

onesmart™

Product Disclosure Statement

**For an offer of OneSmart, a prepaid payment facility, by EML Payment Solutions Limited.
Dated: 19 March 2021**

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.companiesoffice.govt.nz/disclose. EML Payment Solutions Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

1. Key Information Summary

What is this?

This is an offer of OneSmart which is a multi-currency reloadable, contactless-enabled, prepaid payment facility. OneSmart is a debt security issued by EML Payment Solutions Limited ("EML"). By loading money onto OneSmart you give EML money, and in return EML promises to make that money available to you when you use your OneSmart Card or access your OneSmart facility online. If EML runs into financial trouble, you might lose some or all of the money you have loaded onto your OneSmart facility.

About EML

EML is a company incorporated in Australia (Australian Company Number 131 436 532) and registered in New Zealand as an overseas company under the Companies Act 1993 (company number 8079483). EML is a registered financial services provider in New Zealand under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (financial service provider number FSP1000006). EML has been carrying on business as a financial services provider since 2008 by issuing and processing single load and reloadable prepaid cards in Australia.

Purpose of this offer

OneSmart™ is being offered to eligible members of the Airpoints™ Programme to provide them with a means of managing their money. EML is offering OneSmart as part of its normal business activities.

Key terms of the offer

Description	OneSmart is a multi-currency reloadable, contactless-enabled, prepaid payment facility (for travel, domestic and online use) that allows you to access money loaded onto your OneSmart facility to make purchases and withdraw cash overseas and locally in New Zealand.
Status	Unsecured, unsubordinated debt securities.
Who can apply	To apply for OneSmart you must be a member of the Airpoints Programme, have a residential address in New Zealand and be 16 years or older. You must remain a member of the Airpoints Programme at all times in order to continue using OneSmart.
No Interest	You will not earn any interest on money you have loaded onto your OneSmart facility.

Term	Your OneSmart facility does not itself expire, but the OneSmart Card cannot be used to access your OneSmart facility after the expiry date printed on the OneSmart side of your OneSmart Card. After this date, you will not be able to use your OneSmart Card to access money loaded onto your OneSmart facility (until you receive a replacement OneSmart Card and activate this). However, you can still Cash Out the balance on your OneSmart facility at any time. If you cease to be a member of the Airpoints Programme, you will not be able to continue using OneSmart and will need to Cash Out your OneSmart facility.
Fees, charges and further payments	Fees and charges will apply. Fees may include ATM withdrawal fees, currency conversion fees, fees for loading your OneSmart Card, replacement card fees and individual merchant transaction fees. Further, in the event your OneSmart facility records a negative balance, in accordance with the Terms and Conditions you will be liable to pay to EML the amount required to restore your OneSmart facility to a positive balance. Further details on the fees and charges that apply to OneSmart are set out in section 5 of this PDS (Key features of OneSmart).

No guarantee

OneSmart is not guaranteed by any person. EML is solely responsible for the repayment of your OneSmart facility.

How you can get your money out early

You can withdraw money loaded onto your OneSmart facility at any time. Withdrawals may, subject to any applicable fee, be made from ATMs around the world displaying the Mastercard® acceptance mark (subject to any restrictions imposed by Mastercard in some countries or in relation to some merchants). You may close your OneSmart facility at any time and have the balance of your OneSmart facility (less any fees) deposited into your nominated NZD bank account in New Zealand. The positive balance available to you to withdraw or have deposited into your nominated account will not include any uncanceled, pre-authorized or 'held' amounts, although these sums will be made available to withdraw or have deposited into your nominated account once the pre-authorization has been cancelled or the 'held' amounts released and the relevant amounts re-credited to your OneSmart facility. OneSmart cannot be sold to anyone else.

How OneSmart ranks for repayment

On a liquidation of EML, your OneSmart facility will rank equally with other unsubordinated and unsecured obligations of EML. This means that on a liquidation of EML, your rights and claims as a holder of OneSmart will rank:

- **after** all secured creditors (if any) and creditors preferred by law;
- **equally** with other holders of OneSmart and holders of equal ranking obligations; and
- **ahead** of holders of subordinated debt (if any – as at the date of this PDS, there are none) and shares in EML.

To protect holders, EML is required to hold an amount sufficient to discharge its liabilities to holders on trust for the benefit of the holders. It has established the Trust Account with ANZ Bank New Zealand Limited for this purpose.

Further details, including a diagram illustrating how OneSmart would rank against EML's other liabilities on a liquidation of EML are set out in section 5 of this PDS (Key features of OneSmart).

No security

OneSmart is an unsecured debt security. OneSmart is not secured against any of the assets of EML or any other person.

Where you can find EML's financial information

The financial position and performance of EML are essential to an assessment of EML's ability to meet its obligations under OneSmart. EML is not required to include financial information in this PDS because this PDS is a continuous issue PDS. However, the required financial information can be viewed on the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose.

Key risks affecting this investment

Investments in debt securities have risks. A key risk is that EML does not meet its commitments to repay you (credit risk). Section 7 of this PDS (Risks of investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

EML considers that the most significant risk factors relating to EML's creditworthiness are:

- **Failure of Trust Account arrangements:** EML has established a Trust Account in connection with the operation of its Mastercard branded prepaid cards business (including OneSmart). The Trust Account arrangements are with ANZ Bank New Zealand Limited. If the Trust Account arrangements operate as intended, the amount held on trust for the benefit of holders of Mastercard branded prepaid cards issued by EML in New Zealand should always be sufficient to discharge EML's liabilities to those holders. However, if the Trust Account arrangements do not operate as intended (for instance, because less money is held on trust than is required, or the trust arrangements are not legally effective), and EML becomes insolvent, holders of OneSmart will not benefit from the Trust Account arrangements and their only recourse would be to claim as unsecured creditors in EML's liquidation along with all other creditors.
- **Failure of service providers:** EML's business operations are reliant on third parties providing a range of services to EML. If a third party failed to pay money to EML when due, that in turn could lead to EML being unable to meet its payment obligations, including to pay amounts into the Trust Account as described above.

This summary does not cover all of the risks of investing in OneSmart. You should also read section 5 of this PDS (Key features of OneSmart) and section 7 of this PDS (Risks of investing).

No credit rating

EML's creditworthiness has not been assessed by an approved rating agency. This means that EML has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

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2. Terms of the offer

Issuer	EML is the issuer of OneSmart.
Description	OneSmart is a multi-currency reloadable, contactless-enabled, prepaid payment facility (for travel, domestic and online use) that allows you to access money loaded onto your OneSmart facility to make purchases and withdraw cash overseas and locally in New Zealand. You can access money loaded your OneSmart facility by using your OneSmart Card once it has been activated by you.
Status	Unsecured, unsubordinated debt securities.
Who can apply	To apply for OneSmart you must be a member of the Airpoints Programme, have a residential address in New Zealand and be 16 years or older. You must remain a member of the Airpoints Programme at all times in order to continue using OneSmart. You may hold only one OneSmart facility in your name at any one time.
How to apply	The process for applying for OneSmart is described below under section 13 of this PDS (How to apply).
Fees, charges and further payments	<p>Fees and charges will apply. Fees may include ATM withdrawal fees, currency conversion fees, fees for loading your OneSmart Card, replacement card fees and individual merchant transaction fees.</p> <p>In the event your OneSmart facility records a negative balance, in accordance with the Terms and Conditions you will be liable to pay to EML the amount required to restore your OneSmart facility to a positive balance.</p> <p>Further details on the fees and charges that apply to OneSmart are set out in section 5 of this PDS (Key features of OneSmart).</p>
No interest	You will not earn any interest on money you have loaded onto your OneSmart facility.
Term	Your OneSmart facility does not itself expire, but the OneSmart Card cannot be used to access your OneSmart facility after the expiry date printed on the OneSmart side of your OneSmart Card. After this date, you will not be able to use your OneSmart Card to access money loaded onto your OneSmart facility (until you receive a replacement OneSmart Card and activate this). However, you can still Cash Out the balance on your OneSmart facility at any time. If you cease to be a member of the Airpoints Programme, you will not be able to continue using OneSmart and will need to Cash Out your OneSmart facility.

No guarantee	OneSmart is not guaranteed by any person. EML is solely responsible for the repayment of any money that you load onto your OneSmart facility.
Transfer restrictions	OneSmart is not transferable.
Ranking	The ranking of OneSmart for repayment is described below under section 5 of this PDS (Key features of OneSmart).
Trust Deed	OneSmart is issued pursuant to the Trust Deed. The Trust Deed sets out certain statutory obligations that apply to EML as the issuer of OneSmart. Holders of OneSmart are bound by, and are deemed to have notice of, the provisions set out in the Trust Deed. You can obtain a copy of the Trust Deed online from the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose .
Terms and Conditions	Your use of OneSmart is governed by the Terms and Conditions that are provided to you along with this PDS. You agree to be bound by the Terms and Conditions when you apply for OneSmart. A copy of the Terms and Conditions can also be obtained online from the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose or at www.airzonesmart.co.nz . EML may alter the Terms and Conditions from time to time by providing you with 20 days prior notice or immediately if the alteration is required in order to enable EML to comply with any laws or other legal obligations in New Zealand or in any other country or where EML decides an alteration is necessary in order to restore or maintain the security of OneSmart.
Governing Law	This PDS is governed by the laws of New Zealand and any legal question concerning this PDS will be decided under those laws.

Section 5 of this PDS (Key features of OneSmart) contains more information on the terms of the offer

3. EML and what it does

EML is a company incorporated in Australia (Australian Company Number 131 436 532) and registered in New Zealand as an overseas company under the Companies Act 1993 (company number 8079483). EML is a registered financial services provider in New Zealand under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (financial service provider number FSP1000006). EML has been carrying on business as a financial services provider since 2008 by issuing and processing single load and reloadable prepaid cards in Australia, including supporting business by issuing gift, reward and incentive prepaid cards and

issuing reloadable prepaid cards for businesses such as online bookmakers, salary packaging providers and credit providers. This is its principal source of income.

On 28 April 2021, EML will become entitled to issue certain prepaid payment facilities previously issued by Travellex Card Services Limited in New Zealand, including the OneSmart facilities which are the subject of this PDS.

4. Purpose of the offer

OneSmart is being offered to eligible members of the Air New Zealand Airpoints Programme to provide them with a means of managing their money.

EML is issuing OneSmart as part of its normal business activities.

5. Key features of OneSmart™

General

A number of the key features of OneSmart are described in section 2 of this PDS (Terms of the offer). The other key features of OneSmart are described below. A copy of the Terms and Conditions was provided to you with this PDS and copies of the Trust Deed and the Terms and Conditions are available on the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose.

What is OneSmart?

OneSmart is a multi-currency reloadable, contactless-enabled, prepaid payment facility that can be used by you to obtain local currency from millions of Mastercard® ATMs around the world, and to pay directly for goods and services at millions of shops, restaurants, hotels and other locations displaying the Mastercard acceptance mark. The OneSmart Card can also be used online at merchants that accept Mastercard. Although the Mastercard acceptance mark may be displayed, in some countries or in relation to some merchants the OneSmart Card may not operate due to restrictions imposed by Mastercard. Details of the countries or merchants in which the Card will not operate are available at www.airzonesmart.co.nz. There are multiple currencies available on your OneSmart facility which you can manage online 24/7 via "My Account" at www.airzonesmart.co.nz.

What is EML's relationship with Mastercard, Mastercard Prepaid Management Services and Air New Zealand?

EML is the issuer of OneSmart and is a member of the Mastercard payment scheme. Mastercard is responsible for the settlement of transactions using OneSmart, but Mastercard may outsource these functions to service providers.

Mastercard Prepaid Management Services distributes OneSmart (together with Air New Zealand) and supplies the processing services for OneSmart, including services and systems necessary to support the issue of, and the processing of all transactions using, OneSmart.

Mastercard Prepaid Management Services is part of the Mastercard group of companies. Air New Zealand enables OneSmart to be made available through its Airpoints Programme membership card with OneSmart technology and is primarily responsible for the design, production and distribution of the OneSmart Card under arrangements with Mastercard Prepaid Management Services, and for the issue of Airpoints Dollars™ you can earn by using OneSmart. Neither Mastercard Prepaid Management Services nor Air New Zealand guarantees OneSmart.

Key benefits of OneSmart

Easy to Budget

OneSmart enables you to hold both foreign currencies and New Zealand dollars on the one facility and access this with your OneSmart Card. This means you can exchange your New Zealand dollars for one or more currencies you require before you travel. When travelling you then know exactly how much of the relevant currency you have to spend. As OneSmart is a prepaid facility, you can only access and spend the value that you have loaded onto OneSmart. It is not a credit card.

Your OneSmart facility can only be used if it is in a positive balance. In the event that the balance of your OneSmart facility records a negative balance, in accordance with the Terms and Conditions you will be liable to pay to EML the amount required to restore your OneSmart facility to a positive balance.

Airpoints Dollars™

Air New Zealand provides Airpoints Programme members the ability to earn Airpoints Dollars when they make an eligible domestic or international purchase using OneSmart.

Eligible purchases include all purchases of goods and services made using OneSmart, but excludes money orders, traveller's cheques, gambling chips or purchasing foreign currencies in cash. Purchases that are reversed, refunded or charged-back are also ineligible. You do not earn Airpoints Dollars when loading money to your OneSmart facility, transferring money to another currency balance or another person's OneSmart facility, making payments for loans, interest on loans or lines of credit of any type, when withdrawing money from an ATM or cashing out the balance on your OneSmart facility.

The number of Airpoints Dollars you can earn, together with what constitutes an eligible purchase, is subject to change by

Air New Zealand from time to time. Full details including terms and conditions applicable to the use of Airpoints Dollars are available at www.airnz.co.nz.

Convenience

OneSmart uses the Mastercard payment scheme. This means it can be used to obtain local currency from ATMs around the world that display the Mastercard® acceptance mark and to pay directly for goods and services at shops, restaurants, hotels and other locations that accept Mastercard worldwide. OneSmart may also be accepted online by both overseas and New Zealand based merchants that accept Mastercard.

However, OneSmart may not be used for purchases relating to gambling or adult entertainment, or used for the payment of loans, interest on loans or any lines of credit. OneSmart cannot be used in some countries or geographical regions where restrictions or sanctions are in place, or as means of pre-authorising expenditure with some businesses (such as hotels, cruise lines and car rental companies). EML and Mastercard Prepaid Management Services cannot control when an ATM or POS terminal is out of operation for maintenance or is faulty or if a merchant chooses not to accept OneSmart. In these cases your OneSmart Card may not function properly and may be declined. If other exclusions apply to the use of OneSmart they will be notified to you from time to time at www.airnzonesmart.co.nz.

OneSmart can be managed online at www.airnzonesmart.co.nz. From here you can conveniently access your OneSmart facility information at any time, including your balances, allocate your funds across different currencies, and check your transaction history. There will be no charge for electronic statements through www.airnzonesmart.co.nz.

Contactless

Your OneSmart Card is Mastercard contactless enabled. Mastercard contactless is the faster way to pay for purchases under the applicable transaction limit without a signature or PIN. Just tap your OneSmart Card against the reader and go. For more information, please visit www.Mastercard.com/contactless. Transaction limits for contactless transactions may change from time to time. For transactions above the limit, additional authorisation is required. Different transaction limits apply in different countries

OneSmart Customer Service Centre

Should you lose your OneSmart Card or if it has been stolen while you are away you may be eligible to receive an emergency cash disbursement (within certain limits set by Mastercard Prepaid Management Services from time to time).

To access emergency assistance simply call the OneSmart Customer Service Centre helpline on 0800 787 555 (local call) or +64 9 377 8535 (from outside New Zealand) (call charges may apply). These numbers are also set out in the Terms and Conditions, online at www.airzonesmart.co.nz and on the reverse of your OneSmart Card.

Once a customer service representative has established that you have sufficient means of payment (through the availability of money on your OneSmart facility) EML will arrange for money to be made available to you at a convenient disbursement location. Disbursement locations include Western Union, MoneyGram and other Mastercard Prepaid Management Services approved agent locations. You will be advised of the relevant address details, telephone number and opening hours of the nearest agent location.

Security features

For additional security your OneSmart Card is chip and personal identification number ("PIN") protected and has a signature panel on the reverse of your OneSmart Card. If your OneSmart Card is lost or stolen or you have forgotten your PIN you can call the OneSmart Customer Service Centre helpline for immediate assistance (set out above). ATM withdrawals will always require a PIN.

Important information relevant to OneSmart

Security

It is important that you safeguard your OneSmart facility and your OneSmart Card details, your PIN and any other passwords required for your operation of your OneSmart Card or your OneSmart facility. If you do not, then you may be liable for unauthorised transactions (i.e. where a transaction is carried out without your knowledge and consent) and other amounts as explained further in the Terms and Conditions. For POS transactions, unless the transaction is a Mastercard contactless-enabled transaction under the applicable transaction, you will be asked to enter your PIN or provide a signature to confirm the transaction.

In certain circumstances, EML's liability in respect of unauthorised transactions is limited, meaning that you may still be liable for the transaction. In some circumstances EML may not be liable for losses caused by equipment or system failure (including consequential losses), meaning that you may still be liable for the transaction and consequential losses. Further details on the limits to EML's liability are set out in the Terms and Conditions.

Foreign exchange fluctuations

When you load and/or allocate money across currencies, you are exposed to, and take the risk of, foreign exchange

fluctuations across these various currencies. For instance, if you were to hold US dollars in your OneSmart facility (which was loaded at the prevailing exchange rate on the day of loading), then over time, the New Zealand dollar equivalent of this US dollar amount may be less than, or more than, the original New Zealand dollar amount.

When you use your OneSmart facility around the world, cash is disbursed in the local currency. If the local currency is not one of the currencies loaded on your OneSmart facility, or is one of the currencies loaded on your OneSmart facility but the balance of that currency is insufficient for the transaction, the default order of priority of your available currency balances will apply (see below under "Default order of priority"). This means that you are exposed to, and take the risk of, exchange rate fluctuations.

Service availability

In some circumstances, there is a risk that ATM or POS services may not be available for a period of time. The operation of OneSmart is dependent upon the reliability and operational processes of technology and communications providers, with respect to computer and telecommunications networks that support the operation of OneSmart. While all parties seek to achieve 100% availability, process and service disruptions may occur.

OneSmart is for electronic use only and must not be used for manual (e.g. imprinters or click-clack machines) or offline transactions (e.g. a cruise ship transaction that will not be completed until the cruise ship has docked).

Reliance on Mastercard

EML's ability to offer OneSmart is entirely dependent on its contractual arrangements with Mastercard, which enable EML to offer the OneSmart Card and permit holders to obtain cash from Mastercard ATMs around the world.

Mastercard has certain rights, as set out in the Mastercard rules (available at www.Mastercard.us/en-us/business/overview/support/rules.html), to terminate EML's membership of Mastercard. If the arrangements with Mastercard were to end, EML would no longer be able to offer OneSmart and holders would not be able to withdraw cash using their OneSmart Cards from ATMs, and would be required to obtain their money directly from EML through a Cash Out.

Loading large amounts of money

The risks associated with OneSmart may be increased when loading large amounts of money onto your OneSmart facility as no interest is payable on that money and foreign exchange rate

fluctuations (as described above) will have a greater impact the larger the amounts loaded onto your OneSmart facility.

Reference field	Enter the last 10 digits of your OneSmart Card number
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How OneSmart works

Managing your money

Once your OneSmart facility has been activated and you have registered online through "My Account" at www.airnzonesmart.co.nz, you can load money, check your balances, allocate your money across different currencies (fees apply, see "Fees and charges" below), transfer money to other OneSmart facilities and view your recent transactions online.

Loading money

Before you can use OneSmart to make purchases or withdraw cash, you will need to load money onto your OneSmart facility. There are currently three ways that you can load money onto your OneSmart facility including Online Load, Bank Transfer Load or Bill Payment. Your OneSmart facility can be loaded in the available currencies as often as you like subject to the limits set out below under "Limits".

To perform an Online Load you will need to visit www.airnzonesmart.co.nz and follow the online prompts. You will need to settle an Online Load using methods made available to you.

To perform a Bank Transfer Load from a New Zealand bank account (using the internet, mobile or phone banking service provided to you by your bank or financial institution) you will need to log on to this service and choose to make a payment to another bank account (this may be referred to as a "funds transfer", "pay anyone" or a similar term) and using the following details

- Bank & branch Number: 02-1286
- Account number: 9 digit account number to be retrieved from "Settings" within www.airnzonesmart.co.nz
- Account name: "Your Name"

To perform a Bill Payment, go to your internet banking website and choose to make a Bill Payment using the following details:

Biller	AIRNZ ONESMART (If you can't find AIRNZ ONESMART, please contact your bank)
Particulars field	Leave blank
Code field:	Enter the first 6 digits of your OneSmart Card number

Online Loads, Bank Transfer Loads and Bill Payments will generally take one business day to be processed. However, they may take longer if the payment is not made before 2pm on a business day (New Zealand standard time). Load times may vary between financial institutions including when your transfer is initiated outside business hours or prior to or during a weekend or public holiday.

Please note that the bank transfer account number for a Bank Transfer Load or Online Load that will be provided to you does not constitute a deposit account and is provided solely for the purpose of enabling you to load money onto your OneSmart facility. You are unable to use the account details to make any other payments, including but not limited to direct debit payments.

Bank Transfer Loads and Bill Payment must be made using New Zealand dollars from a New Zealand bank account.

If it becomes possible to load money onto your OneSmart facility in some other way in the future, this will be notified to you and described at www.airnzonesmart.co.nz.

Reloading money

OneSmart is reloadable, which means that money can be loaded multiple times onto your OneSmart facility within the applicable limits. If you want to use OneSmart again, you can reload your OneSmart facility when you are overseas or load more money onto it for your next trip.

Withdrawing money

If you have money left on your OneSmart facility at the end of your travels, you can withdraw your remaining balance in New Zealand dollars or you can transfer your remaining balance to New Zealand dollars and spend domestically using OneSmart.

Available currencies

Using New Zealand dollars, you can purchase and hold multiple currencies in your OneSmart facility which can be accessed using a single OneSmart Card. Each currency that you purchase when loading your OneSmart facility will be held in a distinct currency balance. A separate balance can be held in your OneSmart facility for each of the currencies on your OneSmart facility. The currencies that are available are New

Zealand dollars ("NZD"), Australian dollars ("AUD"), United States dollars ("USD"), Canadian dollars ("CAD"), Euros ("EUR"), Great British pounds ("GBP"), Singapore Dollars ("SGD"), Hong Kong dollars ("HKD") and Japanese yen ("JPY"). The available currencies may change from time to time.

As OneSmart is a multi-currency facility, it is set up so that you can fully utilise your entire balance to fund a transaction. This means that where you do not have money available in the currency of the transaction, either because it is not an available currency, or because you do not have a sufficient balance in the relevant currency, OneSmart will use the balances of your other loaded currencies in the default order of priority to fund the transaction.

Default currency

Money that you load onto your OneSmart facility using methods that are not directly via the OneSmart website or mobile app will be allocated to your current default currency (and will be converted to that default currency if the default currency is not New Zealand dollars). The default currency will initially be New Zealand dollars, however you can change your default currency at www.airnzonesmart.co.nz. Please note that you can only have one default currency at a time.

Money that you load via an Online Load will be allocated to the currency that you select at the time.

Default order of priority

OneSmart will first take money from the relevant currency balance that the transaction is denominated in, i.e. if the transaction in question is in US dollars, OneSmart will first look to see if you have a sufficient US dollar balance and, if not, will then work its way through the other currency balances in the default order of priority until the transaction amount is able to be satisfied in full. The default order of priority is set out below. The default order of priority may change from time to time.

1	2	3	4	5	6	7	8	9
NZD	AUD	USD	CAD	EUR	GBP	SGD	HKD	JPY

If there is insufficient money in all currencies in your OneSmart facility, the transaction may not be completed. Further details on the application of the default order of priority are set out in the Terms and Conditions.

Limits

There are limits that apply to the use of your OneSmart facility. These limits are set out below but may be altered by EML from time to time pursuant to the Terms and Conditions.

Type of transaction	Limit
Maximum individual amount you can load on OneSmart in any 24 hour period	NZD \$20,000 or currency equivalent
Maximum amount you can transfer to another person's OneSmart facility in any 24 hour period	NZD \$20,000 or currency equivalent
Maximum amount you can withdraw from ATMs in any 24 hour period (some ATM operators may set their own withdrawal limits which may be lower than this limit)	NZD \$3,000 or currency equivalent
Maximum value of point of sale (POS) transactions performed in any 24 hour period	NZD \$15,000 or currency equivalent
Maximum balance allowed at any one time across all currencies	NZD \$100,000 or currency equivalent
Maximum amount you can load across all currencies during a 12 month period	NZ \$100,000 or currency equivalent
Maximum amount you can load using Debit Card Load in any 24 hour period	NZD \$15,000 or currency equivalent
Maximum amount you can load using Debit Card Load in any 7 day period	NZD \$30,000 or currency equivalent
Maximum amount you can load using Debit Card Load in any 30 day period	NZD \$60,000 or equivalent
Minimum balance allowed at any one time	NZD \$0.00 (No overdraft facility available)

Third party limits

The amounts withdrawn or used for purchases using OneSmart may be limited by the ATM operator, merchant, or regional regulatory limits as relevant.

Fees and charges

In addition to the currency exchange rates, the following fees and charges apply to OneSmart. The fees and charges may be altered by EML at its discretion by providing you with at least 20 days' prior notice.

Type of transaction	Fee or charge
Load/reload fee	No fee (except using Debit Card Load)
Card to card transfer fee (domestic only)	No fee
Debit Card Load fee	1.5% of the amount loaded

International ATM withdrawal fee (outside New Zealand) Note: some ATM operators may charge an additional withdrawal fee	First 3 withdrawals per month free, then: NZD 3.00 GBP 1.50 AUD 2.50 HKD 20.00 CAD 2.50 JPY 250 EUR 2.00 SGD 3.00 USD 2.50
Domestic ATM withdrawal fee Note: some ATM operators may charge an additional withdrawal fee	NZD 2.00
Currency conversion fee	2.5% of the transaction value
Monthly fee	NZD 1.00
Replacement card fee	NZD 10.00

EML does not charge a fee when you activate OneSmart or carry out a transaction on OneSmart. However, individual merchants may charge fees for sales using the Mastercard system and financial institutions may charge fees for over the counter transactions. Individual merchants or ATM operators may charge additional fees. These fees are determined and charged by the merchant or ATM operator and are not retained or received by EML.

Currency conversion fees

Whenever a transaction using OneSmart results in a foreign exchange transaction (including loading money onto OneSmart that you wish to hold in a non-New Zealand dollar currency), a currency exchange rate will be applied. This currency exchange rate will include a margin. Where money is loaded onto your OneSmart facility in a foreign currency, allocated by you from one currency to a different currency on your OneSmart facility (through www.airnzonesmart.co.nz), transferred to a different currency on another person's OneSmart facility (through www.airnzonesmart.co.nz), converted to New Zealand dollars on closing your OneSmart facility, or converted by EML according to the default order of priority in order for EML to satisfy any negative balance or fees owing to EML, the currency exchange rate (including a margin) is set and determined by Mastercard Prepaid Management Services, varies each day and will be notified to you at the time.

Otherwise, where money is withdrawn or used for purchase transactions in a currency which is not supported by OneSmart, or where money is allocated by EML from one currency to a different currency as a result of a purchase or withdrawal transaction, the currency exchange rate used consists of the rate determined by Mastercard to be the wholesale rate in effect on the day the transaction is processed, plus a currency

conversion fee of 2.5% of the transaction value. The Terms and Conditions contain worked examples of how the currency exchange rates apply to OneSmart.

Airpoints Programme

Separate terms and conditions apply to the use of your OneSmart Card as part of your Airpoints Programme membership - see www.airnz.co.nz/airpoints-terms-and-conditions for more information.

Expiry of OneSmart Card

Your OneSmart Card has an expiry date which is printed on the OneSmart side of the OneSmart Card. You cannot use your OneSmart Card to access money loaded onto your OneSmart facility after the expiry date. OneSmart Card holders will automatically be sent a replacement OneSmart Card when their current OneSmart Card expires, or when they move up a tier in the Airpoints Programme. You can also request a replacement OneSmart Card at any time (though a replacement card fee may apply). If your OneSmart Card expires, you will still be able to obtain your money loaded onto your OneSmart facility from EML through a Cash Out. If you cease to be a member of the Airpoints Programme, you will not be able to continue using OneSmart and will need to Cash Out your OneSmart facility.

Other important features of OneSmart

Trust Deed

Trust Deed contains a number of standard provisions, including provisions relating to:

- the role of the Supervisor and the powers and duties of the Supervisor;
- the process for replacement of the Supervisor;
- the right of the Supervisor to be indemnified; and
- the process for amending the Trust Deed.

The Trust Deed also contains events of review and events of default (see clauses 10 and 11 of the Trust Deed). They include a failure by EML to make a payment on OneSmart, a breach by EML of a material provision in the Trust Deed, and also insolvency-type events that affect EML.

If any event of review occurs, the Supervisor has certain rights to allow the board of EML to explain how it will rectify the matters giving rise to the event of review. If the Supervisor is not satisfied that EML's explanation will rectify the matters giving rise to the event of review, the Supervisor may give directions to EML prohibiting EML from accepting new holders or accepting any payment from an existing holder that would increase the balance of their OneSmart facility.

If any event of default occurs, the Supervisor may at its option, and must upon being directed to do so by a special resolution of all holders of prepaid card programmes issued by EML (including holders of OneSmart), declare the amount standing to the credit of all OneSmart facilities to be immediately due and payable.

Trust Account arrangements

EML has established a Trust Account with ANZ Bank New Zealand Limited in connection with the operation of its Mastercard branded prepaid cards business (including OneSmart).

If the Trust Account arrangements operate as intended, the amount held on trust for the benefit of holders of Mastercard branded prepaid cards issued by EML in New Zealand should always be sufficient to discharge EML's liabilities to those holders.

Ranking

OneSmart constitutes unsecured, unsubordinated obligations of EML. On a liquidation of EML, amounts owing to holders of OneSmart rank equally with all other unsecured, unsubordinated obligations of EML.

The ranking of OneSmart on a liquidation of EML is summarised in a diagram similar to the below diagram which is available to view on the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose.

All amounts specified in the diagram are in Australian dollars.

Ranking	Liabilities	Indicative amount of existing liabilities and equity of EML
Higher ranking/earlier priority		
Liabilities that rank in priority to OneSmart on the liquidation of EML	Secured creditors and creditors preferred by law	A ranking diagram, including indicative amounts based on the financial position of EML at its most recent balance date, is incorporated by reference into this document and is available online on the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose .
Liabilities that rank equally with OneSmart (including other holders of OneSmart) on the liquidation of EML	Unsubordinated obligations and all other unsecured obligations (such as trade and general creditors and holders of other prepaid card facilities issued by EML)	
Liabilities that rank below OneSmart on the liquidation of EML	Subordinated debt (if any – as at the date of this PDS, there is none)	
Equity		All amounts specified in the diagram are in Australian dollars.
Lower ranking/later priority		

Apart from the Trust Account arrangements described above, there are no limitations on EML's ability to create further liabilities in the Trust Deed or otherwise that rank equally with, or in priority to, OneSmart or a liquidation of EML.

6. EML's financial information

Selected financial information and ratios

A table that provides selected financial information about EML is available to view on the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose.

EML's full financial statements are also available on the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose.

EML's financial performance and position is critical to EML's ability to meet its obligations, including those owed to you.

If you do not understand this sort of financial information, you can seek professional advice.

The law normally requires the financial information to be determined or prepared in accordance with New Zealand generally accepted accounting practice. In this case, the financial information is determined or prepared in accordance with Australian equivalents to International Financial Reporting Standards. This is allowed under the Financial Markets Conduct (EML Payments Solutions Limited) Exemption Notice 2021

The financial information is presented in Australian Dollars.

7. Risks of investing

This section 7 describes risks associated with OneSmart. This section describes certain:

- General risks associated with EML; and
- Specific risks relating to EML's creditworthiness.

General risks

Holders of OneSmart are subject to the general risk that EML could become insolvent, or be placed into receivership, administration, or liquidation, or be wound up, dissolved or reorganised, or be otherwise unable to meet its obligations in relation to OneSmart.

In the event of the insolvency of EML, including a liquidation of EML involving a shortfall of money, your rights and claims as a holder of OneSmart will rank equally with other holders of OneSmart and equally amongst the rights and claims of holders of equal ranking obligations, but after all creditors preferred

by law. In the event of insolvency, there may be a shortfall of money to pay all amounts ranking ahead of and equally with OneSmart. If such an event of insolvency occurs this would result in holders of OneSmart not receiving repayment of the balance of their OneSmart facility.

Specific risks relating to EML's creditworthiness

The circumstances that EML is aware of that exist or are likely to arise that significantly increase the risk that EML may default on any of its payment obligations under OneSmart are set out below.

Trust Account arrangements

Money loaded onto your OneSmart facility is not paid directly into the Trust Account. Rather, the extent to which sufficient money is properly held in the Trust Account (described above in section 5 of this PDS (Key features of OneSmart)) is dependent on EML's continued performance of its obligations under the Trust Account arrangements. EML is also dependent on certain third party service providers, such as Mastercard Prepaid Management Services, for the operation of the Trust Account arrangements, the risks of which are outlined below.

Although EML has declared a trust over the money in the Trust Account in favour of holders of Mastercard branded prepaid cards issued by EML in New Zealand (including OneSmart), it is possible that the effectiveness of this declaration could be challenged (for instance, by a liquidator of EML if EML was insolvent), and a court may not recognise the trust. In addition, it is possible that money is not paid into the Trust Account when required, or is withdrawn in circumstances that are not permitted.

If the Trust Account arrangements are not effective or do not operate as intended and in the unlikely event that EML becomes insolvent, holders of OneSmart will not benefit from the Trust Account arrangements and their only recourse would be to claim as unsecured creditors in EML's liquidation along with all other creditors.

EML considers that the likelihood of the Trust Account arrangement not operating as intended is low. However, were EML to become insolvent, and the Trust Account arrangements were found to be ineffective, the impact on holders of OneSmart could be significant.

Service providers

EML's business operations are reliant on third parties providing a range of services to it, in particular Mastercard Prepaid Management Services. EML depends upon Mastercard Prepaid Management Services to supply various services relating to the operation of OneSmart. These services include all payment transfer and ancillary services and systems which

are necessary to process all transactions on the relevant cards, such as card design, production of terms and conditions and cardholder agreements, customer data, transaction processing, cardholder customer services and other related services.

If Mastercard Prepaid Management Services fails to pay amounts to EML when due, that in turn may mean EML is not able to meet its payment obligations, including amounts payable into the Trust Account as described above. In addition, if EML's arrangements with Mastercard Prepaid Management Services end, EML will not be able to offer OneSmart and you may not be able to withdraw cash from Mastercard ATMs using your OneSmart Card, but you will be able to obtain your money directly from EML through a Cash Out. EML has no reason to believe that Mastercard Prepaid Management Services will not perform its contractual obligations with EML. However, if Mastercard Prepaid Management Services failed to discharge its obligations to EML, the impact on holders of OneSmart could be significant.

8. Tax

There may be tax consequences from acquiring or disposing of OneSmart. If you have any questions relating to the tax consequences of OneSmart, you should obtain professional advice on those consequences.

9. No reliance

This PDS does not constitute a recommendation by the Supervisor, Mastercard Prepaid Management Services or Air New Zealand or any of their respective directors, officers, employees, agents or advisers to apply for OneSmart.

You must make your own independent investigation and assessment of the financial condition and affairs of EML before deciding whether or not to apply for or load/reload your OneSmart.

10. Who is involved?

	Name	Role
Issuer	EML Payment Solutions Limited	Issues OneSmart.
Supervisor	Covenant Trustee Services Limited	Holds the right to enforce certain duties of EML on trust for the benefit of holders of OneSmart.
Distributor	Air New Zealand Limited	Responsible for the OneSmart Card's design, production and distribution via the Airpoints Programme.

Distributor	Mastercard Prepaid Management Services (NZ) Limited	Responsible for distribution and processing services for OneSmart.
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Air New Zealand Limited (company number 104799) enables OneSmart to be made available through its Airpoints Programme membership card with OneSmart technology. Air New Zealand issues the Airpoints Dollars you can earn by using OneSmart.

Mastercard Prepaid Management Services (company number 3261147 and financial service providers number FSP70104) supplies the processing services for OneSmart, including services and systems necessary to support the issue of, and the processing of all transactions using, OneSmart. In particular, Mastercard Prepaid Management Services is responsible for customer data and customer service. Mastercard Prepaid Management Services is part of the Mastercard® group of companies.

Neither EML, the Supervisor, Air New Zealand nor Mastercard Prepaid Management Services guarantees OneSmart.

11. How to complain

If you have a complaint, you may access EML's internal dispute resolution procedure by:

- **Phone:** **Within New Zealand:** 0800 787 555 (local call)
Overseas: +64 9 377 8535 (call charges apply)
Follow prompts for OneSmart enquiries.
- **Mail:** Level 3, 136 Customs Street West, Auckland 1010
Attention "OneSmart Dispute Resolution".
- **Email:** complaints@airnzonesmart.co.nz

EML will handle all complaints according to its internal dispute resolution procedure. You will not be charged a fee when making a complaint.

The dispute resolution procedure requires that EML seek to resolve your complaint within 21 days, although it is not always possible to do so.

If EML is unable to resolve your complaint to your satisfaction within 45 days, you may be eligible to escalate the complaint to Financial Services Complaints Limited ("FSCL"), EML's external resolution service. The period of 45 days may be extended in exceptional circumstances or where EML decides to resolve the complaint under the rules of the Mastercard scheme. If you wish to escalate the complaint to FSCL, please tell EML

this and the referral will be facilitated free of charge. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Financial Services Complaints Limited contact details.

- Email:** complaints@fscl.org.nz
- Telephone:** (call Free) 0800 347 257 or (Wellington)
(04) 472 FSCL (472 3725)
- Fax:** (04) 472 3728

Physical Address: Level 4, 101 Lambton Quay, Wellington

Postal Address: PO BOX 5967, Lambton, Wellington 6145

12. Where you can find more information

Further information relating to EML and OneSmart (including the Terms and Conditions for OneSmart, a table that provides selected financial information about EML, EML's financial statements and a table that shows how OneSmart would rank alongside EML's other liabilities upon the liquidation of EML) is available on the OneSmart offer page on the Disclose register at www.companiesoffice.govt.nz/disclose.

A copy of the information on the Disclose register is available on request to the Registrar of Financial Service Providers (email registrar@fspr.govt.nz or phone 0508 377 746 (from within New Zealand) or +64 3 9636162 (from outside New Zealand)).

Visit www.airnzonesmart.co.nz to learn more about OneSmart and to manage your OneSmart facility. For Air New Zealand or Airpoints Programme details visit www.airnz.co.nz/airpoints.

For the OneSmart Customer Service Centre:

- **Within New Zealand:** 0800 787 555 (local call)
- **Overseas:** +64 9 377 8535 (call charges apply)

Follow prompts for OneSmart enquiries.

Available 24 hours, 7 days a week.

Email: support@airnzonesmart.co.nz

There is no charge for information obtained via any of the methods set out above.

13. How to apply

If you are a current holder of OneSmart (issued by Travellex Card Services Limited) as at 28 April 2021 ("**Migration Date**"), there is no requirement for you to apply again for OneSmart. Your OneSmart will be issued by EML to you on the Migration Date and you will continue to have access to OneSmart and be able to use and reload your OneSmart Card.

If you are not a current holder of OneSmart (issued by Travellex Card Services Limited) as at the Migration Date, to apply for OneSmart you must be a member of the Airpoints Programme, have a residential address in New Zealand and be 16 years or older.

If you are a tier Airpoints Programme member silver or above, you will receive a OneSmart Card automatically as part of your tiered membership. If you are not a tier Airpoints Programme member silver or above, you can opt in to receiving a OneSmart Card by going to www.airnz.co.nz/onesmart.

When the OneSmart Card is first provided to you, the OneSmart functionality is inactive and cannot be used. You may activate your OneSmart online at any time after you receive your OneSmart Card by going to www.airnzonesmart.co.nz and following the prompts. Activation of OneSmart will be subject to EML accepting your application, which includes successfully verifying your identity.

By applying for and holding OneSmart you are consenting to the collection, use and disclosure of your personal information in accordance with the Terms and Conditions and are bound by the Trust Deed.

14. Contact information

EML contact details

EML Payment Solutions Limited
Level 12
333 Anne St
Brisbane, 4000
Queensland
Australia

Phone: +61 7 3557 1100

15. Glossary

Air New Zealand	means Air New Zealand Limited.
Airpoints Dollars	means the Air New Zealand Airpoints Programme's frequent flyer points.
Airpoints Programme	means the frequent flyer loyalty programme conducted by or on behalf of Air New Zealand.
ATM	means automated teller machine.
AUD	means the lawful currency of Australia.
Bank Transfer Load	means loading money onto your OneSmart facility using the bank and branch number details set out in section 5 of this PDS (Key features of OneSmart).
Bill Payment	means the process by which you can load additional funds to OneSmart via your bank's telephone or internet banking service.
CAD	means the lawful currency of Canada
Cash Out	means the process whereby EML will pay into your nominated NZD bank account in New Zealand the positive balance of your OneSmart facility (less any fees and charges).
Debit Card Load	means loading funds onto your OneSmart facility via the OneSmart website using a Visa debit card or Mastercard debit card.
debt security	has the meaning given to that term in the Financial Markets Conduct Act 2013.
EML	means EML Payment Solutions Limited (company number 8079483).
EUR	means the lawful currency of the Eurozone.
FSCL	means Financial Services Complaints Limited.
GBP	means the lawful currency of Great Britain.
HKD	means the lawful currency of Hong Kong.
JPY	means the lawful currency of Japan.
Mastercard Prepaid Management Services	means Mastercard Prepaid Management Services (NZ) Limited.
Migration Date	means 28th April 2021
My Account	means the account features on the OneSmart website or mobile app where you can access information about your OneSmart by logging in using the Security Details.
NZD	means the lawful currency of New Zealand.
OneSmart	means a multi-currency reloadable, prepaid payment facility described in this PDS.
OneSmart Card	means the Air New Zealand Airpoints Programme card which includes the technology to access your OneSmart facility once you apply for and activate the OneSmart facility.

OneSmart Customer Service Centre	means any services provided by Mastercard Prepaid Management Services (or by service providers on EML's or Mastercard Prepaid Management Services' behalf) in connection with OneSmart. It includes Mastercard Prepaid Management Services' interactive voice response system (available in English) and call centre accessible using the Security Details, available 24 hours a day on the telephone number or numbers provided from time-to-time.
Online Load	means loading money onto your OneSmart Fund online at www.airnzonesmart.co.nz using methods made available to you.
PDS	means this Product Disclosure Statement.
POS	means point of sale.
Security Details	means the information that you provide when you apply for OneSmart, or during the activation process, for the purpose of verifying your identity, and includes any changes to this information.
SGD	means the lawful currency of Singapore.
Supervisor	means Covenant Trustee Services Limited.
Terms and Conditions	means the terms and conditions that govern your use of OneSmart (which may be altered by EML from time to time) which were made available to you along with this PDS, and are also available at www.airnzonesmart.co.nz .
Trust Account	means each trust account that EML has established with ANZ Bank New Zealand Limited, in connection with the operation of its Mastercard branded prepaid cards business.
Trust Deed	means the trust deed between EML and the Supervisor dated 12 January, 2021.
USD	means the lawful currency of the United States of America.
unsecured unsubordinated debt security	means, in relation to a debt security, the payment obligations attaching to that debt security are not secured against any assets of EML or any other party, and that the right to be repaid, in the event that EML becomes insolvent, is not subordinated to the rights of other creditors of EML.

For further information about OneSmart,

visit airnzonesmart.co.nz