

Cuscal Limited – Q&A on Proposed Share Buy Backs

Question	Answer
Thematic: General information on the share Buy Backs	
What are Share Buy Backs?	<p>Equal Access Buy Back:</p> <p>Under an equal access share buy back, a Company offers to buy back from all Shareholders some or all of their Shares in the company on the same terms.</p> <p>Selective Buy Back:</p> <p>Under a selective share buy back, a Company invites specific shareholders to offer to sell all their shares to the company for an agreed price.</p> <p>Both:</p> <p>For both buy backs, if the Company accepts the offer, then a buy back agreement is formed on the applicable terms.</p> <p>Any shares bought back are cancelled, which reduces the number of shares on issue.</p>
Why is Cuscal presenting the Buy Back options?	<p>The Share Buy-Backs form part of an overall capital management package whereby the Board seeks to return up to ~\$51 million of shareholder funds following the sale of 86 400 to the National Australia Bank.</p> <p>The Buy Backs are aimed at giving Shareholders a liquidity event. During the Governance Review, Cuscal received feedback on the lack of liquidity in its shares.</p> <p>At the moment the most common way to offer Cuscal Shares for sale has been through the Cuscal Share Market platform and, over the past few years, it has been historically difficult for sellers to achieve prices that may best reflect Cuscal's value.</p> <p>There have been various unsuccessful attempts over the past few years by some shareholders to sell shares on the Cuscal Share Market Platform.</p> <p>The lack of trading may indicate a much greater demand from shareholders to sell their shares than there are willing buyers. In fact, over the past ~3 years, 8 separate offers to sell ~4.4 million Shares have been posted (at prices ranging from \$1.40 - \$2.00 per Share) but no trades have been completed.</p> <p>Cuscal seeks to maximise shareholder returns through more active management of its capital position; while balancing</p> <ul style="list-style-type: none"> targeted strategic investment in our core businesses and growth opportunities; responding to changes in our customer needs and the operating environment;

	<ul style="list-style-type: none"> • creating value through capital management initiatives, including liquidity opportunities; • the maintenance of a strong balance sheet and regulatory capital position. <p>The Board considered various alternatives for returning capital to shareholders and determined that the proposed Buy Backs, in conjunction with the other capital initiatives, was an efficient and value enhancing strategy.</p>
Why are there 2 different Buy Backs being offered?	<p>An Equal Access Buy Back and a Selective Buy Back are being offered.</p> <p>Both are being offered to provide optionality to shareholders to participate in a 'liquidity event', as well as an opportunity to mitigate the impacts of regulatory capital deductions due to carrying shares in Cuscal.</p> <p>The Equal Access Buy Back (capped at ~7.2m shares or ~4% of issued shares) is available to all shareholders and provides an opportunity to sell all or a portion of their shares back to Cuscal – should demand exceed the buy back 'cap', there would be a pro rata scale back.</p> <p>The Selective Buy Back is being offered in response to feedback from some shareholders that it has been very difficult to trade smaller parcels of shares. The Selective Buy Back is targeted at shareholders with relatively smaller holdings i.e. individually <0.4% of shares on issue or holdings (i.e. <703,000 shares).</p> <p>At the moment the most common way to offer Cuscal shares for sale has been through the Cuscal Share Market platform and, over the past few years, it has been historically difficult for sellers to achieve prices that may best reflect Cuscal's value.</p> <p>There have been various unsuccessful attempts over the past few years by some shareholders to sell shares on the Cuscal Share Market Platform.</p> <p>The lack of trading may indicate a much greater demand from shareholders to sell their shares than there are willing buyers. In fact, over the past ~3 years, 8 separate offers to sell ~4.4 million Shares have been posted (at prices ranging from \$1.40 - \$2.00 per Share) but no trades have been completed.</p>

<p>What are the key terms of the Equal Access Buy Back?</p>	<p>All Shareholders will have the ability to participate in the Equal Access Buy Back; and:</p> <ul style="list-style-type: none"> • Cuscal will offer to buy back up to ~7.2m shares (~4% of issued shares) at an Offer Price of \$1.95 per share; • is subject to a maximum consideration of \$14.1 million (Equal Access Cap); • is not subject to shareholder approval as the Buy Back falls within the '10/12 limit' under Part 2J.1 of the Corporations Act (being a buy back of less than 10% of the Company's total issued capital within a 12 month period); • is subject to pro rata scale-back; and • is subject to the Selective Buy Back being approved by shareholders who are eligible to vote.
<p>What are the key terms of the Selective Buy Back?</p>	<p>Only shareholders who individually hold <0.4% of the total number of Shares on issue shares i.e. <703,000 shares will have the ability to participate in the Selective Buy Back; and:</p> <ul style="list-style-type: none"> • Cuscal will offer to buy back up to ~6.2m shares (~3.5% of issued shares) at an Offer Price of \$1.95 per share; • If all eligible shareholders participate, the maximum consideration is currently \$12.1 million; • the offer is for all (but not some) of the shares held by individual eligible shareholders.
<p>Thematic: Buy Back program logistics</p>	
<p>Which shareholders are eligible to participate in each of the Buy Backs?</p>	<p>Equal Access Buy Back:</p> <p>All shareholders (regardless of holding size) can participate in the Equal Access Buy Back – they can apply to sell some or all of their shares in Cuscal at the Offer Price.</p> <p>If the value of the Equal Access Buy Back acceptances exceed the Equal Access Cap of ~\$14m (~7.2m shares), Cuscal will scale-back the number of shares to be bought back on a pro-rata basis.</p> <p>Selective Buy Back:</p> <p>Under this Selective Buy Back, Cuscal invites specific shareholders (those holding <703,000 shares) to apply to sell all (but not some) of their shares in Cuscal at the Offer Price.</p> <p>In summary, Shareholders with:</p> <ul style="list-style-type: none"> • <703,000 shares can participate in both buy backs; and • >703,000 shares can only participate in the Equal Access buy back.

<p>Are the Buy Backs subject to scale back?</p>	<p>Equal Access Buy Back:</p> <p>The Equal Access Buy Back is subject to a pro rata scale back if acceptances under the Equal Access Buy Back exceed the Equal Access Cap (\$14.1m / ~7.2m shares).</p> <p>Selective buy back:</p> <p>The Selective Buy Back is not subject to any scale-back.</p> <p>The Selective Buy Back has been structured so that if all eligible shareholders participate, all of their shares can be bought back.</p> <p>Given that the total value of the acceptances under the Selective Buy Back Offer will not exceed the funds allocated (i.e. ~\$12m), a scale-back mechanism is not required.</p>
<p>Will you be issuing Buy Back Booklets for each buy back? When?</p>	<p>Yes, specific Buy Back Booklets will be issued to shareholders in relation to the Equal Access Buy Back offer and eligible shareholders under the Selective Buy Back offer if Shareholders approve the Selective Buy Back at the AGM.</p> <p>It is envisaged that the Buy Back Booklets will be issued sequentially following the mandatory 14 days ASIC review period i.e. on or around:</p> <ul style="list-style-type: none"> • 16 November 2021 for the Equal Access Buy Back; and • 2 December 2021 for the Selective Buy Back
<p>How do I participate in the Buy Backs?</p>	<p>If shareholders approve the Selective Buy Back at the AGM, Cuscal will proceed with the Equal Access Buy Back and the Selective Buy Back.</p> <p>Cuscal will send an Equal Access Buy Back booklet and application form to all Shareholders. This will include the terms and conditions of the Equal Access Buy Back Offer and will include further details on how to accept the Equal Access Buy Back Offer.</p> <p>Cuscal will also send a Selective Buy Back booklet and application form to eligible shareholders (i.e. those holding <703,000 shares) after the Equal Access Buy Back offer closes. This will include the terms and conditions of the Selective Buy Back Offer and will include further details on how to accept the Selective Buy Back Offer.</p> <p>For the Equal Access Buy Back:</p> <p>On receipt of the Equal Access Buy Back documents, all Shareholders will have the option to:</p> <ul style="list-style-type: none"> – sell all or some of their shares (at the Record Date), by completing the Equal Access acceptance form, indicating in

	<p>the relevant section of the form, the amount of shares they wish to sell; or</p> <ul style="list-style-type: none"> do nothing, in which case none of their shares will be bought back. <p>For the Selective Buy Back:</p> <p>On receipt of the Selective Buy Back documents, eligible shareholders (those holding <703,000 shares) will have the option to:</p> <ul style="list-style-type: none"> have all (but not some) of their shares (at the Record Date), bought back by completing the acceptance form; or do nothing, in which case none of their shares will be bought back. 																
<p>When will the Buy Backs happen? What is the timetable?</p>	<p>There is a comprehensive timetable for execution of each of the Buy Backs; they occur sequentially, beginning with the Equal Access Buy Back.</p> <p>For the Equal Access Buy Back, key dates are set out below:</p> <table> <tr> <td>Record date for participation in Buy Back</td><td>15 Nov 2021</td></tr> <tr> <td>Buy Back offer closes</td><td>29 Nov 2021</td></tr> <tr> <td>Buy Back completes</td><td>30 Nov 2021</td></tr> <tr> <td>Buy Back settlement date⁽¹⁾</td><td>21 Dec 2021</td></tr> </table> <p>For the Selective Buy Back, key dates are set out below:</p> <table> <tr> <td>Record date for participation in Buy Back</td><td>1 Dec 2021</td></tr> <tr> <td>Buy Back offer closes</td><td>16 Dec 2021</td></tr> <tr> <td>Buy Back completes</td><td>17 Dec 2021</td></tr> <tr> <td>Buy Back settlement date⁽¹⁾</td><td>21 Dec 2021</td></tr> </table> <p>(1) Timetable subject to issuance of ATO Class Ruling</p>	Record date for participation in Buy Back	15 Nov 2021	Buy Back offer closes	29 Nov 2021	Buy Back completes	30 Nov 2021	Buy Back settlement date ⁽¹⁾	21 Dec 2021	Record date for participation in Buy Back	1 Dec 2021	Buy Back offer closes	16 Dec 2021	Buy Back completes	17 Dec 2021	Buy Back settlement date ⁽¹⁾	21 Dec 2021
Record date for participation in Buy Back	15 Nov 2021																
Buy Back offer closes	29 Nov 2021																
Buy Back completes	30 Nov 2021																
Buy Back settlement date ⁽¹⁾	21 Dec 2021																
Record date for participation in Buy Back	1 Dec 2021																
Buy Back offer closes	16 Dec 2021																
Buy Back completes	17 Dec 2021																
Buy Back settlement date ⁽¹⁾	21 Dec 2021																
<p>When will the proceeds be paid?</p> <p>When will the Buy Backs be settled?</p>	<p>Settlement⁽¹⁾ is targeted for 21 December 2021 for both Buy Backs.</p> <p>(1) Timetable subject to issuance of ATO Class Ruling</p>																
<p>When will we be notified about the results of the Buy Backs?</p>	<p>Key dates are set out below:</p> <table> <tr> <td>Shareholder participants notified of Equal Access Buy Back outcome</td><td>30 Nov 2021</td></tr> <tr> <td>Shareholder participants notified of Selective Buy Back outcome</td><td>17 Dec 2021</td></tr> </table>	Shareholder participants notified of Equal Access Buy Back outcome	30 Nov 2021	Shareholder participants notified of Selective Buy Back outcome	17 Dec 2021												
Shareholder participants notified of Equal Access Buy Back outcome	30 Nov 2021																
Shareholder participants notified of Selective Buy Back outcome	17 Dec 2021																

Thematic: Capital / uses of capital
Why didn't Cuscal just pay a larger special dividend with the 86 400 'proceeds'?

Having received feedback from some shareholders that they were looking for the option to sell their shares and realise value for their holdings in Cuscal, simply paying a larger special dividend would not have addressed the feedback or provided the optionality that was sought.

The Buy Backs form part of an overall capital management package whereby the Board seeks to return up to \$51m following the sale of 86 400 to the National Australia Bank (~71% of the after-tax profit generated from the sale of 86 400).

Cuscal seeks to maximise shareholder returns through more active management of its capital position; while balancing targeted strategic investment in our core businesses and growth opportunities, responding to changes in our customer needs and the operating environment, creating value through capital management initiatives, including liquidity opportunities; and maintenance of a strong balance sheet and regulatory capital position.

The Board considered various alternatives for returning capital to shareholders and determined that the proposed Buy Backs, in conjunction with the other capital initiatives was an efficient and value enhancing strategy.

The Buy Backs are aimed at giving shareholders a **liquidity event**. During the Governance Review Cuscal received feedback on the lack of liquidity in its shares.

At the moment the most common way to offer Cuscal shares for sale has been through the Cuscal Share Market platform and, over the past few years, it has been historically difficult for sellers to achieve prices that may best reflect Cuscal's value.

There have been various unsuccessful attempts over the past few years by some shareholders to sell shares on the Cuscal Share Market Platform.

The lack of trading may indicate a much greater demand from shareholders to sell their shares than there are willing buyers. In fact, over the past ~3 years, **8 separate offers to sell ~4.4 million Shares have been posted (at prices ranging from \$1.40 - \$2.00 per Share) but no trades have been completed.**

What will Cuscal do with the 86 400 'proceeds' if the Selective buy back is not approved?

The Buy Backs form part of an overall capital management package in the order of ~\$51m following the sale of 86 400 to the National Australia Bank.

If the Selective Buy Back is not approved, the Equal Access Buy Back will not proceed either.

	<p>The 86 400 proceeds that would have otherwise been returned to shareholders via the Buy Back programs will be retained and reinvested in the core payments business or utilised in other strategic initiatives.</p>
<p>What is the financial impact on Cuscal from the Buy Backs?</p>	<p>The Share Buy Backs will not have an adverse effect on Cuscal's ability to pay its creditors.</p> <p>The maximum amount of cash required to fund the series of capital management initiatives is \$51.2 million; being the proposed Buy Backs for a maximum of \$26.2 million and the payment of the declared special dividend of ~\$25 million.</p> <p>Cuscal expects to maintain a strong capital position that is within its APRA mandated and internal ICAAP requirements.</p> <p>Although the precise impact of the Buy Backs cannot be fully determined until the participation in the Equal Access Buy Back is known, the Buy Backs are expected to improve Cuscal's EPS and ROE from FY21 onward, while regulatory capital is expected to remain at prudent levels.</p> <p>Cuscal believes that the Buy Backs will have no immediate impact on the Company's credit rating. It is Cuscal's intention to maintain a capital structure that is consistent with its current strong and stable investment grade credit rating.</p> <p>Assuming that both the Equal Access Buy Back and Selective Buy Back are fully subscribed, a total of 13,418,968 shares will be bought back and subsequently cancelled by Cuscal.</p>
<p>Will Cuscal's dividend policy change if the Buy Backs go ahead</p>	<p>No, the Buy Backs will not impact the current Board dividend policy of targeting a dividend payout ratio in the order of 60-70% of earnings each year.</p>
<p>How did you decide the eligibility for the Selective buy back i.e. why holdings of <0.4%?</p>	<p>The quantum ascribed to the Selective Buy Back was determined iteratively and in balancing up the total amount to be returned among the various components.</p> <p>The Selective Buy Back threshold level (~12m) was a function of the total capital initiative quantum of ~\$51m sought to be 'returned', less the amount of the Special Dividend (~\$25m), then balancing the provision of a reasonably meaningful amount to offer all shareholders via the Equal Access Buy Back and, finally, determining a residual amount that could be specifically offered in the Selective Buy Back i.e. ~12m; those with <703,000 shares.</p>

<p>If the Buy Backs are undersubscribed, what will you do with the 'excess capital? Will you give it back as another special dividend?</p>	<p>The Buy Backs form part of an overall capital management package in the order of ~\$51m following the sale of 86 400 to the National Australia Bank.</p> <p>If the Buy Backs are undersubscribed, the 'excess capital' that would have otherwise been returned to shareholders via the Buy Back programs will be retained and reinvested in the core payments business or utilised in other strategic initiatives.</p> <p>Another Special Dividend, over and above the 13.4 cents per share dividend payable on 5 October 2021, will not be paid.</p>
<p>Is Cuscal planning to list?</p>	<p>The new Governance Model was endorsed due to its suitability for achieving Cuscal's purpose and strategy whilst meeting high standards of corporate governance.</p> <p>We are aware of the constraints faced by our shareholders to further invest in Cuscal and the desire for liquidity. These matters must be addressed if we are to grow successfully.</p> <p>We acknowledge that a listing may be the most obvious means to address liquidity and value preferences, but it is only one option.</p> <p>Cuscal will consider how and where we source capital according to the specific investment opportunity under consideration.</p>
<p>How will Cuscal raise capital?</p>	<p>Cuscal's capital position, even after execution of the proposed Buy Back programs, remains strong and in excess of current regulatory limits. This capital is planned to be invested organically in the core business over time.</p> <p>Should material inorganic growth opportunities present themselves, Cuscal intends to seek additional external capital to fund such acquisition opportunities.</p> <p>Existing shareholders can decide to participate or not in such capital raisings. Should existing shareholders choose to not participate, their holding positions will be progressively diluted. The extent of such dilution will depend on the extent of capital required to be raised – the more material the capital raised, the more material the dilution through non-participation.</p>
<p>Thematic: Regulatory & Shareholder approvals</p>	
<p>What shareholder approvals are required?</p>	<p>For the Equal Access Buy Back – no specific shareholder approval required.</p> <p>Under the Corporations Act, Shareholder approval is not required for an equal access buy back within the "10/12 limit".</p>

	<p>The "10/12 limit" is equal to 10% of the smallest number, at any time during the last 12 months, of votes attaching to voting shares of the Company.</p> <p>Cuscal is proposing to conduct the Equal Access Buy Back within the "10/12 limit" and, as such, does not require shareholder approval.</p> <p>For the Selective Buy Back – shareholder approval is required.</p> <p>Under section 257D(1) of the Corporations Act, the proposed Selective Buy Back must be approved by a special resolution passed at a general meeting, with no votes being cast in favour of the resolution by a shareholder whose shares are proposed to be bought back (or by their associates).</p>
<p>If the Selective Buy Back isn't approved at the AGM, what happens to the Equal Access Buy Back?</p> <p>Why is the Equal Access Buy Back dependent on approval of the Selective Buy Back?</p> <p>Why can't it go ahead without the Selective Buy Back?</p>	<p>The Buy Backs form part of an overall capital management package in the order of ~\$51m following the sale of 86 400 to the National Australia Bank.</p> <p>If the Selective Buy Back is not approved, the Equal Access Buy Back will not proceed.</p> <p>The Equal Access Buy Back is dependent on approval of the Selective Buy Back because they should be considered as part of an overall capital management package; having been carefully considered by the Board and balanced as between the component parts.</p>
Has APRA approved the Buy Backs?	Yes - APRA has approved the total returns of capital targeted by the Buy Backs.
Has ASIC approved the Buy Backs?	No – approval from ASIC is not required to conduct the Buy Backs.
<p>Has the ATO approved the Buy Backs?</p> <p>Are you getting an ATO Class Ruling for the Buy Backs?</p>	<p>It is usual to obtain a formal "Class Ruling" from the ATO to confirm the Offer Price and the components of the Offer Price i.e. capital vs dividend components, as well as confirmation about the tax treatment of the buy-back for shareholders.</p> <p>Due to technicalities, a formal Ruling is not issued until the buy back is implemented. It is usual to obtain a 'draft Ruling' from the ATO ahead of issuance of formal documents.</p> <p>Cuscal applied for a Class Ruling from the ATO in May 2021. The ATO continue to consider the application, but we expect to receive a 'draft Ruling' imminently confirming the Offer Price of \$1.95 per share and the capital vs dividend components of the Offer Price, amongst other things.</p>

<p>Will there be a share trading halt in Cuscal shares as a consequence of the Buy Backs?</p>	<p>Yes, in connection with the Buy Backs that are being proposed to be undertaken by Cuscal (subject to shareholder approval) as part of the capital management initiatives, Cuscal has applied for a class ruling from the Australian Taxation Office in connection with the tax treatment of the Buy Backs.</p> <p>In order to facilitate obtaining a positive class ruling, the Cuscal Board is of the view that there should not be any trading in Cuscal shares between announcement of the proposed Buy Backs and settlement of the proposed Buy Backs.</p> <p>As such, pursuant to the Constitution and the Cuscal Share Trading Facility Business rules, the Cuscal Board has determined that no shares will be traded or transferred effective immediately until the earlier of close of business on the settlement date for the proposed share Buy Backs (if approved by shareholders), being 21 December 2021, or close of business on the date on which the shareholder resolution for the proposed selective share Buy Back is not approved by shareholders, being 28 October 2021.</p>
<p>Thematic: Pricing & Valuation</p>	
<p>What is the share price under the Buy Backs and is it the same for each Buy Back?</p>	<p>The Offer Price for each Buy back is \$1.95 per share.</p>
<p>What are the tax components of the Buy Back price?</p> <p>What is the tax treatment of the Buy Backs?</p>	<p>The Offer Price of \$1.95 per share, under each of the Buy Backs, will comprise a dividend component and a capital component for Australian income tax purposes.</p> <p>It is expected that the capital component of the Offer Price will be approximately \$0.68 per Share (based on the "average capital per share method" as outlined in ATO guidance) and the balance of the Proposed Offer Price of \$1.27 per Share will be a fully franked dividend for Australian income tax purposes.</p> <p>Cuscal is in the process of applying for a Class Ruling from the ATO to confirm the Australian income tax treatment of the Share Buy Backs for Shareholders including (amongst other things) confirming the capital component and dividend component of the Proposed Offer Price for Australian income tax purposes. Cuscal is also seeking a private binding ruling from the ATO to confirm the Australian income tax treatment of the Share Buy Backs for Cuscal.</p> <p>The Company understands that the ATO will not issue a Class Ruling or private binding ruling in a final binding form until after</p>

	<p>the Buy Backs are complete, although it is expected that draft rulings will be issued imminently.</p> <p>General information on the tax implications of participating in the Buy Backs will be provided to Shareholders in the Buy Back Documents sent to Shareholders in due course.</p> <p>The final version of the Class Ruling will be published on the ATO website and a notice included in the Gazette. Cuscal will make an announcement when the final Class Ruling is published and display the final Class Ruling on its website as soon as it becomes available.</p> <p>All Shareholders are strongly advised to consider the tax implications of the Buy Backs based on their own specific circumstances and to seek their own professional advice.</p>
How did Cuscal determine the Offer Price?	<p>The Board has determined the Offer Price to be equal to the market value of a share, after considering the additional value attributed from the sale of 86 400.</p> <p>The Board also engaged Deloitte Corporate Finance Pty Ltd (the Independent Expert) to provide an independent expert's report (IER) on the value of a Share. The Independent Expert has assessed the market value of a share immediately prior to the Buy Backs to be between \$1.78 and \$2.06 per share; with a mid-point valuation of \$1.92 per share.</p> <p>The Board also considered a range of other analysis points, including some indicative valuation points obtained from an investment advisor, all of which provide support for the assessed market value.</p> <p>Having considered the findings of the Independent Expert and a range of other analysis, the Board determined that the Offer Price of \$1.95 per share was appropriate – slightly above the mid-point of the Independent Expert value range.</p>
Does the Offer Price set a 'fair value' for my shares in Cuscal?	<p>The Cuscal Board has determined the Offer Price of \$1.95 per share to be equal to the market value of a Cuscal share.</p> <p>Each individual shareholder's circumstances are different, and whilst the Offer price of \$1.95 per share may provide some indicative guidance, it is up to each individual shareholder to make their own assessment, based on their own unique circumstances, of the "fair value" of a Cuscal share held.</p>

<p>Does the Offer Price cause my regulatory capital deduction for holding Cuscal shares to suddenly get materially larger?</p>	<p>The Cuscal Board has determined the Offer Price of \$1.95 per share to be equal to the market value of a Cuscal share.</p> <p>Generally, for an Authorised Deposit-taking Institution, and depending on accounting policies adopted, the fair value of an equity investment is often treated as deductions to regulatory capital.</p> <p>It is up to each individual shareholder to make their own assessment and seek their own advice, based on their own unique circumstances, of the “fair value” of a Cuscal share held.</p> <p>If, with guidance of the Offer Price, an ADI’s equity investment in Cuscal carried at fair value increases, it is likely that the deduction from regulatory capital would also increase.</p>
<p>Thematic: Smaller shareholder concerns</p>	
<p>Will the smaller mutuals still have a voice in Cuscal’s governance if the Buy Backs go ahead?</p>	<p>The Buy Backs will have no impact on the actions that were announced on 23 July 2021 in relation to the mutual mindset. These matters are currently being progressed.</p> <p>It is a matter for Shareholders to form their own view if they prefer to participate in the Buy Backs. If an eligible Shareholder elects to sell all of their shares under the Selective Buy Back, their shareholder rights will then cease. However, if such shareholder is also a customer of Cuscal, there is no impact on their customer relationship from participating in the Buy Backs.</p>
<p>What is the impact on us as a customer if we sell our shares in the Buy Back?</p>	<p>Cuscal seeks to provide each client / customer with a superior customer experience, regardless of whether they are shareholders and regardless of whether they are large or small.</p> <p>There is no impact on you as a customer and our pursuit of offering an enhanced experience whether you sell your shares into the Buy Backs or not. There is also no impact on any commercial arrangements you have in place with Cuscal.</p> <p>As part of the Governance Review, Cuscal has committed to enhancing and formalising the process for the voice of Cuscal’s complete client base to be taken into account in the formation and execution of Cuscal’s strategy. This formalised structure will be communicated to all clients in the coming month, calling for nominations for client representatives. This is a client forum open to shareholder and non-shareholder clients.</p>
<p>Are you targeting “small shareholders” specifically; do you want to get rid of us?</p>	<p>No, we are not ‘targeting’ any shareholder, or groups of shareholders, for any reason other than to provide optionality over outcomes that many have not been able to pursue.</p>

	<p>The fundamental premise of offering the Buy Backs as part of the overall capital management package is to offer all shareholders some optionality through one-off liquidity events.</p> <p>Feedback from some shareholders has indicated that smaller shareholders may, in particular, find more relative value in the ability to participate in both Buy Backs, take advantage of the liquidity event and or / improve regulatory positions. This is a primary driver in offering the Selective Buy Back to a specific group of shareholders.</p>
Is there any plan to change Cuscal's strategy following the sale of 86 400?	<p>We will provide the usual strategy update at the AGM (prior to issuing the Buy Back documentation). The link to our 2020 AGM presentation is here (note slide 14 which sets out our strategy). This remains Cuscal's current strategy.</p>
Thematic: Next steps	
What happens next?	<ul style="list-style-type: none"> • A shareholder webinar will be held on 22 September 2021 commencing at 11am. If you have not already replied to our invitation please contact companysecretariat@cuscal.com.au to receive a login to attend • The Notice of AGM will be issued to shareholders no later than 29 September 2021 • The AGM will be held on 28 October 2021, commencing at 3pm. Details for attendance will be set out in the Notice of AGM • If the special resolution to approve the Selective Buy Back is approved by shareholders at the AGM, both the Equal Access Buy Back and Selective Buy Back will proceed in accordance with the timetable mentioned above • Further information will be supplied to shareholders at that time <p>If you have any questions please contact companysecretariat@cuscal.com.au</p>

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product.

This information may not be reproduced or distributed outside the shareholder recipient organisation, in whole or in part, without the prior written permission of Cuscal Limited ABN 95 087 822 455 ("Cuscal") and should not be transmitted in any manner that is unlawful, disruptive, threatening, profane, defamatory and in violation of the Privacy Act 1988 or any other laws and regulations that you are bound by.

Cuscal is not liable for any loss or damage caused, whether due to negligence or otherwise arising from the use of, or reliance on this information.

17 September 2021