 15% of the number of shares on issue at the commencement of that 12-month period without shareholder approval.</p> <p>ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, by permitting the ratification of previous issues of shares which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval, provided that such issues did not breach the 15% threshold set out by Listing Rule 7.1. If shareholders of a company approve the ratification of such previous issues of shares at a general meeting, those shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.</p> <p>Accordingly, if shareholders ratify the Company's previous issue of Shares (made under ASX Listing Rule 7.1) by way of approving Resolution 4, those Shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and will no longer be deducted from the Company's 15% placement capacity.</p>

<b>RESOLUTION 4 RE-ELECTION OF MR DANA STALDER AS DIRECTOR</b>	
<b>SPECIFIC INFORMATION ON RESOLUTION</b>	<p>Resolution 4 seeks shareholder ratification of the issue of 6,864,383 Shares on 31 August 2018 at an issue price of A \$17.05 per share to certain institutional investors.</p> <p>The Placement was undertaken within the Company's 15% placement capacity. In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p> <p>NO OF SECURITIES ISSUED 6,864,383 SHARES</p> <p>ISSUE PRICE A \$17.05 per share</p> <p>RECIPIENTS OF ISSUE A number of institutional and professional investors</p> <p>TERMS OF ISSUE Fully paid ordinary shares ranking equally with other existing fully paid ordinary shares in the Company</p> <p>USE OF FUNDS The proceeds from the issue of the Shares will be used to provide scope for near-term, accelerated global expansion and in due course, cornerstone international debt facilities that are currently being investigated.</p> <p>VOTING EXCLUSION A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<b>BOARD RECOMMENDATION</b>	The Directors unanimously recommend that shareholders vote in favour of the resolution approving the Placement.
<b>CHAIR'S AVAILABLE PROXIES</b>	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 4.

## 5. RATIFICATION OF ISSUE OF SHARES TO MATRIX PARTNERS

<b>RESOLUTION 5 RATIFICATION OF ISSUE OF SHARES</b>	
<b>EXPLANATION</b>	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for previous issues of securities made by the Company during the last 12 months within the placement limit in ASX Listing Rule 7.1.
<b>ASX LISTING RULES</b>	<p>ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue shares during any 12-month period in excess of 15% of the number of shares on issue at the commencement of that 12-month period without shareholder approval.</p> <p>ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, by permitting the ratification of previous issues of shares which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval, provided that such issues did not breach the 15% threshold set out by Listing Rule 7.1. If shareholders of a company approve the ratification of such previous issues of shares at a general meeting, those shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.</p> <p>Accordingly, if shareholders ratify the Company's previous issue of Shares (made under ASX Listing Rule 7.1) by way of approving Resolution 5, those Shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and will no longer be deducted from the Company's 15% placement capacity.</p>

**RESOLUTION 5**      **RATIFICATION OF ISSUE OF SHARES**

**SPECIFIC INFORMATION ON RESOLUTION**

Resolution 5 seeks shareholder ratification of the issue of 2,880,426 Shares on 19 January 2018 at an issue price of \$6.51 per share to Matrix Partners.

The Shares were issued within the Company's 15% placement capacity.

In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:

NO OF SECURITIES ISSUED	2,880,426 fully paid ordinary shares.
ISSUE PRICE	\$6.51 per Share
RECIPIENTS OF ISSUE	Matrix Partners X, L.P. (2,717,394 Shares) Weston & Co. X LLC (163,032 Shares)
TERMS OF SECURITIES	Fully paid ordinary shares ranking equally with other existing fully paid ordinary shares in the Company. Except in limited circumstances, the shares are subject to certain transfer restrictions. In broad terms, Matrix Partners must not sell, transfer, grant an option or similar right over, or dispose of a legal or beneficial interest in: <ul style="list-style-type: none"> <li>• 50% of these Shares for 3 years from 16 January 2018 (i.e. until 16 January 2021); and</li> <li>• the remaining 50% of the Shares for 7 years from 16 January 2018 (i.e. until 16 January 2025)</li> </ul>
USE OF FUNDS RAISED	The funds raised were applied towards the Company's general working capital requirements and the Company's entry into the US market.
VOTING EXCLUSION	A voting exclusion statement applies to this item of business, as set out in the Notice.

**BOARD RECOMMENDATION**

The Directors believe that it is in the best interests of the Company to maintain its ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1. The Directors consider it to be appropriate and prudent for approval to be sought at the Meeting, in respect of the relevant issues of securities made by the Company in the last 12 months, as this approval will enhance the Company's flexibility to raise equity capital, should the Directors consider that it is in the best interests of the Company to do so.

In particular, the Directors note that if this approval is not obtained at the Meeting, the Company may be required to incur the additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.

Accordingly, the Board (other than Dana Stalder, who abstains due to his relationship with Matrix X Management Co., L.L.C.) recommends that shareholders vote in favour of Resolution 5.

**CHAIR'S AVAILABLE PROXIES**

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 5.

## 6. RATIFICATION OF PREVIOUS ISSUE OF CONVERTIBLE NOTES TO MATRIX PARTNERS

RESOLUTION 6		RATIFICATION OF PREVIOUS ISSUE OF CONVERTIBLE NOTES TO MATRIX PARTNERS	
EXPLANATION	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for a previous issue of convertible notes during the last 12 months by its wholly owned subsidiary, Afterpay US, Inc., entitling Matrix Partners to Shares in the Company upon conversion.		
ASX LISTING RULES	<p>ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue securities during any 12-month period in excess of 15% of the number of securities on issue at the commencement of that 12-month period without shareholder approval. The issue of convertible notes is subject to ASX Listing Rule 7.1 on the basis of the maximum number of Shares into which the notes could convert, which in the case of these convertible notes was limited to 10% of the number of the Company's Shares on issue when the notes were issued. The future issue of Shares on conversion of the convertible notes will, however, fall within the scope of the exemption in ASX Listing Rule 7.2 exception 4.</p> <p>ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, by permitting the ratification of previous issues of securities which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval, provided that such issues did not breach the 15% threshold set out by Listing Rule 7.1. If shareholders of a company approve the ratification of such previous issues of securities at a general meeting, those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.</p> <p>Accordingly, if shareholders ratify the issue of convertible notes (made under ASX Listing Rule 7.1) by way of approving Resolution 6, those convertible notes will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and will no longer be deducted from the Company's 15% placement capacity.</p>		
SPECIFIC INFORMATION	<p>Resolution 6 seeks shareholder ratification of the issue of convertible notes by the Company's wholly owned subsidiary, Afterpay US, Inc., entitling Matrix Partners to Shares in the Company upon conversion. The convertible notes were issued within the Company's 15% placement capacity.</p> <p>In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders:</p>		
	NO OF SECURITIES ISSUED	2 convertible notes, with a total face value of US\$100,000	
	ISSUE PRICE	US \$100,000	
	RECIPIENTS OF ISSUE	Matrix Partners X, L.P. (1 convertible note with a face value of US\$94,340) Weston & Co. X LLC (1 convertible note with a face value of US\$5,660)	
	TERMS OF ISSUE	<p>Each convertible note is issued by the Company's wholly owned subsidiary, Afterpay US, Inc. and are unsecured notes with the following key terms:</p> <p>Each convertible note is issued by the Company's wholly owned subsidiary, Afterpay US, Inc. and are unsecured notes with the following key terms:</p> <ul style="list-style-type: none"> <li>• total face value is US\$100,000.</li> <li>• interest rate of 6% per annum.</li> <li>• a conversion period between 5-7 years from the date of issue, with the conversion at the noteholder's election.</li> <li>• conversion value of up to 10% of the future value of Afterpay US Inc. in excess of US\$50 million, using valuation metrics, multiples and methods which the market is using to value the Company at the time of conversion. The 10% figure used in the conversion calculation may be reduced in certain circumstances, but will not increase.</li> <li>• the conversion value will be issued in the form of Shares in the Company, valued at the market price of the Shares at the relevant time.</li> <li>• the number of Shares in the Company that may be issued on conversion is capped at 10% of the issued share capital of the Company as at the date of the issue of the convertible note, being 18 January 2018.</li> <li>• the convertible notes will not be quoted or rank equally with any class of quoted securities. However, Shares issued on conversion will be quoted and will rank equally with all other Shares then on issue.</li> </ul>	

**RESOLUTION 6****RATIFICATION OF PREVIOUS ISSUE OF CONVERTIBLE NOTES TO MATRIX PARTNERS**

As noted above, the number of Shares that may be issued will depend on the future valuation of Afterpay US Inc. which, in turn, depends on the future value of the group's US business at the time the notes are converted. For example, if at the time of conversion, the Company's share price is A\$15 per share, the \$A/\$US exchange rate is 0.75 and the assessed value of Afterpay US Inc. is:

- US\$50 million (or less) - no Shares would be issued on conversion
- US\$100 million - 444,444 Shares would be issued on conversion  
 $10\% \times (\text{US\$100 million} - \text{US\$50 million}) = \text{US\$50 million} = \$\text{US 5 million (or A\$6,666,666 at a \$A/\$US exchange rate of 0.75)}$   
= 444,444 Shares at A\$15 per share.
- US\$200 million - 1,333,333 Shares would be issued on conversion  
 $10\% \times (\text{US\$200 million} - \$50 \text{ million}) = \$150 \text{ million} = \$\text{US 15 million (or A\$20 million at a \$A/\$US exchange rate of 0.75)}$   
= 1,333,333 Shares at A\$15 per share

**USE OF FUNDS**

The funds raised were applied towards the Company's general working capital requirements and the Company's entry into the US market.

**VOTING EXCLUSION**

A voting exclusion statement applies to this item of business, as set out in the Notice.

**BOARD  
RECOMMENDATION**

The Directors believe that it is in the best interests of the Company to maintain its ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1. The Directors consider it to be appropriate and prudent for approval to be sought at the Meeting, in respect of the relevant issues of securities made by the Company in the last 12 months, as this approval will enhance the Company's flexibility to raise equity capital, should the Directors consider that it is in the best interests of the Company to do so.

In particular, the Directors note that if this approval is not obtained at the Meeting, the Company may be required to incur the additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.

Accordingly, the Board (other than Dana Stalder, who abstains due to his relationship with Matrix X Management Co., L.L.C.) recommends that shareholders vote in favour of Resolution 6.

**CHAIR'S AVAILABLE  
PROXIES**

The Chairman intends to vote all available proxies in favour of Resolution 6.

## 7. APPROVAL OF AFTERPAY US INC. 2018 EQUITY INCENTIVE PLAN

RESOLUTION 7	APPROVAL OF AFTERPAY US INC. 2018 EQUITY INCENTIVE PLAN
EXPLANATION	<p>The Company seeks shareholder approval pursuant to ASX Listing Rule 7.2, exception 9 for the issue of options by Afterpay US Inc. (Afterpay US) under the Afterpay US Inc. 2018 Equity Incentive Plan (Plan), which entitles participants to Shares in the Company in certain circumstances.</p>
ASX LISTING RULES	<p>ASX Listing Rule 7.1 limits the issue of equity securities to a maximum of 15% of the company's issued capital over a rolling 12 month period. The issue of convertible securities (including options) are subject to ASX Listing Rule 7.1.</p> <p>There are a number of exceptions to Rule 7.1, including exception 9 of ASX Listing Rule 7.2 which provides that securities granted under an employee incentive scheme are not required to be included in the 15% calculation where shareholders approve the grant of securities as an exception to ASX Listing Rule 7.1, and the approval is refreshed every three years.</p> <p>If this resolution is approved, options may be granted by the Company's subsidiary, Afterpay US, which entitle participants in the Plan to Shares in the Company in accordance with the approval up until the date which is three years after the date of this AGM without the options counting towards the 15% limit under Listing Rule 7.1.</p> <p>If this resolution is approved, details of any options granted under the Plan will be included in the company's annual report for the year in which they are granted.</p>
SPECIFIC INFORMATION REGARDING THIS RESOLUTION	<p>The Plan was adopted by Afterpay US on 15 August 2018. Under the Plan, Afterpay US Inc. (Afterpay US) may offer certain stock awards (including options) (Awards) which give eligible participants a right to acquire common stock (or shares) in Afterpay US. The Afterpay US common stock may be converted into Shares of the Company in accordance with the terms of the Plan.</p> <p>Key terms:</p>
ELIGIBLE PARTICIPANTS	<p>The Awards may be granted at the discretion of the board of Afterpay US to certain eligible employees of the Company, Afterpay US and certain other related entities.</p>
PRICE	<p>The terms on which the Awards may be issued are subject to the discretion of the board.</p>
VESTING AND EXERCISE	<p>The Awards held by a participant will vest in, and become exercisable by, that participant upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the Plan.</p>
RESTRICTIONS	<p>Subject to limited exceptions, the Awards are not generally transferrable.</p>
CONVERSION	<p>The Awards may be converted into Shares in the Company on the terms and conditions set out in the Plan.</p> <p>Conversion may be "automatic" or "discretionary":</p> <ul style="list-style-type: none"> <li>• an "automatic conversion" will occur: if the conversion of the convertible notes issued to Matrix Partners (and described above) occurs prior to an initial underwritten public offering and sale of Afterpay US's securities, pursuant to a registration statement filed with the United States Securities and Exchange Commission (US IPO); and the Company obtains shareholder approval of the Plan in compliance with the ASX Listing Rules.</li> <li>• a "discretionary conversion" may occur if the "Note Conversion" (described above) does not occur; the Plan has been adopted for 5 years; the US IPO has not occurred, and the board decides to effect a discretionary conversion.</li> </ul> <p>If "automatic conversion" or "discretionary conversion" occurs, the shares in Afterpay US which have been issued as a result of the participant having exercised their option (i.e. the common stock of Afterpay US) will be converted into Shares of the Company according to the "APT Share Exchange Ratio" or the "Discretionary APT Share Conversion Rate" (as applicable).</p> <p>The APT Share Exchange Ratio will be based on future value of Afterpay US Inc. using valuation metrics, multiples and methods which the market is using to value the Company at the time of conversion. The Discretionary APT Share Exchange Ratio is based on the future value of Afterpay US as determined by an independent expert.</p>

CHANGE OF CONTROL	An Award may be subject to additional acceleration of vesting or exercisability on or after a change of control in accordance with the Plan Rules.
TERMINATION, SUSPENSION, AMENDMENT	The Plan may be suspended, terminated or amended at any time by the board.
VOTING EXCLUSION	A voting exclusion statement applies to this item of business, as set out in the Notice.
NO OF SECURITIES ISSUED SINCE LAST APPROVAL:	Not applicable (as this is the first occasion on which the Company seeks shareholder approval under Listing Rule 7.2, exception 9).
BOARD RECOMMENDATION	The Directors unanimously recommend that shareholders vote in favour of Resolution 7.
CHAIR'S AVAILABLE PROXIES	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 7.

## 8. APPROVAL OF OPTIONS TO MR DAVID HANCOCK

RESOLUTION 8	APPROVAL OF ISSUE OF OPTIONS TO MR DAVID HANCOCK
EXPLANATION AND BACKGROUND	<p>The Company seeks shareholder approval pursuant to ASX Listing Rule 10.11 to issue 2,699,087 Options to acquire Shares in the Company to Mr David Hancock, Executive Director and Group Head. The Options will have an exercise price of \$2.70 per Option (subject to adjustments in accordance with ASX Listing Rules), and will have an expiry date of 1 September 2022.</p> <p>The proposal to issue these Options to Mr Hancock arises from Mr Hancock's employment contract with the Company when he was appointed Group Head. As announced to ASX on 30 August 2017, Mr Hancock's employment terms included a fixed base salary of \$300,000 per annum (excluding superannuation), a right to short term incentive awards, and a right to long term incentive (LTI) awards in a form to be determined, which could include loan shares or options in relation to 2,000,000 Shares (subject to any necessary shareholder approvals).</p> <p>The LTI award was offered as an incentive for Mr Hancock to accept the role of Group Head, create strong alignment with shareholders, and to ensure that Mr Hancock's total package was competitive given that the amount of Mr Hancock's cash remuneration and short-term incentive award were at a lower level than in a majority of the Company's comparably sized ASX listed peers. By offering Mr Hancock an LTI award, a substantial portion of Mr Hancock's total potential remuneration was at-risk dependent on his performance as Group Head. This aligns to the Company's pay for performance philosophy placing a greater emphasis on variable pay, as well as recognition that we compete in a globalised technology sector with operations in the US, where a higher proportion of remuneration is typically delivered as LTI share-based payments to attract and motivate top talent, and to minimise fixed costs during the start up phase.</p> <p>The issue or exercise price of the LTI awards was not specified in the employment agreement, but the intention to grant awards with an effective exercise price of around \$2.70 had previously been announced to the market at the time of the merger (Merger) between Afterpay Holdings Limited and Touchcorp Limited, which formed Afterpay Touch Group Limited when the merger completed in 2017. The Scheme Booklet for the Merger disclosed an intention for the merged group to issue up to 12 million equity awards to senior executives at an issue price at a premium to the share price of Afterpay Holdings Limited at the time of announcement of the Merger, subject to shareholder approval where necessary. The share price immediately before the public announcement of the Merger was \$2.46.</p> <p>The Company subsequently agreed with Mr Hancock that he would be issued 2,000,000 limited recourse loan-funded shares (Loan Shares) as an LTI award (Loan Share Arrangement), and this proposed award was described in the Group's 2018 Remuneration Report. The agreement was reached after the Company's 2017 AGM, and was expressed to be subject to shareholder approval. Shareholder approval of the Loan Share Arrangement has not been obtained, and accordingly the proposed Loan Shares have not been issued to Mr Hancock. However, the Company's contractual obligation to provide him with an LTI award remains in place.</p>

Since the agreement with Mr Hancock was reached, the Company has reviewed the Loan Share Arrangement and has determined that the proposed Loan Share Arrangement had become too complex and is considered to be out of alignment with market practice for a company in the S&P/ASX 200 index (as the Company is now). Further it has a number of unintended cash flow consequences (largely due to the significant increase in the Company's share price since the time of the Merger), and that the expense to the Company (in terms of both share based payment expense and associated tax liabilities) will be lower if the awards are in the form of Options instead of limited recourse Loan Shares.

Accordingly, it is proposed that the Company's obligation to provide an LTI award to Mr Hancock will now be fulfilled by the issue of 2,699,087 Options with an exercise price of \$2.70 and an expiry date of 1 September 2022. This arrangement achieves a broadly similar (but not higher) remuneration outcome for Mr Hancock, is more in line with market practice, and mitigates the unintended cash flow consequences of the Loan Share Arrangement.

In particular, based on an illustrative \$13.76 share price on grant date (shareholder approval) for the original Loan Share Arrangement, changing the LTI to become an issue of Options is expected to reduce the total fair value expense to the Group (i.e. profit and loss expense) over the term of the arrangement by \$3.7 million. The Directors consider that this is a materially better outcome for all shareholders. A detailed comparison of the previous Loan Share Arrangement and the new proposal to issue Options to Mr Hancock (which is the subject of this resolution) is set out in Annexure A to this Explanatory Memorandum, including details of the above calculations.

Similar to the Loan Share Arrangement, the Options will be subject to vesting conditions in two tranches, requiring continued employment by Mr Hancock and satisfaction of his KPIs as set by the Board. The first tranche would have been tested on 1 September 2018, and at that time the vesting conditions were satisfied. Therefore (if shareholder approval is obtained) the first tranche of 1,206,532 Options will be issued as fully vested. The second tranche of 1,492,555 Options will be tested for vesting conditions at 1 September 2019.

The Board has set KPIs for the vesting of Mr Hancock's options which include both financial and non-financial measures relevant to the Company's financial, strategic, capital management and governance plans over the vesting period. The KPIs reflect desired outcomes that will enhance long term shareholder value and are aligned to the Company's strategic priorities, centred on our key stakeholders of customers and merchants and our key areas of operation in Australia, New Zealand, the US and the UK. Should shareholder approval not be granted, the Company will be obligated to honour its contractual commitment to Mr Hancock in the form of an alternative award of equivalent value.

## ASX LISTING RULES

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including Options) to a related party. As a director of the Company, Mr Hancock is considered to be a related party of the Company.

Accordingly, shareholder approval is sought under ASX Listing Rule 10.11. Whilst Listing Rule 7.1 would otherwise apply to the issue of the Options by the Company, under Listing Rule 7.2 exception 14, if approval for the issue is given under Listing Rule 10.11 then approval is not required under Listing Rule 7.1.

It is possible that the Company may issue Shares to the trustee of an employee share trust for the purpose of satisfying its obligations to provide Shares if and when the Options are exercised. In that case, the approval sought under this resolution is intended to cover such issue of Shares as well.

## APPROVAL NOT SOUGHT UNDER CHAPTER 2E OF THE CORPORATIONS ACT

The Board considers that the "reasonable remuneration" exception in relation to Chapter 2E of the Corporations Act (regarding financial benefits to related parties) applies to the proposed issue of Options to Mr Hancock, due to the terms of Mr Hancock's employment contract including an obligation to provide him with an appropriate LTI award.

RESOLUTION 8	APPROVAL OF ISSUE OF OPTIONS TO MR DAVID HANCOCK
SPECIFIC INFORMATION FOR THIS RESOLUTION FOR ASX LISTING RULES PURPOSES	<p>In accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Options to Mr Hancock:</p> <ul style="list-style-type: none"> <li>a) the related party to whom the Options will be issued is Mr Hancock, who is a related party by virtue of being a director of the Company;</li> <li>b) the maximum number of Options that are to be issued to Mr Hancock is 2,699,087;</li> <li>c) the Options will be issued no later than 1 month after the AGM;</li> <li>d) the Options will be granted for nil consideration, accordingly no funds will be raised by the issue of the Options alone;</li> <li>e) the Options will vest as follows: 1,206,532 Options vested on 1 September 2018; and 1,492,555 Options will vest on 1 September 2019 subject to Mr Hancock remaining employed by the Company and meeting the KPIs set by the Board. The Board has a discretion to waive (in whole or in part) vesting conditions where appropriate;</li> <li>f) the Options are issued under the terms of an agreement with Mr Hancock, and will be subject to adjustments to the number of Options, the exercise price, or both in accordance with ASX Listing Rules relating to capital reconstructions, bonus issues, and pro rata rights issues;</li> <li>g) a voting exclusion statement applies to this item of business, as set out in the Notice.</li> </ul>
BOARD RECOMMENDATION	The Directors, other than Mr Hancock who abstains from making a recommendation, unanimously recommend that shareholders vote in favour of Resolution 8.
CHAIR'S AVAILABLE PROXIES	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 8.

## DEFINITIONS

<b>ASX</b>	means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the case may be.
<b>AFTERPAY TOUCH GROUP OR THE COMPANY</b>	means Afterpay Touch Group Limited ACN 618 280 649.
<b>BOARD</b>	means the board of directors of the Company.
<b>CONSTITUTION</b>	means the Company's constitution.
<b>CORPORATIONS ACT</b>	means Corporations Act 2001 (Cth).
<b>CLOSELY RELATED PARTY (OF A MEMBER OF KMP OF AN ENTITY)</b>	has the definition given to it by section 9 of the Corporations Act, and means: (a) a spouse or child of the member; or (b) a child of the member's spouse; or (c) a dependant of the member or of the member's spouse; or (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or (e) a company the member controls; or (f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
<b>DIRECTOR</b>	means a director of the board of Afterpay Touch Group.
<b>KEY MANAGEMENT PERSONNEL OR KMP</b>	means those people described as Key Management Personnel in the Remuneration Report and includes all directors
<b>LISTING RULES</b>	means the Listing Rules of the ASX and any other rules of the ASX which apply while the Company is admitted to the Official List of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>MEETING</b>	means the Company's 2018 Annual General Meeting.
<b>MATRIX PARTNERS</b>	means Matrix Partners X, L.P. and Weston & Co. X LLC, which are two limited partnerships managed by Matrix X Management Co., L.L.C.
<b>OPTION</b>	means an option to acquire a Share.
<b>SHARES</b>	means fully paid ordinary shares in the Company.

# ANNEXURE 1

## RESOLUTION 8 – APPROVAL OF OPTIONS TO MR DAVID HANCOCK

### SUMMARY

- On 30 August 2017 Afterpay Touch Group Limited (Afterpay Touch or the Group) announced the key terms relating to the employment contract of Mr David Hancock, Executive Director and Group Head
- These included a proposed Long Term Incentive (LTI) award of up to 2,000,000 shares in the form of either options or loan shares, which remain subject to shareholder approval
- The Group subsequently agreed to provide the LTI award via 2,000,000 loan-funded shares (Loan Shares) with an effective issue price of \$2.70 (which reflected the share price at the time of the merger of Afterpay and Touchcorp). The issue of these shares was (and remains) subject to shareholder approval
- This agreement was reached after the date of the last AGM. The Board resolved that holding an Extraordinary General Meeting (EGM) to approve the Loan Shares would be expensive and an unnecessary distraction from the Group's growth and other strategic priorities. Further details concerning the loan share arrangement were outlined in the FY2018 Remuneration Report
- The Board has subsequently reviewed the Loan Share arrangement and determined that the arrangement has become too complex and is out of alignment with market practice. In addition, it has a number of unintended adverse cash flow consequences for the Group driven by the Group's significant share price appreciation, since the merger, of over 400% as at 11 October 2018
- The Board recognises it has a contractual agreement with Mr Hancock for an LTI, and also recognises the critical contribution of Mr Hancock to the sustained performance of Afterpay Touch as reflected in its share price. Therefore an alternative (Alternative Option) arrangement is proposed to provide the Group Head with a broadly equivalent (but not higher) remuneration outcome, to incentivise continued focus on incremental share price growth and to simplify the award. In addition, it serves to reduce the negative cash flow and expense impacts for the Group
- The proposed Alternative Option arrangement of 2,699,087 options, with an exercise price of \$2.70, provides for a reduced total fair value expense to the Group (i.e. Profit and Loss expense) over the term of the arrangement of \$3.7 million and mitigates the unintended cash flow consequences of the Loan Share arrangement (based on an illustrative \$13.76 grant price)
- Relative to the Loan Share arrangement, the Alternative Option arrangement is therefore considered by the Board to be in the best interests of shareholders and will continue to align the interests of the Group Head to driving sustainable growth in the Group's share price
- The Board recommends shareholders approve this alternative

### BACKGROUND

Mr Hancock transitioned to the newly created role of Group Head on 5 July 2017, coinciding with the completion of the merger of Afterpay Holdings Limited and Touchcorp Limited. As disclosed in the terms of his appointment, fixed remuneration (exc. superannuation) is \$300,000 with a maximum STI opportunity of \$300,000 per annum. Fixed remuneration and STI were set at a lower level than the majority of comparably sized ASX peers. This aligns to the Group's pay for performance philosophy placing a greater emphasis on variable pay, as well as recognition that we compete in a globalised technology sector with operations in the US, where a higher proportion of remuneration is typically delivered as share-based payments to attract and motivate top talent, and to minimise fixed costs during the start up phase.

In order to attract Mr Hancock to the role of Group Head; create strong alignment with shareholders; and to ensure that his total package was competitive given lower fixed remuneration, the Group agreed with Mr Hancock that he would be issued 2,000,000 loan-funded shares (Loan Shares) (as outlined in the market announcement on 30 August 2017, and as reflected in the Group's 2018 Annual Report). In doing so, a substantial portion of Mr Hancock's total potential remuneration was variable and dependent on his performance as Group Head.

#### LOAN SHARE ARRANGEMENT

Mr Hancock's Loan Shares were structured to operate in a similar manner to options whereby there is a minimum or hurdle price below which the Loan Shares do not have any value. In the case of Mr Hancock's Loan shares, he would receive any increase in the value of the Loan Shares above a share price of \$2.70 in accordance with the formula in Table 1 below, which was the share price at the date when the merger of Afterpay Holdings Limited and Touchcorp Limited was finalised. This was also the time at which Mr Hancock substantially commenced his executive services with the Group. Importantly, the Loan Shares were designed so that Mr Hancock would only be rewarded where there was an increase in share price.

Assuming shareholder approval was received, the Loan Shares were to vest 50% at 1 September 2018 (or at the date of grant if after this date), and 50% at 1 September 2019, subject to Mr Hancock remaining employed with the Group and meeting performance objectives set by the Board. Further detail concerning the terms of the Loan Shares were disclosed in the 2018 Remuneration Report.

TABLE 1: LOAN SHARE ARRANGEMENT – KEY TERMS

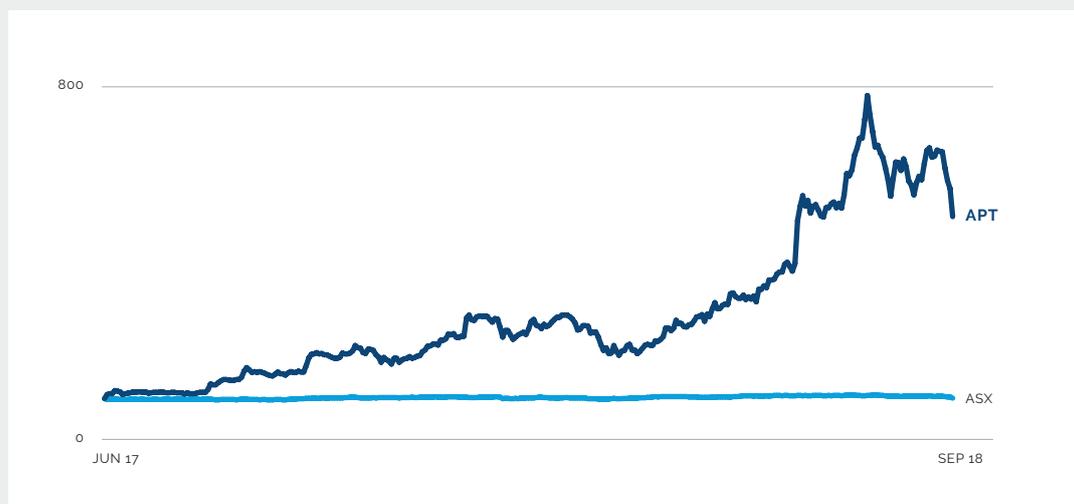
TERM	Detail
ISSUE PRICE (IP)	5 day Volume Weighted Average Price (VWAP) at date shareholder approval is received
EFFECTIVE ISSUE PRICE	The effective issue price is equal to \$2.70 (the share price at the completion of the merger) plus any tax that would be payable on the difference between the IP and \$2.70, calculated as:  IP – Loan Waiver or: IP – [(IP – \$2.70) – [(IP – \$2.70) x 50% CGT discount x 47% Top Marginal Tax Rate]]
VESTING SCHEDULE	First tranche of 1m shares on 1 September 2018  Second tranche of 1m shares on 1 September 2019
REPAYMENT DATE	The earlier of when the shares are sold or 1 September 2022  The loan may be repayable earlier under certain circumstances

Source: FY18 Remuneration Report and Mr Hancock's Invitation to Participate in the Loan Shares

Note: To ensure Mr Hancock received the intended incentive of any share price appreciation above the merger completion share price of \$2.70, the arrangement included a loan waiver amount. This loan waiver acted to waive the difference between the Issue Price (being the share price at the time the agreement was approved by shareholders) and \$2.70, adjusted for any capital gains tax that would have otherwise been payable by Mr Hancock.

The timing of the Loan Shares agreement and need to prepare all relevant legal documentation meant that a resolution for the granting of the Loan Shares was not able to be prepared in time for shareholder approval at the 2017 Annual General Meeting. The Board resolved that holding an Extraordinary General Meeting (EGM) to approve the Loan Shares would be expensive and an unnecessary distraction from the Group's growth and other strategic priorities. During the intervening period the Group's share price increased by 410% from \$2.70 to \$13.76 as at the closing price on 11 October 2018 reflecting the significant growth of the Group which has been underpinned by work undertaken by Mr Hancock and other members of the management team.

FIGURE 1: AFTERPAY TOUCH SHARE PRICE PERFORMANCE VS THE S&P / ASX 200 INDEX



Source: Reuters (from 29-Jun-17 close price of \$2.70)

This significant share price appreciation has had a number of unintended consequences for the Group. Firstly, the share-based payment expense has increased significantly over what was originally envisaged. This is due to the fact that under Australian Accounting Standards, the fair value of the share based payment expense uses the closing share price at grant date as an input and until such time as shareholder approval is received (and the Loan Shares are granted) an estimate of the share based payment expense is made based on the prevailing Afterpay Touch share price. The increase in the Group's share price has therefore resulted in a significant increase in the estimated share-based payment expense.

Secondly, as a result of the material increase in share price, the Group would incur significant Fringe Benefits Tax (FBT) and other employment related tax liabilities on the loan waiver portion of the Loan Shares, which would result in a significant cash impost on the Group. At the time the agreement with Mr Hancock was struck, the share-based payments expense and tax liabilities associated with the Loan Shares were minimal. Given these developments, the Board and Mr Hancock recognise and agree that maintaining the Loan Shares arrangement in its current form, inclusive of the potential material cash flow timing issues, is not in the best interests of shareholders or the Group.

The estimated expense and total cash flow impacts associated with the Loan Shares are set out below assuming a grant price of \$13.76 (the closing price on 11 October 2018) and the calculations were made on 30 June 2018 (the Group's most recent results announcement date).

#### ALTERNATIVE ARRANGEMENT (OPTIONS)

The Board is contractually bound to provide Mr Hancock with a suitable LTI arrangement (subject to KPIs). In order to remedy the issues described above while fulfilling its contractual obligations, the Board has reached an agreement with Mr Hancock to alter his LTI arrangements to award Options in place of the Loan Shares, subject to shareholder approval.

The Board believes the alternative is simpler to communicate to both the Group Head and the market, with Options being a more common instrument than loan funded shares, and with the value to the Group Head clearly aligned to the difference between the share price at exercise and the exercise price. Options will also be easier to administer.

TABLE 2: ALTERNATIVE OPTION ARRANGEMENT – COMPARISON WITH THE ORIGINAL LOAN SHARES PROPOSAL

TERM	LOAN SHARES	ALTERNATIVE OPTION ARRANGEMENT
<b>ISSUE PRICE (IP)</b>	5 day Volume Weighted Average Price (VWAP) at date shareholder approval is received	NA
<b>EFFECTIVE ISSUE PRICE / EXERCISE PRICE</b>	The effective issue price is equal to \$2.70 (the share price at the completion of the merger) plus any tax that would be payable on the difference between the IP and \$2.70, calculated as:  <b>IP – Loan Waiver or:</b>  IP – [(IP-\$2.70) – [(IP-\$2.70) x 50% CGT discount x 47% Top Marginal Tax Rate]]	\$2.70
<b>VESTING SCHEDULE</b>	1m shares on 1 September 2018 1m shares on 1 September 2019	1,206,532 options vest on 1 September 2018  1,492,555 options vest on 1 September 2019
<b>REPAYMENT DATE</b>	The earlier of when the shares are sold or 1 September 2022  The loan may be repayable earlier under certain circumstances	Option exercise price payable at the date of exercise

Source: FY18 Remuneration Report and Mr Hancock's Invitation to Participate in the Loan Shares

The Options will be granted, subject to shareholder approval of this resolution, under broadly similar terms to the original Loan Shares. They will have the following terms and estimated outcomes:

1. The Options will be granted with an exercise price of \$2.70, reflecting the original agreement with Mr Hancock, and rewarding him for the increase in share price and shareholder wealth since commencement of his role at the completion of the merger
2. The Options will vest in line with the following schedule to place greater emphasis on performance over a longer period:
  - a. 1,206,532 at the time shareholder approval is received
  - b. 1,492,555 on 1 September 2019
 vesting will be subject to the same KPIs previously agreed with Mr Hancock
3. Over the term of the arrangement the total Profit and Loss expense incurred by the Group is \$3.7m lower than the Loan Shares based on an assumed grant date share price of \$13.76
4. Total net proceeds to Mr Hancock for his Options will be below the amount that would have been received under the Loan Shares arrangement. Based on an assumed grant date share price of \$13.76 and an assumed sale price of \$13.76, Mr Hancock would receive \$1.1m less after-tax proceeds if the Loan Shares/Options were fully vested and disposed of upon vesting
5. The total cash outflows (prior to the expected tax deduction) to the Group are reduced to \$1.6m under the Alternative Options arrangement versus \$16.8m under the Loan Shares arrangement. Net of inflows, the Group will also receive \$11.2m more in cash flow from the Alternative Options structure than it would from the Loan Shares. There is also no potential for a temporary cash flow deficit to arise

The Board believes that this structure is the most effective way to reduce the potential negative impact arising from cashflow timing differences associated with the Loan Shares while also honouring the intent of the original agreement with Mr Hancock. It also results in an outcome that is consistent with the ongoing purpose of an Afterpay Touch LTI, i.e. to align shareholder and executive experience, and to reward for significant outperformance.

A comparison of the Loan Shares and Options are provided in Table 3 below. These figures have been prepared based on an assumed share price for Afterpay Touch shares on the date shareholder approval is received of \$13.76 (the closing share price on 11 October 2018).

TABLE 3: ALTERNATIVE OPTION ARRANGEMENT VS LOAN SHARE ARRANGEMENT – FAIR VALUE EXPENSE AND CASH FLOW IMPACTS

KEY ASSUMPTIONS	LOAN SHARES	OPTIONS	
INTENDED PRE-TAX ISSUE PRICE	\$2.70	\$2.70	
EFFECTIVE ISSUE PRICE (INCLUDING TAX ADJUSTMENT)	\$5.30	\$2.70	
ASSUMED SHARE PRICE AT SALE/EXERCISE	\$13.76	\$13.76	
SECURITIES ISSUED	2,000,000	2,699,087	
SHARE PRICE AT ISSUE (USED FOR PRO FORMA FY18)	\$13.76	\$13.76	
LOAN WAIVER	\$16,921,800	\$0	
FY18 PRO FORMA SBP EXPENSE			
FAIR VALUE EXPENSE (FY18 SHARE)	\$12,871,816	\$19,797,751	
FBT (FY18 SHARE)	\$6,925,931	\$0	= Total FBT x 12 / 26
<b>TOTAL SBP EXPENSE—REM REPORT</b>	<b>\$19,797,748</b>	<b>\$19,797,751</b>	Equal under both
OTHER PAYMENTS (FY18 SHARE)	\$833,764	\$750,890	
<b>TOTAL P&amp;L IMPACT—RESULTS PRESENTATION</b>	<b>\$20,631,512</b>	<b>\$20,548,641</b>	
Note: Other payments includes Payroll Tax and Workcover			
SBP EXPENSE - TOTAL ALL YEARS			
SBP EXPENSE	\$19,522,255	\$31,012,510	
FBT	\$15,006,185	\$0	
<b>TOTAL FAIR VALUE EXPENSE—REM REPORT</b>	<b>\$34,528,440</b>	<b>\$31,012,510</b>	
OTHER PAYMENTS	\$1,806,489	\$1,626,929	
<b>TOTAL P&amp;L IMPACT—RESULTS PRESENTATION</b>	<b>\$36,334,929</b>	<b>\$32,639,438</b>	
Note: Other payments includes Payroll Tax and Workcover			
NET CASH FLOW IMPACT			
TOTAL TAX LIABILITIES	(\$16,812,674)	(\$1,626,929)	
CORPORATE TAX DEDUCTION ESTIMATE	\$10,120,342	\$9,443,649	
<b>TOTAL OUTFLOW</b>	<b>(\$6,692,332)</b>	<b>\$7,816,721</b>	
LOAN/EXERCISE PAID - BY DH	\$10,598,200	\$7,287,535	
<b>NET CASHFLOW IMPACT</b>	<b>\$3,905,868</b>	<b>\$15,104,255</b>	=Loan Waiver x 1.8868 x 47% None for options

Note - The Fair Value per security is lower under the Loan Shares due to the operation of the loan waiver which results in a higher implied exercise price than under the Options. Despite this, the FBT impact of the Loan Shares means the aggregate expense of the Options is lower than the Loan Shares. The fair value of each tranche of securities is calculated based on the number of securities in that tranche multiplied by the fraction of time up to vesting in FY18.

Should shareholder approval be granted, the Board will issue the Options as soon as practicable after the AGM. The Board confirms that the first tranche of the award, that was scheduled to vest on 1 September 2018 under the Loan Share vesting schedule, will vest immediately. The second tranche of Options will vest on 1 September 2019, assuming that shareholder approval is granted, and Mr Hancock achieves the executive KPIs set by the Board. Mr Hancock's executive KPIs for FY19 (including underlying sales, revenue, EBITDA, growth in active customers and customer NPS targets) reflect key strategic initiatives to drive sustainable growth and include: Maintenance of a leadership position in Australia; Develop Afterpay's USA business; Launch in the UK, and; Enhancing the Afterpay product to deliver new experiences and maintain high levels of satisfaction for customers and merchants.

## CONSIDERATIONS

In considering a range of alternative instruments, the Board sought to maintain a similar connection between shareholder experience and executive reward outcomes. The Board engaged PwC as its Remuneration Adviser to assist with the examination of alternatives to the Loan Share arrangement. The Option Alternative simplifies the award and, in addition, offers superior cash flow and reduced expense for Afterpay Touch when compared to the Loan Shares arrangement. We are confident the Alternative Option arrangement is the most appropriate solution for the Company and shareholders alike.

## BOARD RECOMMENDATION

It is proposed that the Executive Director and Group Head, Mr David Hancock, be awarded Options on the above terms as a replacement for the Loan Share Arrangement. This structure will benefit the Group and its shareholders through a simplification of the award, a continued incentive for the Group Head to drive sustained shareholder value and elimination of a potential negative cashflow timing risk. The Board commends the proposal to shareholders and is confident the arrangement will continue to appropriately reward the Group Head for the critical contribution he has made to date, including successfully stewarding the merger integration of the Group entities; the successful entry into the New Zealand, US and UK markets; and the overall financial performance of the Group.

 **afterpay**touch

# AFTERPAY TOUCH GROUP LIMITED

ABN 30 618 280 649

## Lodge your vote:



Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



By Mail:

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

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

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

**For all enquiries call:**

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

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 181934

SRN/HIN:

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

 **For your vote to be effective it must be received by 12.00pm (Melbourne time) on Monday 26 November 2018**

### 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.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

**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.

# Proxy Form

Please mark  to indicate your directions

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

I/We being a member/s of Afterpay Touch Group 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 Afterpay Touch Group Limited to be held at Baker McKenzie, Level 19, CBW, 181 William Street, Melbourne VIC 3000 on Wednesday 28 November 2018 at 12.00pm (Melbourne time) 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 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 8 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 and 8 by marking the appropriate box in step 2 below.

## 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 Mr Dana Stalder as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Ms Elana Rubin as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of issue of Shares pursuant to Previous Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of issue of Shares to Matrix Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of convertible notes issued by Afterpay US, Inc. entitling Matrix Partners to Shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of Afterpay US Inc. 2018 Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval of issue of Options to Mr David Hancock	<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.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /