



## Notice of Special Meeting of Shareholders

Notice is given that the Special Meeting (**Meeting**) of shareholders of Laybuy Group Holdings Limited ARBN 642 138 476 (**Laybuy** or **Company**) will be held as follows:

**Date:** Thursday, 23 February 2023  
**Time:** 9:00 am (AEDT) / 11.00am (NZDT)  
**Venue:** Online at <https://meetings.linkgroup.com/LBYSM23>

The Meeting will be a virtual meeting, which will be conducted online via an online platform provided by the Company's share registrar, Link Market Services Limited. Details on how to attend, vote your shares and submit questions during the Meeting are contained in this notice.

## Letter from the Chair

2 February 2023

Dear Laybuy shareholder

On 25 January 2023, Laybuy Group Holdings Limited (**Laybuy** or **Company**) announced that it had requested and received approval from ASX to remove its shares from the Official List of ASX (**Delisting**) subject to complying with certain conditions described in this Notice of Special Meeting, including that shareholder approval is obtained for the Delisting.

On behalf of the Company's Board (**Board**), I therefore invite you to attend a Special Meeting of shareholders to be held at 9:00 am (AEDT) / 11:00am (NZDT) on Thursday, 23 February 2023, to seek shareholder approval of the Delisting and the adoption of a new constitution. The meeting will be held via the online platform outlined on page 4 of this Notice.

The Board has carefully considered the Delisting and believe it to be in the best interests of the Company and its shareholders for a number of reasons, including the low trading price of the Company's shares, relatively low levels of trading liquidity and a number of flow on consequences which are discussed in the Notice. These factors, as well as the costs and administrative burden of remaining listed on ASX, outweigh the benefits associated with remaining listed.

Each of Gary Rohloff, Robyn Rohloff and Pioneer Capital III Nominees Limited (together representing approximately 37% of the shares currently on issue) has indicated to Laybuy that they intend to vote in favour of each of the resolutions set out in this Notice.

Further information about the approvals sought are contained in this Notice. The Board encourages you to carefully read the materials in this Notice and the other information referred to in it, including Laybuy's announcement released to the ASX on 25 January 2023.

On behalf of the Board, I encourage you attend the Meeting and to vote in favour of each of the resolutions to be considered at it.

Yours sincerely



Steven Fisher  
Chair

## Items of business

- A Chair's introduction and address
- B Resolutions
- C Shareholder questions

## Resolutions

Shareholders will be asked to consider, and if thought fit, to pass the following resolutions:

### Resolution 1 – Approval of the removal of the Company from the Official List of the ASX

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

*That, for the purposes of ASX Listing Rule 17.11, and for all other purposes, the Shareholders approve the removal of Laybuy Group Holdings Limited (the **Company**) from the Official List of the ASX, and that the Directors of the Company be authorised to do all things reasonably necessary to effect the removal of the Company from the Official List of the ASX.*

### Resolution 2 – Approval of new constitution of the Company

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

*Subject to shareholders approving Resolution 1, that the existing constitution of the Company be revoked and a new constitution, in the form referred to in the accompanying Explanatory Memorandum, be adopted with effect from the day after the Company ceases to be admitted to the Official List of the ASX.*

By order of the Board.



Jonathan Swain  
Company Secretary

2 February 2023

## Important information

### Attendance

The Meeting will be held via an online platform provided by Laybuy's share registry, Link Market Services Limited (**Link**) at <https://meetings.linkgroup.com/LBYSM23>, which will provide a reasonable opportunity for shareholders to participate. Shareholders attending the Meeting via the online platform will be able to hear any discussion, submit written questions and vote. We will endeavour to address appropriate questions at the Meeting.

We strongly recommend that shareholders who wish to participate log-in to the online portal at least 15 minutes prior to the scheduled start time.

More information regarding virtual attendance at the Meeting (including how to vote and ask questions) is available in the Online Portal Guide on Laybuy Group Holdings Limited's Investor Centre at <https://laybuyinvestors.com/investor-centre/>.

### All resolutions will be by poll

Each resolution considered at the Meeting will be conducted by a poll, rather than on a show of hands.

### Voting

Shareholders can vote at the Meeting:

- through the online platform; or
- by appointing a proxy (see below).

The Board approves the use of the online platform as a means of participating and voting electronically in this Meeting under clause 16.16 of Laybuy's Constitution and clause 14 of Schedule 1 of the *Companies Act 1993* (NZ) (**Companies Act**).

### Voting entitlements

Voting entitlements for the Meeting will be determined as at 9.00pm NZDT (7.00pm AEDT) on Tuesday, 21 February 2023.

Shareholders registered at that time will be the only persons entitled to vote at the Meeting and only the shares registered in those shareholders' names at that time may be voted at the Meeting.

### Proxies

If you are entitled to attend and vote at the Meeting, you may appoint a proxy to attend and vote for you by completing and following the instructions on the accompanying Proxy Form.

In order to complete the validation process to appoint a proxy online, you will need your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode or country of residence. If you need to obtain these details, please contact Link well in advance via the contact details in the Proxy Form.

The person you appoint as proxy is not required to be a Laybuy shareholder. If you are entitled to cast two or more votes at the Meeting, you may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the appointment does not specify the proportion or number of votes, each proxy may exercise half of the votes (any fraction votes will be disregarded).

If you appoint a proxy, you may either direct your proxy how to vote for you (directed proxy) or you may give your proxy discretion to vote as they see fit (undirected proxy). If you wish to give your proxy discretion, then do not tick any box for a resolution. If you have directed your proxy to vote, and they fail to attend the Meeting or they choose to not vote, then, on a poll, the Chair of the Meeting will become your proxy and vote your proxies as directed by you. If you submit a proxy, you are encouraged to direct your proxy whether to vote for or against or to abstain from voting on each resolution. If you tick more than one box for a resolution, without specifying the portion of voting rights to be voted for or against, your vote on that resolution will be invalid.

If you return a completed and signed Proxy Form, but do not nominate a proxy, the Chair of the Meeting will become your proxy.

The Chair of the Meeting and any director appointed as proxy for a person who is entitled to vote (including where the Chair of the Meeting is appointed as proxy by default) intend to vote all undirected proxies in favour of the relevant resolution.

Your completed Proxy Form must be received by Link no later than 11:00am NZDT (9:00am AEDT) on Tuesday, 21 February 2023. Any Proxy Form received after that time will not be valid for the Meeting.

### **Powers of Attorney**

If you have appointed an attorney to attend and vote at the Meeting, or if your Proxy Form is signed by an attorney, you must provide the power of attorney (or a certified copy of the power of attorney) to Link by 11:00am NZDT (9:00am AEDT) on Tuesday, 21 February 2023, unless the document has previously been lodged with Link.

### **Corporate representatives**

A corporate shareholder may appoint a person to act as its representative. A Certificate of Appointment of Corporate Representative must be received by Link no later than 11:00am NZDT (9:00am AEDT) on Tuesday, 21 February 2023. Any Certificate received after that time will not be valid for the Meeting. A Certificate of Appointment of Corporate Representative may be obtained from Link.

### **Requisite majorities**

Resolutions 1 and 2 are special resolutions requiring the approval by a majority of 75% or more of the votes of those shareholders of the Company entitled to vote and voting on the resolution, in order for each resolution to be passed.

### **More information**

If you have any questions about this notice, please contact the Company at [investors@laybuy.com](mailto:investors@laybuy.com).

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of this Notice of Special Meeting (**Notice**) and has been prepared in connection with the business to be conducted at the Meeting. The purpose of this Explanatory Memorandum is to provide information which the Board believes to be material to shareholders in deciding whether or not to pass the resolutions in this Notice (**Resolutions**). The Board recommends that shareholders read the Notice including this Explanatory Memorandum in full before making any decisions relating to the Resolutions.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice including in this Explanatory Memorandum, it is recommended that you seek advice from your professional advisers.

Terms and abbreviations used in the Notice and Explanatory Memorandum are defined in the Glossary.

### Resolution 1 – Approval of the removal of the Company from the Official List of the ASX

#### 1 Introduction

The Company has applied to ASX to be removed from the Official List of ASX (**Official List**) under ASX Listing Rule 17.11 (the **Delisting**). As is its usual practice, ASX has imposed a requirement under ASX Listing Rule 17.11 and Guidance Note 33 *Removal of Entities from the ASX Official List*, that the Company obtain shareholder approval of its Delisting.

Resolution 1 seeks the required shareholder approval to the Delisting under and for the purposes of the ASX Listing Rules and for all other purposes. Resolution 1 is a special resolution, which means that Resolution 1 will only be passed if at least 75% of the total votes cast by shareholders entitled to vote and voting on Resolution 1 vote in favour of the resolution at the Meeting.

The reasons for the proposed Delisting and the potential consequences, advantages and disadvantages are outlined below.

#### 2 ASX conditional in-principle approval for Delisting

Prior to formally applying to the ASX for the removal of the Company from the Official List of ASX pursuant to ASX Listing Rule 17.11, the Company obtained in-principle advice from the ASX in relation to the Delisting. ASX's in principle advice states that, based solely on the information provided, on receipt of an application from the Company for removal from the Official List of ASX pursuant to ASX Listing Rule 17.11, ASX would likely remove the Company from the Official List, on a date to be determined by ASX, subject to compliance with the following conditions (the **ASX Decision**):

- (a) The request for removal of the Company from the Official List of ASX is approved by a special resolution of ordinary security holders of the Company.
- (b) The notice of meeting seeking security holder approval for the Company's removal from the Official List must include, in form and substance satisfactory to ASX, the following:
  - (i) a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given;
  - (ii) a statement to the effect that the removal will take place no earlier than one month after approval is granted;
  - (iii) a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the entity is removed from the Official List; and if they do not, details of the processes that will exist after the Company is removed from the

Official List to allow security holders to dispose of their holdings and how they can access those processes; and

- (iv) the information prescribed in section 2.11 of ASX Guidance Note 33.
- (c) The Company releases the full terms of the ASX Decision to the market upon making a formal application to ASX to remove the Company from the official list of ASX (which the Company has complied with by its announcement on 25 January 2023).

In accordance with paragraph (a) of the ASX Decision, Resolution 1 seeks the required shareholder approval to the Delisting. If Resolution 1 is passed, the Company will be able to proceed with the Delisting. If Resolution 1 is not passed however, the Company will not be able to proceed with the Delisting and the Company's shares will remain listed on ASX.

The requirements of paragraph (b) of the ASX Decision are addressed in this Explanatory Memorandum.

As at the date of this Notice, ASX has not imposed any voting exclusion preventing any shareholder from voting in favour of Resolution 1.

### 3 Reasons for proposing the Delisting and potential advantages of the Delisting

The Board considers that it is in the best interests of the Company and its shareholders for the Company to Delist for the following reasons:

- (a) **Company valuation:** Since the Company's initial public offering and listing in September 2020, the Board has observed ongoing fluctuations in the quoted price of the Company's shares and noted that the value attributed to a share has been largely independent of news flows, even when positive news has been released. This has caused the Board to question whether the market is fairly valuing the Company. Undervaluation means that the placement of significant equity to investors at current market prices may be more dilutive to existing shareholders than if the Company was, in the Board's opinion, more fairly valued. The Board believes that Delisting would allow a more objective and independent appraisal of valuation to take place, without concern for an illiquid public market on ASX (see paragraph (e) below).
- (b) **Capital raising:** The composition of the Company's share register combined with a low market capitalisation, a low trading price and resulting low liquidity have made it difficult for the Company to seek to raise public capital and attract broader institutional ownership. If the Company was able to raise further capital whilst listed on ASX (either now or in the short to medium term), this would likely impose a higher dilutionary cost on non-participating shareholders than if the Company was more fairly valued. Such a raise is, in the Board's view, not consistent with preserving shareholder value.

The Board also considers that the Company will have access to a much broader universe of technology-focused, global institutional investors after Delisting, including those who are unable to invest in ASX-listed companies due to investment mandates.

- (c) **Cost of capital:** The costs for the Company of raising capital through the ASX are higher than the expected costs of raising capital if the Company were to Delist and such capital raising on ASX is more complex, as it often involves financial advisers, ASX participants and both New Zealand and Australian lawyers.
- (d) **Strategic and corporate opportunities:** The Board considers that the Company will have greater flexibility to pursue and execute value-enhancing strategic opportunities and corporate transactions after Delisting.
- (e) **Illiquidity and marketable parcels:** Notwithstanding the Company's ASX listing, trading in the Company's shares has been relatively illiquid which has contributed to high volatility in

the Company's share price. Low liquidity has limited the Company's ability to secure broad institutional ownership and undertake capital markets transactions (as discussed above at paragraph (b)). As at 7 December 2022, 4,402 shareholders (representing 71.21% of shareholders) held "unmarketable" holdings parcels of A\$500 or less, indicating a limited market for trading of the Company's securities.

- (f) **Costs:** The Company believes that the ongoing administrative, compliance and direct costs associated with the Company's ASX listing are disproportionate to the benefits of remaining listed on the ASX. Legal, accounting, insurance, and other expenses incurred in satisfying ASX filing, reporting, and compliance requirements have proven burdensome for the Company in recent times, given its limited cash reserves. The Company estimates that if it Delists it will save it approximately NZ\$40,000 per month over the next 12 months (NZ\$480,000 per year).

Reducing these costs is also expected to improve the Company's ability to attract new capital.

- (g) **Management time and effort:** A significant portion of the Company's management time is presently being dedicated to time-intensive matters relating to the Company's ASX listing. If the Company proceeds to Delist, a significant reduction in the volume and intensity of compliance obligations will enable a greater proportion of management's time to be spent on other matters for the benefit of the Company.

- (h) **Employees:** The volatility in the Company's share price and (in the Board's opinion) the disconnect between the Company's share price and its fair value impacts the Company's ability to attract high-quality employees. If the Company Delists, it is expected to make the Company a more attractive employer for new recruits and promote employee retention, given the impact share price and illiquidity can have on an employee's decision to join or remain at the Company and any incentive arrangements.

#### 4 Potential disadvantages of Delisting

The Board has identified potential disadvantages of the Delisting to include:

- (a) **Shareholders will no longer have the ability to sell their shares and realise their investment in the Company via trading on ASX.**

Following Delisting, the Company's shares will no longer be quoted on the ASX and will no longer be traded on the ASX. The Company's shares will only be capable of sale via:

- (i) off-market private transactions which will require the Company's shareholders to identify and agree terms with potential purchasers of the Company's shares in accordance with the Company's constitution and the New Zealand *Companies Act 1993 (Companies Act)*; or
- (ii) the Catalist Public Market described below in section 7.

The Company is not currently able to offer a share buy-back.

- (b) **No guarantee of access to capital and 'low-doc' fundraising regime will no longer be available to the Company.**

While the Board believes the Company will have better access to potential capital and on more favourable terms than would otherwise be available if the Company was to remain listed on the ASX, there is no certainty that the Company will in fact obtain better access to capital and/or on more favourable terms post-Delisting.



Once Delisted, the Company will no longer be able to raise capital by an issue of securities through a 'low doc' offer, such as using a 'cleansing notice' under the *Corporations Act 2001* (Cth) (**Corporations Act**). Instead, the Company may be required to follow the additional steps under the New Zealand *Financial Markets Conduct Act 2013*, that apply to issuers listed on Catalist (defined below). An alternative lower-documentation offer regime exists under the *Financial Markets Conduct (Catalist Public Market) Exemption Notice 2021*, which applies to capital raised of up to NZ\$20 million per year.

(c) **Various requirements of the ASX Listing Rules and the Corporations Act will no longer apply.**

Following Delisting, the Company will not be subject to the ASX Listing Rules or certain parts of the Corporations Act. However, the Company will continue to be governed by the Companies Act and Catalist's Issuer Rules will apply once the Company is listed and its shares are available for trading on the Catalist Public Market described below in section 7.

In particular, the following ASX Listing Rule requirements will no longer apply:

- continuous disclosure and other periodic reporting requirements (although the Company's reporting requirements will still be governed by the Companies Act);
- disclosure of certain information under the ASX Listing Rules (including changes of capital or information related to directors and the auditor of the Company);
- restrictions on the issue of new capital (such as the inability of the Company to issue in excess of 15% of its capital in any 12-month period without shareholder approval) and certain restrictions on transactions with related parties (although these will still be governed by the Companies Act);
- requirements relating to significant changes to the Company's activities; and
- the requirement to report against the ASX Corporate Governance Principles and Recommendations.

The Company, as a New Zealand company, will not be an 'unlisted disclosing entity' under the Corporations Act following the Delisting. This means that the Company will no longer be subject to the continuous disclosure regime under section 675 of the Corporations Act despite continuing to have more than 100 shareholders. Certain provisions of the Corporations Act will however continue to apply to the Company whilst it remains registered as a foreign company in Australia, including maintaining a registered office and a local agent in Australia, and lodging annual financial statements with ASIC. The Company does however, intend to apply to deregister as a foreign company in Australia shortly following Delisting.

Once the Company's shares become available for trading on the Catalist Public Market after Delisting, Catalist's Issuer Rules will apply, which include requirements for the Company that have the purpose of making 'material information' available to participants in the Catalist Public Market, including disclosure before and during each trading event (auction) subject to certain exceptions.

Some shareholders may consider that the reduction of obligations associated with an ASX listing is a disadvantage, including, in particular, minority shareholders. While there will be differences in the regulatory regimes pre- and post-Delisting, minority shareholders will continue to benefit from the protections in the Companies Act, such as in relation to the alteration of shareholder rights, minority buyout rights, financial reporting obligations and holding annual meetings of shareholders. Shareholders will also have some protections as a result of the requirements of Catalist's Issuer Rules.

Directors will continue to be subject to directors' duties under the Companies Act, including to act in good faith and in the best interests of the Company.

Shareholders will continue to benefit from the protection afforded by section 129 of the Companies Act which requires that the Company must not enter into a "major transaction" unless the transaction is approved by special resolution of shareholders. A "major transaction" is defined under the Companies Act as:

- the acquisition of, or an agreement to acquire, whether contingent or not, assets the value of which is more than half the value of the Company's assets before the acquisition; or
- the disposition of, or an agreement to dispose of, whether contingent or not, assets of the Company the value of which is more than half the value of the Company's assets before the disposition; or
- a transaction that has or is likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities, including contingent liabilities, the value of which is more than half the value of the Company's assets before the transaction.

In addition, the Company will remain subject to the New Zealand Takeovers Code as long as it is a 'code company' for the purposes of the New Zealand Takeovers Code. A company is a code company if, for example, at any time the company has 50 or more shareholders and is at least 'medium-sized' (as provided for under the New Zealand Takeovers Code). The Company currently meets the definition of 'medium sized' under the New Zealand Takeovers Code.

## **5 Consequences of Delisting**

If Resolution 1 is passed, the Company will be able to proceed with the Delisting and will be removed from the Official List on a date to be decided by ASX, which will be no earlier than one month after the date that Resolution 1 is passed. An indicative timetable for the Delisting (assuming Resolution 1 is passed) is set out in section 8 below.

Once Delisted, the Company will continue to operate as a New Zealand company (and rather than being unlisted – it will be subject to the compliance obligations of the Catalist Public Market described below in section 7) and continue to pursue its current business plans and strategy towards achieving and sustaining profitability.

Some of the key consequences for the Company and its shareholders if the Company is removed from the Official List include:

- (a) If Resolution 1 is passed, shareholders who wish to sell their shares will have a one month period from the date of the Meeting to sell their shares on ASX (to the extent they are able to do so) prior to the Company being Delisted. Thereafter, the Company's shares will no longer be quoted or traded on the ASX. The Company's shares will only be capable of sale via off-market private transactions and the Catalist Public Market described in section 7.
- (b) The Company will adopt a new constitution effective from the Delisting, subject to both Resolution 1 and Resolution 2 being passed. The proposed constitution is more suitable for a company in New Zealand that is listed on the Catalist Public Market rather than ASX. In particular, the new constitution removes ASX-specific requirements which will no longer be applicable to the Company if the Delisting proceeds. Whilst a new form of constitution is proposed, shareholders' rights will not change in any material respect following the Delisting. Please refer to the discussion of Resolution 2 and the new constitution which follows in this Explanatory Memorandum.

- (c) The Company will no longer be able to raise capital on ASX through a 'low doc' offer under the Corporations Act. Please refer to section 4(b) above.
- (d) The Company will continue to be governed by the Companies Act, but the Company will no longer be subject to the ASX Listing Rules. The Company will also no longer be a disclosing entity for the purposes of the Corporations Act so it will not be required to continuously disclose information to shareholders following Delisting (although the 'lighter' Issuer Rules of the Catalist Public Market will apply which include the requirement on the Company to release all 'material information' (as defined in the Catalist Issuer Rules) before and during each trading event (auction) subject to certain exceptions). Certain provisions of the Corporations Act will continue to apply to the Company whilst it remains registered as a foreign company in Australia. The Company does however, intend to apply to deregister as a foreign company in Australia shortly following Delisting. Please refer to section 4(c) above.

## **6 Consequences if Resolution 1 is not passed**

If Resolution 1 is not passed, unless a subsequent proposed delisting is approved by shareholders or ASX determines that the Company's shares should no longer be listed, the Delisting will not proceed and the Company's shares will remain listed on ASX. The Company will therefore not benefit from the potential advantages of the Delisting reflected in the reasons in support of the Delisting in section 3.

## **7 Catalist Public Market and share registrar**

The Company has engaged Catalist Markets Limited (**Catalist**), a licenced stock exchange in New Zealand designed specifically for SMEs, to allow shareholders to trade their shares post-Delisting by means of auctions, subject to Catalist's issuer rules.

Catalist operates the Catalist Public Market, which enables investors to buy and sell financial products online in periodic auctions, and enables listed businesses (issuers) to raise capital. It offers investors some similar protections as they would have on a traditional stock exchange such as the ASX (refer to section 4(c) above). However, as trading is periodic, the Company will have to spend less effort and expense meeting the compliance obligations of the Catalist Issuer Rules. The Company initially intends to facilitate weekly auctions of its shares on the Catalist Public Market. Further details on the Catalist Public Market can be viewed here: <https://www.catalist.co.nz/>

The Catalist Public Market will only be available for share trading by shareholders if Resolution 1 is passed and the Company is removed from the Official List of ASX.

Link is the Company's share registrar and will continue to act as the Company's share registrar both prior to Delisting and after listing and trading on the Catalist Public Market commences. Link will update the Company's share register with trading information it receives from ASX (prior to delisting from ASX) and from Catalist (after share trading commences on the Catalist Public Market).

Link's contact details are:

### **Link Market Services Limited**

Parramatta Square, Level 22, Tower 6,

10 Darcy Street, Parramatta NSW 2150;

or

Level 12, 680 George Street, Sydney NSW 2000

### **Mail:**

Laybuy Group Holdings Limited

C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**Phone:**

1300 554 474 or +61 1300 554 474

**8 Indicative timetable**

The proposed timetable for the Delisting (assuming Resolution 1 is passed) is set out below.

<b>Event</b>	<b>Indicative date*</b>
Notice of Special Meeting released	2-3 February 2023
Special Meeting to be held to approve the Delisting	23 February 2023
Results of Special Meeting announced to ASX	23 February 2023
Last day for trading of the Company's shares	23 March 2023
Completion of removal of the Company from the Official List	24 March 2023

\*Dates and times are indicative only and subject to change by the Company or ASX.

As outlined above, the Company's shares may continue to be traded on ASX until 23 March 2023, after which trading on ASX will be suspended until the Company is removed from the Official List. This will give shareholders one month from the date of the Meeting to seek to sell their shares on ASX if they do not wish to remain shareholders in the Company.

Accordingly, if shareholders wish to sell their shares on ASX, they will need to do so before the Company is removed from the Official List of ASX, and if they do not, shares will only be capable of sale by an off-market private transaction or via the Catalist Public Market described above.

**9 Shareholder remedies available**

In circumstances where a shareholder considers the Delisting to be oppressive, unfairly discriminatory or unfairly prejudicial to the shareholder, the shareholder may apply to the court for an order under section 174 of the Companies Act. The court can make such order as it thinks fit, if it considers it is just and equitable to do so, including an order that the Company be put into liquidation or an order regulating the future conduct of the Company's affairs.

***Directors' recommendation***

The directors unanimously recommend that shareholders vote in favour of Resolution 1.

***Chair's voting intention***

The Chair of the Meeting intends to vote all available undirected proxies in favour of Resolution 1.

## Resolution 2 – Approval of new constitution of the Company

The Company's existing constitution was adopted in July 2020 (**Existing Constitution**), principally to reflect the then applicable requirements of the ASX Listing Rules in advance of its being admitted to the Official List. The Board considers that, if the Company Delists, the Existing Constitution should be amended in the form available to view at the link below (**Amended Constitution**), as:

- (a) provisions in the Existing Constitution that relate or refer to the ASX Listing Rules should, generally, be removed since the Company will not be bound by the ASX Listing Rules once Delisted – although the Amended Constitution does retain certain ASX Listing Rules concepts (e.g., three-yearly rotation of directors);
- (b) certain provisions common to widely-held companies incorporated in New Zealand should be included in the Company's constitution; and
- (c) consequential alterations should be made to the Existing Constitution to reflect the listing on the Catalist Public Market.

For these reasons, the Company proposes, with the approval of its shareholders, to revoke the Existing Constitution and adopt the Amended Constitution, with such revocation and adoption to take effect from the day after the Company is Delisted.

A copy of the Amended Constitution, together with a marked-up copy showing the differences between the Amended Constitution and the Existing Constitution, may be viewed on the Company's website at <https://laybuyinvestors.com/investor-centre/>.

No alteration proposed by the Amended Constitution imposes or removes a restriction on the activities of the Company and, accordingly, no shareholder buy-out rights arise under section 110 of the Companies Act.

A summary of material differences between the Existing Constitution and the Amended Constitution is set out in the table below.

Clause in Amended Constitution	Subject matter	Proposed change
Throughout	ASX Listing Rule	Where a clause referred to the ASX Listing Rules, the ASX Listing Rule reference has been deleted and/or the clause has been amended accordingly to reflect that the shares in the Company will be Delisted (and will be listed on the Catalist Public Market).
1.1 and 1.2	Definitions and Interpretation	Definitions relating to the ASX Listing Rules have been deleted or amended, as applicable, with new definitions relevant to listing on the Catalist Public Market included.
Deleted clauses 2.2, 2.3, 10.3, 10.6(e), (f), (h), (i) and (j) and 10.7	Clauses relevant to ASX Listing Rules	These clauses have been deleted on the basis that they relate or refer to ASX Listing Rules.
2.2, 2.3 and 2.4	Clauses relevant to Catalist Issuer Rules	These clauses have been added to reflect the requirement on the Company to comply with the Catalist Issuer Rules after Delisting.

Clause in Amended Constitution	Subject matter	Proposed change
4.1	Issue of new Equity Securities	<p>The requirement that share issues be made in compliance with the ASX Listing Rules is deleted. In broad terms, this removes the general rule under the ASX Listing Rules that shareholder approval is obtained for share issues, unless one of the permitted exceptions applies.</p> <p>No Shareholder approval is required for share issues under the Amended Constitution. The issue of shares is wholly a matter for the Board subject to the Companies Act requirements (principally that the consideration for the shares is fair and reasonable to the Company and to all existing shareholders).</p>
4.2 and 5.1	Consolidation, subdivision and acquisition of equity securities	The relevant requirements under the ASX Listing Rules will no longer apply. Only the requirements of the Companies Act will apply.
10	Transfer of shares	ASX Listing Rule requirements concerning the transfer of shares will no longer apply but, whilst the shares are quoted on the Catalist Public Market, the Catalist Issuer Rules concerning shares transfers will apply.
10.7	Sale of unmarketable parcels	<p>Under the Existing Constitution, the Company may sell securities which are not a 'Marketable Parcel' (i.e., under the ASX Listing Rules, a parcel having a value of not less than A\$500) if at least six weeks prior notice has been given to each affected holder and the relevant holder has not advised the Company that it wishes to retain the securities.</p> <p>The Amended Constitution includes an analogous provision in respect of shares in the Company (rather than securities generally) but with the 'Marketable Parcel' amount set at NZ\$500 for so long as the shares are approved for trading on the Catalist Public Market. If shares are not approved for trading on the Catalist Public Market, then a 'Marketable Parcel' is to be determined by the Board.</p>
12.1 and 23.1	Methods for holding shareholder and board meetings	Minor changes have been made to the procedural requirements for shareholder and board meetings, including clarifying the scope for hybrid (physical and virtual participation) meetings.
19.8	Compliance with Catalist Issuer Rules	The way in which directors are currently appointed is not changing but the requirements in respect of the Board of the ASX Listing Rules will no longer apply. However, whilst the shares are quoted on the Catalist Public Market, the Company will need to comply with the Catalist Issuer Rules concerning the appointment of directors (for example, the Catalist Issuer Rules require the Board include at least one director ordinarily resident in New Zealand or Australia and at least one independent director). Currently, all the directors are either ordinarily resident in New Zealand or Australia

<b>Clause in Amended Constitution</b>	<b>Subject matter</b>	<b>Proposed change</b>
		and there are two independent directors.
24.1	Authorisation of director remuneration	The ASX Listing Rule requirement that director remuneration be authorised by shareholders no longer applies, so director remuneration is subject to the Companies Act requirements only. In broad terms, these require the Board to resolve and certify that the remuneration is fair to the Company.

***Consequences if Resolution 2 is approved***

If shareholders approve Resolutions 1 and 2, the Existing Constitution of the Company will be revoked and a new Amended Constitution, will be adopted with effect from the day after the Company ceases to be admitted to the Official List of the ASX.

***Consequences if Resolution 2 is not approved***

Resolution 2 is subject to and takes effect from the day after the Company ceases to be admitted to the Official List of the ASX and, accordingly, is, in practice, dependent on Resolution 1 being passed to be effected. Accordingly, if Resolution 1 is passed by shareholders, but Resolution 2 is not approved:

- (a) the Company will:
  - (i) cease to be listed on the Official List of ASX; and
  - (ii) be listed on the Catalist Public Market;
- (b) the Existing Constitution will continue to be the Company's constitution;
- (c) the Existing Constitution will not adequately serve its function as the Company's governing document because the Existing Constitution is only appropriate for a Company that is listed on the Official List of ASX; and
- (d) the Company would propose that shareholders alter the Existing Constitution by way of the Amended Constitution at the next meeting of shareholders following the Meeting.

***Directors' recommendation***

The directors unanimously recommend that shareholders vote in favour of Resolution 2.

***Chair's voting intention***

The Chair of the Meeting intends to vote all available undirected proxies in favour of Resolution 2.

## Glossary

Capitalised terms in this Notice have the meaning set out below:

<b>AEDT</b>	Australian Eastern Daylight Time
<b>Amended Constitution</b>	the proposed new constitution of the Company
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the financial market it operates, as the context requires
<b>ASX Decision</b>	has the meaning given in section 2 of the Explanatory Memorandum
<b>ASX Listing Rules</b>	the listing rules of ASX
<b>Board</b>	the board of directors of the Company
<b>Catalist</b>	Catalist Markets Limited, the operator of the Catalist Public Market
<b>Catalist Issuer Rules</b>	the Catalist issuer rules described as 'Issuer Rules' published by Catalist on the Catalist.co.nz website in the form as in force from time to time
<b>Catalist Public Market</b>	the licensed financial products market operated by Catalist
<b>Chair</b>	the chair of the Board
<b>Companies Act</b>	the <i>Companies Act 1993</i> (NZ)
<b>Company</b>	Laybuy Group Holdings Limited ARBN 642 138 476
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth)
<b>Existing Constitution</b>	the existing constitution of the Company
<b>Explanatory Memorandum</b>	the explanatory memorandum which forms part of the Notice
<b>Delisting</b>	the removal of the Company's shares from the Official List of ASX
<b>Meeting</b>	the Special Meeting of Shareholders which is the subject of this Notice of Meeting
<b>Notice</b>	this notice of meeting and includes the Explanatory Memorandum
<b>NZDT</b>	New Zealand Daylight Time
<b>Official List</b>	the official list of entities that ASX has admitted
<b>Resolutions</b>	the resolutions in the Notice