

Afterpay Limited ASX: APT

ASX Announcement

15 July 2020

SHARE PURCHASE PLAN OFFER DOCUMENTATION

Following the ASX Announcement by Afterpay Limited (**Afterpay** or **Company**) on 7 July 2020 regarding the launch of the Company's Share Purchase Plan (**SPP**), attached is a copy of the letter sent to eligible Afterpay shareholders who were on the register as at the 6 July 2020 record date for the SPP.

Also attached is a copy of the SPP Offer Booklet, which is available for eligible shareholders to view at www.aptssp.com.au.

Authorised by:

Anthony Eisen
CEO & Managing Director

ENDS

For further information, contact:

Investors:	Company:	Media:
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Afterpay Limited

ACN 618 280 649 Phone: 1300 100 729
Level 5, 406 Collins Street, Melbourne VIC 3000

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APT
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

15 July 2020

Dear Shareholder,

Share Purchase Plan - Letter to Eligible Shareholders

We write to you as the holder of Afterpay Limited (ASX: APT) (**Afterpay** or the **Company**) shares (**Shares**) with a registered address in Australia or New Zealand as at the record date of 6 July 2020 (**Record Date**).

On behalf of the Directors, I am pleased to offer you the opportunity to participate in Afterpay's share purchase plan (**SPP**), which was announced on Tuesday, 7 July 2020 and follows shortly after the successful placement of shares to sophisticated and professional investors which raised \$650 million (**Placement**).

The business update, included in our 7 July announcement, reflects the strong momentum we are seeing in our business and highlights our opportunity to expand our global footprint. Our decision to raise capital is based on our strategy to accelerate our investment in growing underlying sales and, prioritising global expansion. We believe this will create long term value for you, our shareholders.

The proceeds from the capital raising will underpin the funding required for our rapid growth and provides us with the capacity and flexibility to execute on potential merger and acquisition opportunities and expand our global footprint.

Afterpay is undertaking the SPP offer to shareholders of the Company (**Shareholders**) as at the Record Date. The issue price of shares to be issued under the SPP (**SPP Shares**) will be the **lower** of:

- \$66.00 per SPP Share, being the price at which Shares were issued to investors under the Company's recent Placement; and
- the volume weighted average price of Shares traded on ASX during the 5 trading days up to and including the SPP Closing Date (rounded to the nearest cent).

This means the maximum issue price will be \$66.00 per SPP Share.

The SPP will allow Eligible Shareholders (as defined below) to apply for up to \$20,000 worth of SPP Shares at the issue price.

Afterpay Limited

ACN 618 280 649 Phone: 1300 100 729
Level 5, 406 Collins Street, Melbourne VIC 3000

An offer booklet in relation to the SPP was lodged with ASX today (**Offer Booklet**). A copy of the Offer Booklet along with information about how to apply under the SPP via BPAY® or cheque is available at www.apspp.com.au. If you have any questions in relation to how to participate in the SPP, please contact the Registry, Computershare Investor Services Pty Limited, from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 095 749 (callers within Australia) or +61 3 9415 4046 (callers outside Australia).

Unless otherwise defined, capitalised terms used in this letter have the meaning given in the Offer Booklet.

Availability of the Share Purchase Plan

The SPP is available to all Shareholders registered on the Record Date whose registered address is in Australia or New Zealand, provided they are not in the United States or acting for the account or benefit of a person in the United States (**Eligible Shareholders**). The SPP is not being extended to any Shareholders with an address outside Australia or New Zealand.

Key features of the Share Purchase Plan

The SPP allows Eligible Shareholders to apply for a minimum of \$1,000 and a maximum of \$20,000 worth of Shares at an issue price which is the lower of:

- \$66.00 per SPP Share, being the price at which Shares were issued to investors under the recent institutional Placement that completed on 8 July 2020; and
- the volume weighted average price of Shares traded on ASX during the 5 trading days up to and including the SPP Closing Date (rounded to the nearest cent).

Applications and payment of funds must be received by Afterpay on or before **30 July 2020**, unless the Company extends the Closing Date of the SPP.

SPP Shares issued will be fully paid and rank equally with all existing Shares on issue.

Key Dates

Record Date (the date that eligibility to participate in the SPP is determined)	7.00pm Monday, 6 July 2020
Opening Date of the SPP	9.00am Wednesday, 15 July 2020
Closing Date of the SPP	5.00pm Thursday, 30 July 2020
Pricing Period	Friday, 24 July 2020 to Thursday, 30 July 2020 (inclusive)
Announce results of SPP (including scaleback policy if applicable)	By Tuesday, 4 August 2020
Issue of SPP Shares	Thursday, 6 August 2020
SPP Shares commence trading on ASX	Friday, 7 August 2020

Note: The timetable is indicative only and Afterpay may, at its discretion, vary any of the above dates by sending a revised timetable to ASX. All times are AEST.

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Actions required by Eligible Shareholders

Eligible Shareholders may participate in the SPP by applying online at www.aptssp.com.au or by completing a personalised Application Form (available to download at www.aptssp.com.au) in accordance with the instructions outlined in the Offer Booklet. Applications for SPP Shares can only be made by those Eligible Shareholders invited to make an application under the SPP Offer. Afterpay reserves the right to close the SPP early or extend the SPP in its discretion.

Participation is optional and Eligible Shareholders may elect to do nothing. If you choose to do nothing, you will continue to hold the same number of Shares, however, your interest in Afterpay will be diluted. Your right to participate in the SPP is not transferable.

As noted above, you may obtain a copy of the Offer Booklet along with information about how to apply under the SPP at www.aptssp.com.au. If you have any questions in relation to how to participate in the SPP, please contact the Registry, Computershare Investor Services Pty Limited, from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 095 749 (callers within Australia) or +61 3 9415 4046 (callers outside Australia).

Scale back

The SPP aims to raise approximately \$150 million. If applications for more than \$150 million are received, Afterpay may, at its absolute discretion, increase the size of the offer or scale back the number of SPP Shares that will be allotted to individual Shareholders under the SPP. In implementing any scale back, Afterpay will ensure that smaller Shareholders can obtain a meaningful allocation which may be more than their pro rata allocation (for example, by setting a minimum allocation such as \$500, although there is no guarantee that this exact minimum amount will be used).

If a scale back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allotted will be rounded up to the nearest whole number of SPP Shares.

If there is a scale back, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the issue price, will be refunded to you without interest.

Please use online application and payment methods where possible

We commend the SPP for your attention. If you do intend to participate, we strongly recommend using the online application and payment methods as mail delivery times are slower than normal due to the COVID-19 pandemic. Items you send by mail may not reach the Registry before the Closing Date, which will lead to your application being rejected.

Yours sincerely,



Elana Rubin
Independent Chair

Afterpay Limited (ASX: APT)

Share Purchase Plan (SPP) Offer Booklet

You Should Read This Booklet In Full

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in Afterpay or about the impact of the transactions described in this Booklet. This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

If you apply for SPP Shares under the SPP, there is a risk that the market price of Afterpay Shares may change between the date you apply for SPP Shares and the date when the SPP Shares are issued to you under the SPP. This means there is a risk that Afterpay's market price at the time the SPP Shares are issued will be less than the SPP Issue Price. By applying for SPP Shares under the SPP, you will be acknowledging and accepting this risk.

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact Afterpay's Registry, Computershare Investor Services Pty Limited, from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 095 749 (callers within Australia) or +61 3 9415 4046 (callers outside Australia).

Participation in the SPP is only open to holders of fully paid ordinary shares in Afterpay at 7.00pm (AEST) on Monday, 6 July 2020, whose address on the share register is in Australia or New Zealand. The SPP is also being extended to eligible shareholders of Afterpay who are custodians to participate in the SPP on behalf of eligible beneficiaries on the terms and conditions set out in this Booklet.

This Booklet is not for release or distribution in the United States or, except with the consent of Afterpay, elsewhere outside Australia and New Zealand.

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Letter from the Independent Chair

15 July 2020

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in Afterpay Limited's (**Afterpay**) share purchase plan (**SPP**), which was previously announced on Tuesday, 7 July 2020 and follows shortly after the successful placement of shares to sophisticated and professional investors (**Placement Shares**) which raised \$650 million (**Placement**).

The business update, included in our 7 July announcement, reflects the strong momentum we are seeing in our business and highlights our opportunity to expand our global footprint. Our decision to raise capital is based on our strategy to accelerate our investment in growing underlying sales and, prioritising global expansion. We believe this will create long term value for you, our shareholders.

The proceeds from the capital raising will underpin the funding required for our rapid growth and provides us with the capacity and flexibility to execute on potential merger and acquisition opportunities and expand our global footprint.

The SPP provides each Eligible Shareholder the opportunity to subscribe for up to \$20,000 worth of new, fully paid, ordinary shares in Afterpay (**SPP Shares**), without incurring brokerage or other transaction costs. The SPP aims to raise approximately \$150 million and is not underwritten. Afterpay may decide to scale back applications under the SPP, or to increase the size of the SPP, at its absolute discretion.

The SPP gives you the opportunity to increase your holding of fully paid ordinary shares in Afterpay (**Shares**) at an issue price consistent with the issue price under the Placement. The issue price of the SPP Shares will be the lower of:

- \$66.00 per SPP Share, which is the price at which Placement Shares were issued to investors under the Placement; and
- a price which is equal to the 5-day volume weighted average price of Shares traded on ASX over the Pricing Period at the end of the Offer Period (rounded to the nearest cent).

The maximum price therefore that Eligible Shareholders will pay per SPP Share is \$66.00. Afterpay will announce the Issue Price for the SPP once the SPP closes.

Participation in the SPP is optional and open to Eligible Shareholders, being holders of Afterpay Shares at 7.00pm (AEST) on Monday, 6 July 2020 (the **Record Date**) and whose address on the Register is in Australia or New Zealand.

The SPP is also being extended to Eligible Shareholders who are custodians to participate in the SPP on behalf of certain eligible beneficiaries on the terms and conditions set out in this Booklet.

You may apply for a parcel of SPP Shares at any amount in multiples of \$1,000 with a minimum of \$1,000 and a maximum of \$20,000. Applications may be scaled back at the absolute discretion of Afterpay. In implementing any necessary scale back, Afterpay will ensure that smaller shareholders can obtain a meaningful allocation which may be more than their pro rata allocation (for example, by setting a minimum allocation such as \$500, although there is no guarantee that this exact minimum amount will be used).

Your right to participate in the SPP is not transferable.

All SPP Shares will rank equally with existing Shares.

The terms and conditions of the SPP and your personalised Application Form are provided in this booklet (**Booklet**). I urge you to read these materials in their entirety and seek your own financial and taxation advice in relation to the SPP, before you decide whether to participate.

The SPP opens on Wednesday, 15 July 2020 and will close at 5.00pm (AEST) on Thursday, 30 July 2020. SPP Shares are expected to commence trading on ASX on Friday, 7 August 2020.

To apply for SPP Shares, you must either:

- apply online at www.apspp.com.au and make a payment directly via BPAY®, which is the fastest and easiest way to apply and is recommended by the Registry in light of delays to postal services caused by the COVID-19 pandemic (you do not need to return an Application Form under this option); or
- complete and return a personalised Application Form (you may download a copy of your personalised Application Form online at www.apspp.com.au), together with payment via cheque, so that it is received no later than the Closing Date.

If you have any questions in relation to how to participate in the SPP, please contact the Registry, Computershare Investor Services Pty Limited from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 095 749 (callers within Australia) or +61 3 9415 4046 (callers outside Australia) or consult your financial or other professional adviser. If you have any questions in relation to whether an investment in Afterpay through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

On behalf of the Board, I thank you for your continued support, and invite you to consider participating in the SPP.

Yours sincerely



Elana Rubin
Independent Chair

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Important notice and disclaimer

This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

The offer of SPP Shares under the SPP is made in accordance with the ASIC Instrument which grants relief from the requirement for Afterpay to issue a prospectus in relation to the SPP. This Booklet is not a prospectus under Chapter 6D of the Corporations Act.

The laws of some countries prohibit or make impracticable participation in the SPP by certain overseas Shareholders. Shareholders who are not resident in Australia or New Zealand will not be able to participate in the SPP. The SPP does not constitute an offer of Shares for sale in any other jurisdiction.

New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders at the Record Date with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority. This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Important information for Shareholders outside Australia and New Zealand

*This Booklet does not constitute an offer of securities in any place outside Australia or New Zealand. In particular, this Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The SPP Shares have not been and will not be registered under the US Securities Act of 1933, as amended, (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The SPP Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.*

Because of these legal restrictions, you must not send copies of this Booklet or any other material relating to the SPP to any person resident in the United States or elsewhere outside Australia and New Zealand.

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A Key Dates

Record Date (the date that eligibility to participate in the SPP is determined)	7.00pm Monday, 6 July 2020
Opening Date	9.00am Wednesday, 15 July 2020
Closing Date	5.00pm Thursday, 30 July 2020
Pricing Period	Friday, 24 July 2020 to Thursday, 30 July 2020 (inclusive)
Announce results of SPP (including scaleback policy if applicable)	By Tuesday, 4 August 2020
Issue of SPP Shares	Thursday, 6 August 2020
SPP Shares commence trading on ASX	Friday, 7 August 2020

This timetable is indicative only and Afterpay may, at its discretion, vary any of the above dates by sending a revised timetable to ASX. All times are AEST.

Refer to the Glossary in Part D for a description of any capitalised terms that are used but not otherwise defined in this Booklet.

B Key SPP Information

You should read this section in conjunction with the attached Terms and Conditions of the SPP.

1. What is the Share Purchase Plan or SPP?

The SPP is an offer to Eligible Shareholders of Afterpay to each subscribe for up to \$20,000 worth of SPP Shares without brokerage or other transaction costs.

Under the SPP, Eligible Shareholders may each apply for SPP Shares in parcels valued at a minimum of \$1,000 up to a maximum of \$20,000 in multiples of \$1,000. Applications may be scaled back at the absolute discretion of Afterpay.

2. Do I have to participate in the SPP?

No. Participation in the SPP is entirely voluntary.

Before you decide whether to participate in the SPP, Afterpay recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser.

If you do not wish to participate in the SPP, you do not need to take any action.

If you do not participate in the SPP, you will receive no value or other benefit in respect of any SPP Shares to which you may have been entitled under the SPP.

3. What is the Issue Price of the SPP Shares?

The Issue Price of the SPP Shares will be the **lower** of:

- \$66.00 per SPP Share, which is the price at which Placement Shares were issued to investors under the Placement; and

- a price which is equal to the 5-day volume weighted average price of Shares traded on ASX over the Pricing Period at the end of the Offer Period (rounded to the nearest cent).

The maximum price therefore that Eligible Shareholders will pay per SPP Share is \$66.00. Afterpay will announce the Issue Price for the SPP once the SPP closes.

If you apply for SPP Shares under the SPP, there is a risk that the market price of Shares may change between the date you apply for SPP Shares and the date when the SPP Shares are issued to you under the SPP. This means there is a risk that Afterpay's market price at the time the SPP Shares are issued will be less than the SPP Issue Price. By applying for SPP Shares under the SPP, you will be acknowledging and accepting this risk.

Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Issue Price.

4. Who is eligible to participate in the SPP?

Shareholders who were registered holders of Shares at 7.00pm (AEST) on Monday, 6 July 2020 with a current registered address in either Australia or New Zealand provided that such Shareholder is not in the United States, or acting for the account or benefit of a person in the United States (**Eligible Shareholder**).

The SPP is also being extended to Eligible Shareholders who are Custodians to participate in the SPP on behalf of Eligible Beneficiaries on the terms and conditions provided in this Booklet.

5. Can my offer under the SPP be transferred to a third party?

No. The offer cannot be transferred.

6. How much can I invest under the SPP?

Eligible Shareholders may apply for SPP Shares in parcels valued at a minimum of \$1,000, and then in multiples of \$1,000, up to a maximum of \$20,000.

The number of SPP Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Issue Price. Applications may be scaled back at the absolute discretion of Afterpay.

7. How do I apply for SPP Shares?

If you wish to participate in the SPP, you need to do one of the following.

Option 1: Pay via BPAY®

To pay via BPAY® you will need to:

- be an account holder with an Australian financial institution;
- use the personalised BPAY® reference number presented to you once accessed at www.ptspp.com.au, which is required to identify your shareholding; and
- ensure that your payment for the appropriate amount is received by the Registry before the Closing Date of 5.00pm (AEST) on Thursday, 30 July 2020.

This is the fastest and easiest way to apply and is recommended by the Registry in light of delays to postal services caused by the COVID-19 pandemic.

Instructions about how to make a payment by BPAY® (including your unique BPAY® reference number) can be obtained by applying online at www.ptspp.com.au. You will need to provide your Securityholder Reference Number or Holder Identification Number and follow the instructions provided.

You should take into account the cut-off times your financial institution has to ensure your payment is received in advance of the Closing Date.

You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying via BPAY® there is no need to return the Application Form but you will be taken to have made the acknowledgements, representations, statements and certifications that are set out in the Application Form as well as in this Booklet.

Option 2: Pay by Cheque

You can download a personalised Application Form (with instructions on how to pay by cheque) online at www.apspp.com.au. You will need to provide your Securityholder Reference Number or Holder Identification Number to download your personalised Application Form.

Your completed Application Form and cheque for the appropriate amount must be received by the Registry prior to the close of the SPP Offer at 5.00pm (AEST) on Thursday, 30 July 2020 at the address below:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VICTORIA 3001
AUSTRALIA

You should consider postal and cheque clearance timeframes in meeting this deadline, including the possibility that there may be postal delays due to COVID-19 regulations, reduced frequency of deliveries or other delay.

8. What are the key dates for the SPP?

Record Date (the date that eligibility to participate in the SPP is determined)	7.00pm Monday, 6 July 2020
Opening Date	9.00am Wednesday, 15 July 2020
Closing Date	5.00pm Thursday, 30 July 2020
Pricing Period	Friday, 24 July 2020 to Thursday, 30 July 2020 (inclusive)
Announce results of SPP (including scaleback policy if applicable)	By Tuesday, 4 August 2020
Issue of SPP Shares	Thursday, 6 August 2020
SPP Shares commence trading on ASX	Friday, 7 August 2020

Afterpay reserves the right to vary these times and dates in its absolute discretion by sending a revised timetable to ASX. All times are AEST.

9. What are the rights attached to SPP Shares issued under the SPP?

SPP Shares will rank equally with other Shares as at the date of issue.

10. What do I do if I am a Custodian?

The SPP is being extended to Eligible Shareholders who are Custodians and who wish to apply for SPP Shares on behalf of certain Eligible Beneficiaries.

The SPP is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries. If you wish to apply as a Custodian under the SPP to receive SPP

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Shares for one or more Eligible Beneficiaries, you must complete and submit an additional "**Custodian Certificate**" that contains further certifications and details (as required under the terms of the ASIC Instrument) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Shares, you certify (amongst other things) that each Eligible Beneficiary has not exceeded, and will not exceed by applying for SPP Shares, the \$20,000 limit.

To request a Custodian Certificate or for further information about the custodian application process, please contact the Registry, Computershare Investor Services Pty Limited, at custodians@computershare.com.au or from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 095 749 (callers within Australia) or +61 3 9415 4046 (callers outside Australia).

Each Custodian must not participate in the SPP on behalf of, and must not distribute this Booklet or any documents relating to this SPP to, any person in the United States.

A custodian will be ineligible to participate in the SPP if their participation would be in breach of the ASIC Instrument.

11. Will I receive notification of my issue?

Yes. Afterpay currently intends to issue the SPP Shares on Thursday, 6 August 2020. The Registry will send you a holding statement in due course following the issue of the SPP Shares which will include details of the number of SPP Shares issued to you, your total holding of Shares and the Issue Price of the SPP Shares. However, these dates are indicative only and may be varied by Afterpay in its discretion. You can confirm your total holding of Shares by contacting the Registry from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 095 749 (callers within Australia) or +61 3 9415 4046 (callers outside Australia).

12. When can I trade my SPP Shares?

You can trade your SPP Shares after the Issue Date. However, given the possibility that applications may be scaled back, you should confirm your holding on or after the Issue Date before trading any SPP Shares you believe you have acquired under the SPP. You can confirm your total holding of Shares by contacting the Registry from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 095 749 (callers within Australia) or +61 3 9415 4046 (callers outside Australia).

13. Where can I get more information on the SPP?

If you have any questions in relation to how to participate in the SPP, please contact the Registry, Computershare Investor Services Pty Limited from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 095 749 (callers within Australia) or +61 3 9415 4046 (callers outside Australia) or consult your financial or other professional adviser. If you have any questions in relation to whether an investment in Afterpay through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

14. What will happen if the SPP is oversubscribed?

The amount that each Eligible Shareholder can apply for under the SPP is capped at \$20,000. The SPP aims to raise approximately \$150 million. Afterpay may decide to accept applications (in whole or in part) that result in the SPP raising less than this amount in its absolute discretion.

Afterpay may, at its absolute discretion, scale back the number of SPP Shares that will be allotted to individual Shareholders under this SPP. If a scale back is required, it will not necessarily be on a pro rata basis. Afterpay may decide to allocate a minimum amount to all applicants, which may be less than the minimum amount Eligible Shareholders would be entitled to subscribe for under the SPP.

C Terms and Conditions of the SPP

Important Notice

If you participate in the SPP by completing and returning the Application Form or by making a payment by BPAY®, you are accepting the risk that the market price of Shares may change between the Record Date, the date on which you send in the Application Form or make a payment by BPAY®, and the Issue Date. This means that, up to and/or after the Issue Date, you may be able to buy Shares on the ASX at a lower price than the Issue Price.

Please read these terms and conditions carefully, as you will be bound by them in participating in the SPP. Shareholders accepting the SPP Offer will also be bound by the constitution of Afterpay.

The Important notice and disclaimer, Key Dates, and Key SPP Information sections of this Booklet form part of these terms and conditions.

1. Offer

- 1.1 Afterpay Limited (**Afterpay**) offers each Eligible Shareholder the opportunity to purchase up to \$20,000 worth of SPP Shares under the Share Purchase Plan (**SPP**) subject to and in accordance with the terms and conditions set out below.
- 1.2 In these terms and conditions, "**SPP**" means the offer in clause 1.1.
- 1.3 The SPP opens on 9.00am Wednesday, 15 July 2020 and closes at 5.00pm on Thursday, 30 July 2020 (or such other date as Afterpay determines, in its absolute discretion).
- 1.4 If you choose not to participate in the SPP, your right to participate lapses at the Closing Date, being 5.00pm on Thursday, 30 July 2020 (or such other date as Afterpay determines, in its absolute discretion).
- 1.5 The SPP is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase SPP Shares to a third party.
- 1.6 The SPP to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- 1.7 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.
- 1.8 All references to time are to Australian Eastern Standard Time (**AEST**) unless otherwise indicated.

2. Eligible Shareholders

- 2.1 You are eligible to participate in the SPP if you:
 - (a) were registered on the Register as a Shareholder at 7.00pm on Monday, 6 July 2020 (**Record Date**);
 - (b) currently have a registered address in either Australia or New Zealand; and
 - (c) are not in the United States and are not acting for the account or benefit of a person in the United States.
- 2.2 The SPP is also extended to Eligible Shareholders who are Custodians, in accordance with clauses 3.2 and 4.5 below.
- 2.3 The SPP is not made to Shareholders with a registered address outside of Australia or New Zealand.

3. Joint holders/Custodians

- 3.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them is taken to be a certification given by all of them.
- 3.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Shares.

4. Applications for SPP Shares

- 4.1 Eligible Shareholders may apply for a minimum value of \$1,000 of SPP Shares and a maximum value of \$20,000 of SPP Shares, in multiples of \$1,000.
- 4.2 No brokerage or other transaction costs will apply to the acquisition of SPP Shares.
- 4.3 Eligible Shareholders who wish to apply for SPP Shares must either:

- (a) make a payment for the appropriate amount via BPAY in accordance with the instructions at www.ptspp.com.au so that it is received prior to 5.00pm on Thursday, 30 July 2020. This is the fastest and easiest way to apply and is recommended by the Registry in light of delays to postal services caused by the COVID-19 pandemic; or
- (b) complete the Application Form (which can be downloaded at www.ptspp.com.au) and forward it with a cheque drawn for the appropriate amount from an Australian financial institution made payable to "Afterpay Limited" and crossed "Not Negotiable" and return it to the address below so that it is received prior to 5.00pm on Thursday, 30 July 2020

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VICTORIA 3001
AUSTRALIA

- 4.4 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for SPP Shares but may not apply for SPP Shares with an aggregate value of more than \$20,000.
- 4.5 If you wish to subscribe for SPP Shares as a Custodian for one or more Eligible Beneficiary, you must also complete and submit a Custodian Certificate that contains further certifications and details (required under the terms of the ASIC Instrument) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.
- 4.6 Afterpay and its officers and agents, may accept or reject your application for SPP Shares in whole or in part at their discretion including, without limitation, if:
- (a) your application does not comply with these terms and conditions;
 - (b) it appears you are not an Eligible Shareholder;
 - (c) your Application Form and cheque or BPAY® payment is not received by the Registry by the Closing Date;
 - (d) if paying by cheque, your Application Form is incomplete or incorrectly completed or is otherwise determined by Afterpay to be invalid;
 - (e) your cheque is dishonoured or has been incorrectly completed;
 - (f) it appears that you are applying to purchase more than \$20,000 worth of SPP Shares in aggregate or your application is not in multiples of \$1,000;

- (g) payment of the application monies is not submitted in Australian currency or, if payment is made by cheque, the cheque is not drawn on an Australian financial institution; or
- (h) the amount of your BPAY® payment or cheque is not equal to the amount of your application. If this occurs, Afterpay will:
- (i) refund in full your application monies and not allot any SPP Shares to you; or
 - (ii) allot to you the number of SPP Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies.

4.7 If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as is practicable:

- (a) by direct credit to your nominated account (as recorded on the Register) or cheque; or
- (b) by returning your Application Form and cheque, if not processed, to your registered address (as recorded on the Register).

5. Issue Price

5.1 The Issue Price per SPP Share will be the lower of:

- (a) \$66.00 per SPP Share, which is the price at which Placement Shares were issued to investors under the Placement; and
- (b) a price which is equal to the 5-day volume weighted average price of Shares traded on ASX over the Pricing Period at the end of the Offer Period (rounded to the nearest cent).

5.2 The current Share price can be obtained from the ASX at www.asx.com.au.

5.3 By applying for SPP Shares, you agree to pay the Issue Price per SPP Share for the number of SPP Shares calculated under clause 6.1 or, if there is a scale back, the number of SPP Shares calculated under clause 9.

6. Number of SPP Shares to be issued

6.1 If you apply for SPP Shares, you will apply for a certain value, rather than a certain number, of SPP Shares. If your application is accepted, Afterpay will divide the value of your application monies by the Issue Price (as determined under clause 5.1) in order to determine the number of SPP Shares which, subject to scale back, will be issued to you.

6.2 If this calculation produces a fractional number, the number of SPP Shares issued will be rounded up to the nearest whole SPP Share.

6.3 Afterpay will not issue SPP Shares to an applicant if the issue of those SPP Shares, either alone or in conjunction with the issue of Shares under any other applications, would contravene any law, the Corporations Act, the listing rules of the ASX, or the ASIC Instrument.

7. Issue

7.1 SPP Shares will be issued on the Issue Date.

7.2 SPP Shares will rank equally with existing Shares as at the Issue Date.

7.3 Afterpay will apply to ASX for the quotation of SPP Shares. It is anticipated that SPP Shares will be quoted on the ASX on or around Friday, 7 August 2020.

7.4 The Registry will send you a holding statement, confirming the issue of SPP Shares in due course following their issue.

8. Acknowledgements

8.1 By returning an Application Form with a cheque or making a payment via BPAY®, you:

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- (a) are deemed to have accepted the SPP offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
- (d) agree that your application is only effective when received by Afterpay and not when it is posted;
- (e) warrant that you are an Eligible Shareholder and are eligible to lawfully participate in the SPP and apply for SPP Shares, in each case in accordance with these terms and conditions as well as any applicable laws;
- (f) acknowledge that no interest will be paid on any application monies held pending the issue of SPP Shares or subsequently refunded to you for any reason;
- (g) acknowledge that Afterpay and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
- (h) agree to pay the Issue Price per SPP Share up to the maximum of:
 - (i) the value you have selected on the Application Form; or
 - (ii) the maximum value of your BPAY® payment or cheque;
- (i) acknowledge and agree that:
 - (i) you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (ii) the SPP Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the SPP Shares may not be offered, sold or otherwise transferred without registration under the Securities Act or unless the SPP Shares are offered, sold or otherwise transferred in a transaction exempt from, or not subject to, the registration requirements of the Securities Act, and the securities laws of any state or any other jurisdiction in the United States;
 - (iii) you have not, and will not, send this Booklet or any materials relating to the SPP to any person in the United States or to any person located in any other country outside Australia and New Zealand;
 - (iv) if in the future you decide to sell or otherwise transfer the SPP Shares, you will only do so in the regular way for transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, or is acting or the benefit or account of, a person in the United States; and
 - (v) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand, and you have not sent this Booklet, or any materials relating to the SPP, to any person outside Australia and New Zealand;
- (j) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
 - (i) you are not applying for SPP Shares with an application price of more than \$20,000 under the SPP (including by instructing a Custodian to acquire SPP Shares on your behalf under the SPP);

- (ii) the total of the application price for the following does not exceed \$30,000:
 - (A) the SPP Shares the subject of the application;
 - (B) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
 - (C) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (D) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP;
- (k) if you are a Custodian and are applying for SPP Shares on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
 - (i) you are a Custodian (as that term is defined in the ASIC Instrument);
 - (ii) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for SPP Shares on their behalf under the SPP and that that Eligible Beneficiary has been given a copy of this Booklet;
 - (iii) you are not applying for SPP Shares on behalf of any Eligible Beneficiary with an application price of more than \$20,000 under the SPP;
 - (iv) your application will not be accepted unless you duly complete and submit a Custodian Certificate in accordance with clause 4.5; and
 - (v) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (l) accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;
- (m) are responsible for any dishonour fees or other costs Afterpay may incur in presenting a cheque for payment which is dishonoured;
- (n) agree to be bound by the constitution of Afterpay (as amended and as it may be amended from time to time in the future);
- (o) acknowledge that neither Afterpay or its officers, advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (p) acknowledge that Afterpay may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
- (q) authorise Afterpay, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail.

9. Scale Back

- 9.1 Afterpay may in its discretion undertake a scale back of applications for SPP Shares to the extent and in the manner it sees fit.
- 9.2 If there is a scale back you may receive less than the parcel of SPP Shares for which you have applied.

9.3 If a scale back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allotted will be rounded up to the nearest whole number of SPP Shares.

9.4 If there is a scale back, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.

10. ASIC relief

10.1 This offer of SPP Shares under the SPP is made in accordance with the ASIC Instrument, which grants relief from the requirement to prepare a disclosure document for the SPP subject to certain requirements.

10.2 Afterpay has, prior to the release of this Booklet, given a notice to ASX that complies with the requirements of the ASIC Instrument.

11. Dispute resolution

11.1 Afterpay may settle, in any manner it determines, any difficulties, anomalies, or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for SPP Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.

11.2 The powers of Afterpay under these terms and conditions may be exercised by the Directors or any delegate or representative of the Directors.

12. Variation and termination

12.1 Afterpay reserves the right at any time to:

- (a) amend or vary these terms and conditions;
- (b) waive strict compliance with any provision of these terms and conditions;
- (c) withdraw the SPP or suspend or terminate the SPP;
- (d) vary the timetable for the SPP, including the Closing Date; and
- (e) not accept an application, not issue SPP Shares or issue SPP Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of its Eligible Beneficiaries).

12.2 In the event that the SPP is withdrawn or terminated all application monies will be refunded. No interest will be paid on any money returned to you.

13. Privacy policy

13.1 Afterpay values your privacy and will take reasonable steps to protect your personal information in accordance with applicable data privacy laws and regulations. Afterpay and the Registry are bound by the Privacy Act 1988 (Cth) in relation to the collection, use and disclosure of personal information about you. Chapter 2C of the Corporations Act requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.

13.2 Afterpay and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

13.3 Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers), technology providers

and professional advisers, related entities of Afterpay and its agents and contractors, as well as ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas where such personal information may not receive the same level of protection as under Australian law.

- 13.4 Computershare Investor Services Pty Limited's privacy policy is available on their website: www.computershare.com/au

14. Underwriting

- 14.1 The SPP is not underwritten.

15. Governing law and inconsistencies

- 15.1 These terms and conditions are governed by the laws in force in Victoria. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP, will be determined by the courts of Victoria. By accepting the SPP, you agree to submit to the non-exclusive jurisdiction of the courts in Victoria. Other terms and conditions, rights and obligations of SPP Shares are contained in the constitution of Afterpay. The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

D Glossary

The following definitions apply throughout this Booklet unless the context requires otherwise.

Afterpay or the Company	Afterpay Limited ABN 30 618 280 649.
Application Form	the personalised application form relating to the SPP that Eligible Shareholders can download from www.aptssp.com.au , including the instructions.
ASIC	Australian Securities and Investments Commission.
ASIC Instrument	ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
Beneficiary	a person on whose behalf a Custodian is holding Shares at 7.00pm on Monday, 6 July 2020.
Closing Date	5.00pm on Thursday, 30 July 2020 (or such other date as Afterpay determines, in its absolute discretion).
Corporations Act	the Corporations Act 2001 (Cth).
Custodian	a custodian as defined in section 4 of the ASIC Instrument.
Custodian Certificate	a certificate complying with section 8 of the ASIC Instrument.
Director	a director of Afterpay.
Eligible Beneficiary	a Beneficiary of a Custodian with a registered address in either Australia or New Zealand, provided that such Beneficiary is not in the United States or acting for the account or benefit of a person in the United States.
Eligible Shareholder	a Shareholder who was a registered holder of Shares at 7.00pm on Monday, 6 July 2020 with a current registered address in either Australia or New Zealand, provided that such Shareholder is not in the United States or acting for the account or benefit of a person in the United States.
Issue Date	Thursday, 6 August 2020.
Issue Price	the price per SPP Share as determined under clause 5 of the terms and conditions of the SPP.
Offer Period	the period commencing on the Opening Date and ending on the Closing Date.
Opening Date	9.00am on Wednesday, 15 July 2020.
Placement	the placement of fully paid ordinary shares by Afterpay to institutional and professional investors, raising \$650 million, announced on Tuesday, 7 July 2020.
Placement Shares	Shares issued under the Placement.
Pricing Period	the period commencing on Friday, 24 July 2020 and ending Thursday, 30 July 2020 (inclusive).
Record Date	7.00pm on Monday, 6 July 2020.

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Register	the register of Shareholders.
Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277.
Securities Act	U.S. Securities Act of 1933, as amended.
Share	a fully paid ordinary share in Afterpay.
Shareholder	a registered holder of Shares.
SPP	the Share Purchase Plan offer made to Eligible Shareholders under this Booklet, as described in clause 1.1 of the terms and conditions of the SPP.
SPP Shares	new Shares to be offered to Eligible Shareholders under the SPP.

D Corporate Directory

Company

Afterpay Limited (ASX:APT)
ABN 30 618 280 649
Level 5, 406 Collins Street
Melbourne, VIC 3000 Australia
www.afterpaytouch.com

Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford, VIC 3067 Australia

SPP Information Line

1300 095 749 (callers within Australia)
+61 3 9415 4046 (callers outside Australia)

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