NET 1 UEPS TECHNOLOGIES INC
Form DEF 14A
October 02, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[ ] **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to §240.14A-12

NET 1 UEPS TECHNOLOGIES, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NET 1 UEPS TECHNOLOGIES, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be held on November 11, 2015

To the Shareholders of Net 1 UEPS Technologies, Inc.:

NOTICE IS HEREBY GIVEN that the 2015 Annual Meeting of Shareholders of Net 1 UEPS Technologies, Inc. will be held at our principal executive offices located at President Place, 6th Floor, Cnr. Jan Smuts Avenue and Bolton Road, Rosebank, Johannesburg, South Africa on November 11, 2015 at 16h00, local time (09h00 Eastern Time), for the following purposes:

1. To elect five directors to serve until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified.

2. To ratify the selection of Deloitte & Touche (South Africa) as our independent registered public accounting firm for the fiscal year ending June 30, 2016.

3. To hold an advisory vote to approve executive compensation.

4. To approve the amendment and restatement of our current Amended and Restated Stock Incentive Plan to, among other things, (i) increase the number of shares of our common stock authorized for issuance by 2,500,000, (ii) approve the award limits and other terms applicable to awards intended to qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and (iii) extend the duration of the plan to 2025.

5. To transact such other business and act upon any other matter which may properly come before the annual meeting or any adjournment or postponement of the meeting.

Our Board of Directors has fixed the close of business on September 25, 2015, as the record date for determining shareholders entitled to notice of and to vote at the meeting. A list of the shareholders as of the record date will be available for inspection by shareholders at our principal executive offices during business hours for a period of ten days prior to the meeting.

Your attention is directed to our annual report for the fiscal year ended June 30, 2015, which is enclosed with this proxy statement.

The Board of Directors,

Dr. Serge C. P. Belamant

Chairman and Chief Executive Officer

Johannesburg, South Africa
October 2, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 11, 2015. A complete set of proxy materials relating to our annual meeting is available on the internet. These materials, consisting of the Notice of Annual Meeting of Shareholders and Proxy Statement, including proxy card, and annual report, may be viewed and downloaded at https://materials.proxyvote.com/Approved/64107N.

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the proxy accompanying this notice as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other agent and you wish to vote at the meeting, you must request and obtain a proxy issued in your name from that record holder. You may also submit your proxy via the internet as specified in the accompanying internet voting instructions. Shareholders registered on our South African Branch Register (South African Shareholders) are referred to the special instructions contained on page 4 of this proxy statement.

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NET 1 UEPS TECHNOLOGIES, INC.

PROXY STATEMENT

We are furnishing this proxy statement in connection with the solicitation by our Board of Directors (Board) of proxies for use at the annual meeting of shareholders to be held at President Place, 6th Floor, Cnr. Jan Smuts Avenue and Bolton Road, Rosebank, Johannesburg, South Africa on November 11, 2015 at 16h00, local time (09h00 Eastern Time). Our annual report on Form 10-K and our proxy materials were first mailed on or about October 2, 2015.

VOTING RIGHTS AND PROCEDURES

Shareholders who owned our common stock at the close of business on September 25, 2015, the record date, may attend and vote at the annual meeting. Each share is entitled to one vote. There were 47,322,702 shares of common stock outstanding on the record date.

A majority of the total number of outstanding shares of common stock, present either in person or by proxy, will constitute a quorum for the transaction of business at the annual meeting. Shareholders who are present at the annual meeting in person or by proxy and who abstain, and proxies relating to shares held by a bank or broker on your behalf (that is, in street name), that are not voted (referred to as broker non-votes) will be treated as present for purposes of determining whether a quorum is present. In the event that there are not sufficient votes to approve any proposal at the annual meeting, the annual meeting may be adjourned in order to permit the further solicitation of proxies. The inspector of election appointed for the annual meeting will tabulate all votes and will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

The following describes how you may vote on each proposal and the votes required for approval of each proposal:

Proposal No 1 Our five director nominees will be elected by a plurality of votes. You may vote for each director nominee or withhold your vote from one or more of the nominees. Withholding a vote as to any director nominee is the equivalent of abstaining. In an uncontested election such as this, abstentions and broker non-votes have no effect, since approval by a specific percentage of the shares present or outstanding is not required.

Proposal No. 2 The ratification of the selection of Deloitte & Touche (South Africa) (Deloitte) to act as our independent registered public accounting firm will be approved if the votes cast in favor of the proposal exceed the number of votes cast against the proposal. You may vote for or against the proposal or you may abstain from voting. Abstentions and broker non-votes will not affect the outcome of the vote.

Proposal No. 3 The advisory vote to approve executive compensation will be approved if the votes cast in favor of the proposal exceed the number of votes cast against the proposal. You may vote for or against the proposal or you may abstain from voting. Abstentions and broker non-votes will not affect the outcome of the vote.

Proposal No. 4 The amendment and restatement of our current Amended and Restated Stock Incentive Plan will be approved if the votes cast in favor of the proposal exceed the number of votes cast against the proposal. You may vote for or against the proposal or you may abstain from voting. Abstentions and broker non-votes will not affect the outcome of the vote.

If you provide your voting instructions on your proxy, your shares will be voted as you instruct, and according to the best judgment of the persons named in the proxy if a proposal comes up for a vote at the annual meeting that is not on the proxy.

If you do not indicate a specific choice on a proxy that you sign and submit, your shares will be voted:

- FOR each of the director nominees;
- FOR the ratification of the selection of Deloitte as our independent registered public accounting firm;
- FOR the approval of executive compensation; and
- FOR the approval of the amendment and restatement of our current Amended and Restated Stock Incentive Plan.

If your shares are held in street name, and you do not instruct the bank or broker as to how to vote your shares on Proposals 1, 3 or 4, the bank or broker may not exercise discretion to vote for or against those proposals. This would be a broker non-vote and these shares will not be counted as having been voted on the applicable proposal. With respect to Proposal 2, the bank or broker may exercise its discretion to vote for or against that proposal in the absence of your instruction. **Please instruct your bank or broker so your vote can be counted.**

The Board recommends:

- a vote **FOR** each of the director nominees;
- a vote **FOR** ratification of Deloitte as our independent registered public accounting firm;
- a vote **FOR** the approval of executive compensation; and
- a vote **FOR** the approval of the amendment and restatement of our current Amended and Restated Stock Incentive Plan.

Revocability of Proxies

You may revoke your proxy at any time prior to exercise of the proxy by delivering a written notice of revocation or a duly executed proxy with a later date by mail to our corporate secretary at Net 1 UEPS Technologies, Inc., PO Box 2424, Parklands 2121, South Africa, or by attending the meeting and voting in person. If you hold shares through a bank or brokerage firm, you must contact that firm to revoke any prior voting instructions.

Internet Availability of Proxy Materials and Annual Report

A complete set of proxy materials relating to our annual meeting is available on the internet. These materials, consisting of the Notice of Annual Meeting of Shareholders and Proxy Statement, including proxy card, and annual report, may be viewed and downloaded at https://materials.proxyvote.com/Approved/64107N.

Market Information

Our common stock is listed on The Nasdaq Global Select Market (Nasdaq) in the United States under the symbol UEPS and, via a secondary listing, on the Johannesburg Stock Exchange (JSE), in South Africa under the symbol NT1. The Nasdaq is our principal market for the trading of our common stock. Our transfer agent in the United States is Computershare Shareowner Services LLC, 480 Washington Blvd., Jersey City, New Jersey 07310. Our transfer agent in South Africa is Link Market Services South Africa (Pty) Ltd (Link Market), 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001, South Africa.

Special Instructions to South African Shareholders

We are required to comply with certain South African regulations related to the circulation and tabulation of proxies issued to our South African Shareholders. The proxy form marked Net 1 UEPS Technologies, Inc. Proxy for Shareholders Registered on South African Branch Register must be used by South African Shareholders. The South African proxy must be lodged, posted or faxed to Link Market so as to reach them by 16h00, local time, on November 6, 2015. South African Shareholders that have already dematerialized their shares through a Central Securities Depository Participant (CSDP) or broker, other than with own-name registration, should not complete the South African proxy. Instead they should provide their CSDP or broker with their voting instructions or, alternatively, they should inform their CSDP or broker of their intention to attend the annual meeting in order for their CSDP or broker to be able to issue them with the necessary authorization to enable them to attend such meeting. South African Shareholders that hold their shares in certificated form or dematerialized own-name registration should complete the South African proxy and return it to Link Market.

Solicitation

We will bear the entire cost of the solicitation, including the preparation, assembly, printing and mailing of this proxy statement, including the proxy card and any additional solicitation materials furnished to our shareholders. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. We may reimburse these persons for their reasonable expenses in forwarding solicitation materials to beneficial owners. The original solicitation of proxies by mail may be supplemented by a solicitation by personal contacts, telephone, facsimile, electronic mail or any other means by our directors, officers or employees. No additional compensation will be paid to our directors, officers or employees for performing these services. Except as described above, we do not presently intend to solicit proxies other than by mail.

PROPOSALS TO BE VOTED ON AT THE ANNUAL MEETING

PROPOSAL NO. 1: ELECTION OF DIRECTORS

The terms of office of each of our current directors will expire at the annual meeting. The Board has nominated for re-election each of our current directors (see Information Regarding the Nominees for information on all directors) for a one-year term.

The persons named in the enclosed proxy intend to vote properly executed and returned proxies **FOR** the election of all nominees proposed by the Board unless authority to vote is withheld. In the event that any nominee is unable or unwilling to serve, the persons named in the proxy will vote for such substitute nominee or nominees as they, in their discretion, shall determine. The Board has no reason to believe that any nominee named herein will be unable or unwilling to serve.

The Board recommends that you vote FOR election of each of the director nominees.

Information Regarding the Nominees

Dr. Serge C. P. Belamant 62 years old Director since 1997	Dr. Belamant founded our Company and has been our Chief Executive Officer since 2000 and the Chairman of our Board since 2003. Dr. Belamant has more than 30 years of experience in the fields of operations research, security, biometrics, artificial intelligence and online and offline transaction processing systems. Dr. Belamant spent ten years working as a computer scientist for Control Data Corporation where he won a number of international awards. Later, he was responsible for the design, development, implementation and operation of the Saswitch ATM network in South Africa that is still rated as one of the largest ATM switching systems in the world. Dr. Belamant has patented a number of inventions in a number of fields, including biometrics and gaming. Dr. Belamant holds a PhD in Information Technology and Management. The Board believes that Dr. Belamant s strategic vision, technological ingenuity and extensive knowledge of the payments industry makes him an invaluable member of the Board. Dr. Belamant has been the guiding force behind the development of most of our products and services.
Herman G. Kotzé 46 years old Director since 2004	Mr. Kotzé has been our Chief Financial Officer, secretary and treasurer since 2004. From January 2000 until June 2004, he served on the board of Aplitec as Group Financial Director. Mr. Kotzé joined Aplitec in November 1998 as a strategic financial analyst. Prior to joining Aplitec, Mr. Kotzé was a business analyst at the Industrial Development Corporation of South Africa. Mr. Kotzé is a qualified South African chartered accountant. The Board believes that Mr. Kotzé s financial, accounting and taxation expertise and experience with corporate transactions, as well as his long history with our Company and deep knowledge of our business and industry makes him well-suited to serve as a director.
Christopher S. Seabrooke 62 years old Director since 2005	Mr. Seabrooke is Chief Executive Officer and a director of Sabvest Limited, an investment holding company which is listed on the JSE. Mr. Seabrooke also serves as a non-employee director of the following JSE listed companies: Brait SE, Datatec Limited, Massmart Holdings Limited, Metrofile Holdings Limited, Torre Industries Limited and Transaction Capital Limited. In the past five years he was also a non-employee director of JSE listed Chrometco Limited. Mr. Seabrooke is a member of The Institute of Directors in South Africa. Formerly, he was the Chairman of the South African State Theater and the Deputy Chairman of each of the National Arts Council and the Board of Business and Arts South Africa. Mr. Seabrooke has degrees in Economics and Accounting from the University of Natal and an MBA from the University of Witwatersrand. The Board believes that Mr. Seabrooke s expertise in finance, accounting and corporate governance and broad experience as a director of several publicly-traded companies covering a broad range of industries makes him a valuable member of our Board.

Alasdair J. K. Pein 55 years old Director since 2005	Mr. Pein is currently CEO of Ascension Partners Limited, a Cayman-based provider of investment services to high net worth clients. Mr. Pein is a director of Mundane International Limited, a Guernsey-based financial investment fund. Mr. Pein also serves as a director of Ecolutia Services AG, a global provider of water, wastewater and environmental treatment solutions. Between 1994 and March 2009, Mr. Pein served as the CEO of the Oppenheimer family s private equity business. During this period of time Mr. Pein held directorships of a number of private companies. In addition, Mr. Pein was a director of Arsenal Digital Solutions, a privately-held U.S. company that provides on-demand data protection services, from 2001 to 2008. Mr. Pein is a qualified South African chartered accountant. The Board believes that Mr. Pein s financial and accounting expertise, as well as his private equity experience and skills in dealing with compensation, human resources and corporate governance issues, makes him a valuable member of our Board.
Paul Edwards 61 years old Director since 2005	Mr. Edwards is Executive Chairman of Emerging Markets Payments Holdings, an Africa and Middle East payments business. Previously, Mr. Edwards was a non-employee director of Starcomms Limited, a Nigerian telecommunications operator since 2005. Prior to that, Mr. Edwards was Executive Chairman of Chartwell Capital, a corporate finance house, Chief Executive Officer of MTN Group, a pan-African mobile operator, and Group Chief Executive of Johnnic Holdings Ltd, a diversified holding company. Mr. Edwards has a BSc and an MBA from the University of Cape Town. The Board believes that Mr. Edwards knowledge and experience of the telecommunications industry, especially in Africa, provides us with valuable insight into the potential opportunities to expand our business internationally and makes him a valuable member of our Board.

PROPOSAL NO. 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board has proposed that Deloitte be selected to serve as our independent registered public accounting firm for the fiscal year ending June 30, 2016. A representative of Deloitte is expected to be present at the annual meeting. Such representative will have an opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions from shareholders. Deloitte currently serves as our independent registered public accounting firm.

We are asking our shareholders to ratify the selection of Deloitte as our independent registered public accounting firm for the fiscal year ending June 30, 2016. Although ratification is not required by our Amended and Restated By-Laws or otherwise, the Board is submitting the selection of Deloitte to our shareholders for ratification as a matter of good corporate practice. In the event our shareholders fail to ratify the appointment, the Audit Committee may reconsider this selection. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the best interests of our shareholders.

The Board recommends a vote FOR ratification of the selection of Deloitte.

PROPOSAL NO. 3: AN ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

We are providing you with the opportunity to vote to approve, on an advisory, non-binding basis, the compensation of our executive officers named in the Summary Compensation Table under Executive Compensation, whom we refer to as our named executive officers or NEOs. This proposal, which is commonly referred to as say on pay, is required by Section 14A of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act).

The philosophy of our executive compensation program is to link compensation to the achievement of our key strategic and financial goals. Therefore, we reward our executives for their contributions to our annual and long-term performance by tying a significant portion of their total compensation to key drivers of increased shareholder value. At the same time, we believe our program does not encourage excessive risk-taking by management. The Executive Compensation section of this proxy statement beginning on page 21, including the Compensation Discussion and Analysis, describes in detail our executive compensation program and the decisions made by the Remuneration Committee with respect to our fiscal year ended June 30, 2015.

The Board is asking shareholders to cast a non-binding advisory vote on the following resolution:

Resolved, that the compensation paid to the Company s named executive officers, as disclosed pursuant to the disclosure rules of the U.S. Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and narrative discussions, is approved on a non-binding advisory basis.

Because your vote is advisory, it will not be binding upon the Board or the Remuneration Committee. However, the Board and the Remuneration Committee value the opinions expressed by our shareholders and will consider the outcome of the vote when considering future executive compensation decisions.

The Board recommends a vote FOR approval of the compensation of our named executive officers.

PROPOSAL NO. 4: APPROVAL OF THE AMENDMENT AND RESTATEMENT OF OUR CURRENT PLAN

We are asking you to approve an amendment and restatement of our Amended and Restated Stock Incentive Plan of Net 1 UEPS Technologies, Inc. to increase the aggregate number of shares of our common stock authorized for issuance by an additional 2,500,000. In this proxy statement, we refer to the current Amended and Restated Stock Incentive Plan of Net 1 UEPS Technologies, Inc. as the Current Plan, and we refer to the amendment and restatement of the Current Plan that we are asking you to approve as the 2015 Plan. In addition, we are requesting that shareholders approve the terms of the 2015 Plan relating to awards intended to qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). The 2015 Plan does not contain any modifications, alterations or revisions of any other term or provision of our Current Plan except with respect to the increase in the share reserve and the extension of the term of the plan. The closing price of our common stock on Nasdaq on September 29, 2015, was $16.31.

Our Board approved, and recommended the 2015 Plan for approval by our shareholders, in August 2015.

Our Board believes it important to our continued success that we have an adequate reserve of shares available for issuance under the 2015 Plan for use in attracting, motivating and retaining qualified employees, officers, consultants and directors.

Why you should vote for the 2015 plan

History of the Current Plan

The Current Plan was initially adopted in 2004. In 2006, our shareholders approved the first amendment and restatement of the Current Plan, which authorized the issuance of an additional 2,845,600 shares for awards that were expected to be granted during a five-year period of annual grants beginning in 2006. The last time shareholders were asked to approve an increase the number of shares available was in 2009. In 2009, shareholders approved another amendment to the Current Plan, to (among other things) increase the number of shares available for issuance by 2,800,000 and extend the term of the plan by five years. As of September 25, 2015, only 736,023 shares, or approximately a quarter of the 2009 share increase, remain available for the August 2016 annual grant cycle and beyond.

On August 19, 2015, our Board further amended and restated the Current Plan, subject to shareholder approval, to (among other things) increase the number of shares available for issuance by 2,500,000 and extend the term of the plan to August 19, 2025. Our Board recommends that shareholders approve the 2015 Plan to allow us to continue granting stock options and other stock-based awards. As discussed below under --Compensation Discussion and Analysis , equity awards granted under the Current Plan are a principal element of our executive officers compensation package. These awards emphasize long-term performance of our Company, as measured by creation of shareholder value, and foster a commonality of interest between shareholders and employees. We believe that the 2015 Plan is critical in enabling us to attract and retain key employees and to create effective incentives for those employees to contribute to our growth and financial success. The increase in the number of shares under the 2015 Plan represents approximately five percent of the aggregate number of outstanding shares of our common stock on as of June 30, 2015. We anticipate that this increase in available shares will enable us to continue our equity compensation program at its current rate of aggregate annual awards for approximately five additional years.

In addition, the 2015 Plan reflects our continuing commitment to preserving shareholder value and promoting corporate responsibility, as evidenced by the following design features:

- No evergreen provisions are included in the 2015 Plan. This means that the maximum number of shares issuable under the plan is fixed and cannot be increased without shareholder approval, the plan expires by its terms upon a specified date, and no new stock options are awarded automatically upon exercise of an outstanding stock option.
- Shareholder approval is required for the repricing of awards or the implementation of any award exchange program.
- There are limits on the number of awards that any one participant may receive in a given year.
  - The maximum number of shares that may be granted during a calendar year to any one participant with respect to stock options, stock appreciation rights, and other stock-based awards (other than performance-based awards that are not options) is 569,120 shares.
  - For performance-based awards that are not options, a participant is limited during a calendar year to receiving awards having an aggregate value of up to $20,000,000 as of the grant date.
  - The 569,120-share limit on most awards represents 20% of the original share reserve under the Current Plan at its inception. Although the Board is proposing to increase the share reserve under the 2015 Plan, we have decided to maintain the original 569,120-share award limit.
- Performance-based awards exempt from the $1,000,000 cap on deductible compensation imposed by Section 162(m) of the Code, may be granted under the Current Plan. The performance criteria permitted to be used for such awards are designed to provide the Remuneration Committee maximum flexibility to tailor incentives targeted toward performance that it believes best achieves our corporate objectives and financial success.

If the 2015 Plan is approved, 2,500,000 new shares of common stock will be available for issuance (in addition to the shares currently available for future awards or subject to outstanding awards), and the plan would be scheduled to remain in effect until August 19, 2025. Other material differences included in the 2015 Plan are described throughout the summary below, which is qualified in its entirety by reference to the full text of the plan set forth in Exhibit A to this proxy statement. If the 2015 Plan is not approved, no award may be granted under the Current Plan after June 7, 2019, unless the share reserve is exhausted before then, but awards granted under the Current Plan on or before June 7, 2019 may extend beyond that date.

We Manage Our Equity Incentive Award Use Carefully, and Dilution Is Reasonable

We continue to believe that equity awards such as stock options are a vital part of our overall compensation program. However, we recognize that equity awards dilute existing shareholders, and, therefore, we must responsibly manage the growth of our equity compensation program. We are committed to effectively monitoring our equity compensation share reserve, including our burn rate, to ensure that we maximize shareholders value by granting the appropriate number of equity incentive awards necessary to attract, reward, and retain employees.

The following table shows our dilution and burn rate percentages.

	As of June 30, 2015
Dilution under Current Plan at fiscal year end (1)	7%
3-Year annual average burn rate (2)	2%

(1) Dilution under Current Plan at fiscal year end is calculated as the sum of (x) shares available for grant plus (y) shares subject to outstanding equity incentive awards divided by our common stock outstanding, all amounts determined as of June 30, 2015.

(2) 3-Year annual average burn rate is calculated as the simple three-year average of our gross annual dilution under the Current Plan, with the gross annual dilution calculated as the sum of stock options granted and the fair value of shares subject to restriction granted divided by our outstanding common stock at each fiscal year end as of June 30, 2013 through 2015.

The dilution under Current Plan at fiscal year end and 3-year annual average burn rate described above may not be indicative of what the actual amounts are in the future. The 2015 Plan does not contemplate the amount or timing of specific equity awards. The potential dilution is a forward-looking statement. Forward-looking statements are not facts. Actual results may differ materially because of factors such as those identified in reports the Company has filed with the U.S. Securities and Exchange Commission (SEC).

The Size of Our Share Reserve Request Is Reasonable

If the 2015 Plan is approved by our shareholders, we expect to have approximately 3,236,023 shares available for grant after our annual meeting (based on shares available as of September 25, 2015), which we anticipate being a pool of shares sufficient for grants through August 31, 2021, and necessary to provide a predictable amount of equity for attracting, retaining, and motivating employees.

The size of our request is also reasonable in light of the equity granted to our directors and employees over the past six years.

Performance-Based Awards

Approval of the 2015 Plan by our shareholders will also constitute approval of terms and conditions set forth in the plan that will permit us to grant stock options, stock appreciation rights and performance-based stock and cash awards under the 2015 Plan that may qualify as performance-based compensation within the meaning of Section 162(m) of the Code. Section 162(m) of the Code disallows a deduction to any publicly-held corporation and its affiliates for certain compensation paid to covered employees in a taxable year to the extent that compensation to a covered employee exceeds $1 million. However, some kinds of compensation, including qualified performance-based compensation is not subject to this deduction limitation. For compensation awarded under a plan to qualify as performance-based compensation under Section 162(m) of the Code, among other things, the following terms must be disclosed to and approved by the shareholders before the compensation is paid: (i) a description of the employees eligible to receive such awards; (ii) a per-person limit on the number of shares subject to stock options, stock appreciation rights and performance-based stock awards, and the amount of cash subject to performance-based cash awards, that may be granted to any employee under the plan in any year; and (iii) a description of the business criteria upon which the performance goals for performance-based awards may be granted (or become vested or exercisable). Accordingly, we are requesting that our shareholders approve the 2015 Plan, which includes terms and conditions regarding eligibility for awards, annual per-person limits on awards and the business criteria for performance-based awards granted under the 2015 Plan (as described in the summary below).

We believe it is in the best interests of our Company and our shareholders to preserve the ability to grant performance-based compensation under Section 162(m) of the Code. However, in certain circumstances, we may determine to grant compensation to covered employees that is not intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code. Moreover, even if we grant compensation that is intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code, we cannot guarantee that such compensation ultimately will be deductible by us.

Description of the 2015 Plan

The material features of the 2015 Plan are outlined below. The following description of the 2015 Plan is a summary only and is qualified in its entirety by reference to the complete text of the 2015 Plan which is entitled the Amended and Restated 2015 Stock Incentive Plan of Net 1 UEPS Technologies, Inc. Shareholders are urged to read the actual text of the 2015 Plan in its entirety, which is appended to this proxy statement as Appendix A.

Number of Shares

If the 2015 Plan is approved, the number of shares issuable under the plan will be increased by 2,500,000 shares to an aggregate of 11,052,580 shares since adoption of the plan.

Shares covered by awards that expire, terminate or lapse without payment will again be available for the grant of awards under the 2015 Plan, as well as shares that are delivered to us by the holder to pay withholding taxes or as payment for the exercise price of an award, if permitted by the Remuneration Committee. The number of shares underlying any substitute awards granted are counted against the aggregate number of shares available for awards under the 2015 Plan. The maximum number of shares for which stock options, stock appreciation rights, and other stock-based awards (other than performance-based awards that are not options) may be granted during a calendar year to any participant is 569,120 shares. For performance-based awards that are not options, a participant is limited during a calendar year to receiving awards having an aggregate value of up to $20,000,000 as of the grant date. The shares deliverable in connection with awards granted under the 2015 Plan may consist, in whole or in part, of authorized but unissued shares or treasury shares.

To account for stock splits, stock dividends, reorganizations, recapitalizations, mergers, consolidations, spin-offs and other corporate events, the 2015 Plan requires the Remuneration Committee to equitably adjust the number and kind of shares of common stock issued or reserved pursuant to the plan or outstanding awards, the maximum number of shares issuable pursuant to awards, the exercise price for awards, and other affected terms of awards to reflect such event. Such adjustments to outstanding awards are discretionary, rather than mandatory, under the existing terms of the Current Plan. Discretionary adjustments made to outstanding awards to reflect events such as stock splits could result in our having to record significant additional compensation expenses at that time. This change in the 2015 Plan to mandatory adjustments is equitable and should enable us to avoid having to record additional compensation expenses for adjustments to outstanding awards to reflect stock splits and the like.

In the event of certain corporate events, including stock sales, mergers, and sales of substantial assets, the Remuneration Committee may, but is not obligated to, cancel outstanding awards for full value, waive vesting requirements, provide for the issuance of substitute awards, and/or provide that, for a period of time before such corporate event, stock options will be exercisable for all shares subject to the option and that upon the occurrence of the corporate event the options will terminate. In this regard, the 2015 Plan clarifies that the Remuneration Committee s discretion is limited by the anti-acceleration provisions of Section 409A of the Code.

Administration

The Board or a designated subcommittee of the Board administers the 2015 Plan. A designated subcommittee must, unless the Board determines otherwise, consist solely of (i) at least two individuals who qualify as non-employee directors within the meaning of Rule 16b-3 under the Exchange Act, during any period that the Company are subject to Section 16 of the Exchange Act; and (ii) outside directors within the meaning of Section 162(m) of the Code, during any period that the Company is subject to Section 162(m) of the Code. The Board has designated the Remuneration Committee as the subcommittee responsible for administering the 2015 Plan.

The Remuneration Committee determines who receives awards under the 2015 Plan, as well as the form of the awards, the number of shares underlying the awards, and the terms and conditions of the awards consistent with the terms of the plan. Awards may, in the discretion of the Remuneration Committee, be made in assumption of, or in substitution for, outstanding awards previously granted by us or our affiliates or a company acquired by us or with which we combine. However, the 2015 Plan clarifies that, consistent with applicable Nasdaq marketplace rules, no repricing of outstanding awards may be undertaken without obtaining prior shareholder approval.

The Remuneration Committee is authorized to interpret the 2015 Plan, to establish, amend and rescind any rules and regulations relating to the plan, and to make any other determinations that it deems necessary or desirable for the administration of the plan. The Remuneration Committee also may correct any defect, supply any omission or reconcile any inconsistency in the 2015 Plan in the manner and to the extent that the Remuneration Committee deems it necessary or desirable.

The 2015 Plan authorizes the Remuneration Committee to require payment of any amount determined to be necessary to withhold for federal, state, local or other taxes resulting from the exercise, grant or vesting of an award. The 2015 Plan clarifies, however, that any payment of withholding taxes by delivery of shares or having shares withheld by the Company may not exceed the amount necessary to satisfy the statutory minimum withholding amount due.

Eligibility

The 2015 Plan permits grants of awards to our employees, directors and consultants. Any eligible person may be granted nonqualified stock options, but only employees may be granted incentive stock options. As of June 30, 2015, we had approximately 4,764 employees, including four executive officers and three non-employee directors, who were eligible under the Current Plan.

Types of Awards

Incentive stock options, nonqualified stock options, stock appreciation rights, limited stock appreciation rights, restricted stock, performance-based awards and other awards based on our common stock may be granted under the Current Plan.

Stock Options

The 2015 Plan permits the Remuneration Committee to grant employees incentive stock options, which qualify for special tax treatment in the United States, and permits the Remuneration Committee to grant employees, directors and consultants nonqualified stock options. The Remuneration Committee establishes the duration of each stock option at the time it is granted. The maximum duration of an incentive stock option is ten years after the date of grant.

The Remuneration Committee establishes the exercise price of each stock option at the time it is granted. The exercise price of a stock option may not be less than the fair market value, as defined in the Current Plan, of our common stock on the date of grant. As of September 29, 2015**,** the fair market value of our common stock as reported on the Nasdaq Global Select Market was $16.31 per share. The Remuneration Committee may establish vesting and performance requirements that must be met before the exercise of stock options. Unless otherwise determined by the Remuneration Committee, stock options vest ratably, on an annual basis, over a period of three years, commencing with the first anniversary of the grant date and subject to the holder s continued service with us.

The exercise price of stock options may be paid in cash or cash equivalents by the holder. The Remuneration Committee may permit an option holder to pay the exercise price, or to satisfy withholding tax liabilities that arise upon exercise, by tendering shares of our common stock owned by the holder or by having us withhold some of the shares deliverable upon exercise of the option, with a fair market value equal to the exercise price and statutory minimum tax withholding liabilities. The Remuneration Committee may also permit a stock option holder to exercise the option by tendering a promissory note, in such form as the Remuneration Committee may specify, that bears a market rate of interest and is fully recourse.

If there is a public market for our common stock, the Remuneration Committee may permit a stock option holder to exercise all or part of the option holder s vested options through a cashless exercise procedure. Under a cashless exercise procedure, the option holder delivers irrevocable instructions to a broker to sell the shares obtained upon exercise of the option and deliver promptly to the Company proceeds of the sale equal to the exercise price of the option and related tax withholding obligation.

Stock Appreciation Rights

The Remuneration Committee also may grant stock appreciation rights, either alone or in tandem with stock options. Stock appreciation rights entitle their holder upon exercise to receive an amount in any combination of cash or shares of our common stock (as determined by the Remuneration Committee) equal in value to the excess of the fair market value of the shares covered by the rights over the grant price. The Remuneration Committee may also grant limited stock appreciation rights that are exercisable upon the occurrence of specified contingent events. Such awards may provide for a different method of determining appreciation, specify that payment must be made only in cash, or provide that any related awards are not exercisable while such limited stock appreciation rights are exercisable. No stock appreciation right may have a term longer than ten years duration under the Current Plan. In contrast, the existing terms of the 2015 Plan do not include a term limit on stock appreciation rights.

Other Stock-Based Awards

The 2015 Plan also permits the Remuneration Committee to grant awards that are valued by reference to, or otherwise based on the fair market value of, our common stock. The Remuneration Committee determines the form of award and the conditions to which awards are subject, including the satisfaction of performance goals, the completion of periods of service, or the occurrence of events. Stock-based awards may be granted alone or in conjunction with any other award granted under the Current Plan. Unless otherwise determined by the Remuneration Committee, stock-based awards vest as to 20% of the shares on each of the grant date and the first four anniversaries of the grant date subject to the recipient s continued service with us.

Performance-Based Awards

In general, Section 162(m) of the Code prevents the deductibility for U.S. income tax purposes of compensation in excess of one million dollars paid in any taxable year to an individual who, on the last day of that year, is the Company s chief executive officer or is among its three other most highly compensated executive officers (other than the chief financial officer, to whom Section 162(m) does not apply), except that a deduction may be taken for compensation that qualifies as performance-based compensation under Section 162(m) of the Code.

Stock options granted at fair market value ordinarily satisfy the performance-based requirements of Section 162(m) of the Code, if shareholder disclosure and approval requirements are met. If restricted stock or other performance-based awards are intended to satisfy the Code Section 162(m) deductibility requirements, payments under such awards must be conditioned on attainment of pre-established objective performance measures that have been established and certified by a committee of outside directors and approved by shareholders. The performance criteria under the 2015 Plan on which applicable performance measures may be based include:

- consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization),
- net income,
- operating income,
- earnings per share,
- fundamental earnings per share (as determined by the Remuneration Committee),
- book value per share,
- return on shareholders equity,
- expense management,
- return on investment,
- improvements in capital structure,
- profitability of an identifiable business unit or product,
- maintenance or improvement of profit margins,
- stock price,
- market share,
- revenues or sales,
- costs,
- cash flow,
- working capital, and
- return on assets.

Performance criteria for performance-based awards under the 2015 Plan may relate to any combination of the Company as a whole, a subsidiary, and/or any business unit. Performance targets may be set at a specific level or may be expressed relative to measures at comparison companies or a defined index.

Under the 2015 Plan, the maximum amount of a performance-based award that may be granted during a calendar year to any participant is: (i) with respect to performance-based awards that are stock options, options covering 569,120 shares, and (ii) with respect to performance-based awards that are not options, awards having an aggregate value as of the grant date of $20,000,000. A performance-based award is paid, if at all, at such time as determined by the Remuneration Committee in its discretion, subject to Section 162(m) of the Code and Section 409A of the Code.

Transferability

Unless otherwise determined by the Remuneration Committee, awards may not be transferred or assigned by the holder other than by will or the laws of descent and distribution.

Amendment

The Board may amend the 2015 Plan at any time, provided that no amendment may be made without the consent of an affected award holder that diminishes the rights of the holder, except that the Board may amend the plan in any manner it deems necessary for awards to meet the requirements of the Code or other applicable laws.

No amendment to the 2015 Plan may be made without the approval of shareholders if the amendment would increase the total number of shares reserved for issuance under the plan or change the maximum number of shares for which awards may be granted to participants, except for such changes in accordance with the plan s adjustment provisions described above.

Plan Term

Under the 2015 Plan, no award may be granted after August 19, 2025, but awards granted before that date may extend beyond that date. Under the terms of the existing Current Plan, no awards may be granted after June 7, 2019.

United States Federal Income Tax Consequences

The following discussion of the U.S. federal income tax consequences relating to the 2015 Plan is based on present U.S. federal tax laws and regulations and does not purport to be a complete description of the U.S. federal tax laws. Participants may also be subject to certain state and local taxes and non-United States taxes, which are not described below.

When a nonqualified stock option is granted, there are generally no United States income tax consequences for the option holder or our Company at that time. When a nonqualified stock option is exercised, the option holder generally recognizes compensation equal to the excess, if any, of the fair market value of the underlying shares on the exercise date over the exercise price. Our Company or its subsidiary that employs the stock option holder may be entitled to a deduction equal to the compensation recognized by the stock option holder.

When an incentive stock option, within the meaning of Section 422 of the Code, is granted, there are no United States income tax consequences for the option holder or our Company at that time. Generally, when an incentive stock option is exercised, the option holder does not recognize income and our Company does not receive a deduction. The incentive stock option holder, however, must treat the excess, if any, of the fair market value of the shares on the exercise date over the exercise price as an item of adjustment for purposes of the alternative minimum tax.

If an incentive stock option holder disposes of the shares after holding them for at least two years after the incentive stock option was granted and one year after the option was exercised, the amount the option holder receives upon the disposition over the exercise price is treated as long-term capital gain to the option holder. Our Company or its subsidiary is not entitled to a deduction.

If the stock option holder makes a disqualifying disposition of the shares by disposing of the shares before satisfying the holding periods described above, the option holder generally recognizes compensation income equal to the excess, if any, of (1) the fair market value of the shares on the exercise date, or, if less, the amount received on the disposition, over (2) the exercise price. Our Company or its subsidiary may be entitled to a deduction equal to the compensation recognized by the stock option holder.

When a stock appreciation right is granted, there are no U.S. federal income tax consequences for the participant or our Company at that time. When a stock appreciation right is exercised, the participant generally recognizes compensation equal to the cash and/or the fair market value of the shares received on exercise. Our Company or its subsidiary may be entitled to a deduction equal to the compensation recognized by the participant.

In general, other types of awards that may be issued under the Current Plan are taxable to the holder upon receipt, except that awards of restricted stock are taxable to the holder on the date the shares vest or become transferable, or on the date of receipt if the holder makes an election under Section 83(b) of the Code. Our Company or its subsidiary may be entitled to a deduction equal to the compensation recognized by the participant receiving other stock-based awards, including restricted stock awards.

New plan benefits

The benefits or amounts that will be received by or allocated to our executive officers, non-employee directors and employees under the 2015 Plan are not determinable because the 2015 Plan does not provide for set benefits or amounts, or objective criteria for determining the compensation thereunder with regard to any participants, and we have not approved any awards that are conditioned on shareholder approval of this proposal.

Current plan benefits

The table below contains the benefits or amounts that the individuals and groups listed below have received under the Current Plan since the plan s inception:

Name and Position	Number of Shares Subject to Options Granted Under the Current Plan	Number of Shares of Restricted Stock Granted Under the Current Plan
Dr. Serge C.P. Belamant, Chief Executive Officer, Chairman of the Board and Director	1,012,210	881,957
Herman G. Kotzé, Chief Financial Officer, Treasurer, Secretary and Director	617,797	655,274
Phil-Hyun Oh, President KSNET	26,928	85,333
Nitin Soma, Vice-President Information Technology	409,445	371,328
All Executive Officers, as a Group	2,066,380	1,993,892
All Current Directors who are not executive officers, as a Group	125,001	113,864
Each Nominee for Election as a Director	1,755,008	1,651,095
Each associate of any such directors, executive officers, or directors	-	-
Each other current and former 5% holder or future 5% recipient	-	-
All employees as a Group (including all current non-executive officers)	700,035	2,453,867

The Board recommends a vote FOR the amendment and restatement of the Current Plan.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

MEETINGS OF THE BOARD AND DIRECTOR INDEPENDENCE

Our Board typically holds a regular meeting once every quarter and holds special meetings when necessary. During the fiscal year ended June 30, 2015, our Board held a total of five meetings. All of the directors who served during our 2015 fiscal year attended 100% of the meetings of the Board. All of the directors attended 100% of the aggregate number of meetings of those committees of the Board on which such director served during the year. We encourage each member of the Board to attend the annual meeting of shareholders, but have not adopted a formal policy with respect to such attendance**.**

All of our directors who served during fiscal 2015 attended last year s annual meeting, except Mr. Pein. The non-management directors meet regularly without any management directors or employees present. These meetings are held on the day of or day preceding other Board or committee meetings.

The Board annually examines the relationships between the Company and each of our directors. After this examination, the Board has concluded that Messrs. Seabrooke, Pein and Edwards are independent as defined under Nasdaq Rule 5605(a)(2) and under Rule 10A-3(b)(1) under the Exchange Act, as that term relates to membership on the Board and the various Board committees.

COMMITTEES OF THE BOARD

The Board has established an Audit Committee, a Remuneration Committee and a Nominating and Corporate Governance Committee. The members of our Board Committees are presented in the table below:

Director	Audit Committee	Remuneration Committee	Nominating and Corporate Governance Committee
Dr. Serge C.P. Belamant (#)			
Paul Edwards	X	X	X
Herman G. Kotzé (#)			
Alasdair J.K. Pein	X	X*	X
Christopher S. Seabrooke	X*	X	X*
# Executive			
* Chairperson			

Audit Committee

The Audit Committee consists of Messrs. Seabrooke, Pein and Edwards, with Mr. Seabrooke acting as the Chairperson. The Board has determined that Mr. Seabrooke is an audit committee financial expert as that term is defined in applicable SEC rules, and that all three members meet Nasdaq s financial literacy criteria. The Audit Committee held eight meetings during the 2015 fiscal year. See Audit Committee Report on page 37.

The Audit Committee was established by the Board for the primary purpose of overseeing or assisting the Board in overseeing the following:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the qualifications and independence of our registered public accounting firm;
- the performance of our independent auditors and of the internal audit function;
- the accounting and financial reporting processes and the audits of our financial statements; and

our systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by us.

A copy of our Audit Committee charter is available without charge on our website, www.net1.com under the Investor Relations Governance section.

Remuneration Committee

The Remuneration Committee comprises Messrs. Pein, Seabrooke and Edwards, with Mr. Pein acting as the Chairperson. The Remuneration Committee held four meetings during the 2015 fiscal year. The Remuneration Committee has the following principal responsibilities, authority and duties:

- review and approve performance goals and objectives relevant to the compensation of all our executive officers, evaluate the performance of each executive officer in light of those goals and objectives, and set each executive officer s compensation, including incentive-based and equity- based compensation, based on such evaluation;
- make recommendations to the Board with respect to incentive and equity-based compensation plans;
- review and make recommendations to the Board regarding compensation-related matters outside the ordinary course, including, but not limited, to employment contracts, change-in-control provisions and severance arrangements;
- administer our stock option, stock incentive, and other stock compensation plans, including the function of making and approving all grants of options and other awards to all executive officers and directors, and all other eligible individuals, under such plans;
- review annually and make recommendations to the Board regarding director compensation;
- assist management in developing and, when appropriate, recommend to the Board, the design of compensation policies and plans;
- review and discuss with management the disclosures in our Compensation Discussion and Analysis and any other disclosures regarding executive compensation to be included in our public filings or shareholder reports; and
- recommend to the Board whether the Compensation Discussion and Analysis should be included in our proxy statement, Form 10-K, or information statement, as applicable, and prepare the related report required by the rules of the SEC.

A copy of our Remuneration Committee charter is available without charge on our website, www.net1.com under the Investor Relations Governance section.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee comprises Messrs. Seabrooke, Pein and Edwards, with Mr. Seabrooke acting as the Chairperson. The Nominating and Corporate Governance Committee held four meetings during the 2015 fiscal year. The principal duties and responsibilities of the Nominating and Corporate Governance Committee are as follows:

- monitor the composition, size and independence of the Board;
- establish criteria for Board and committee membership and recommend to our Board proposed nominees for election to the Board and for membership on each committee of the Board;
- monitor our procedures for the receipt and consideration of director nominations by shareholders and other persons and for the receipt of shareholder communications directed to our Board;
- make recommendations regarding proposals submitted by our shareholders;
- establish and monitor procedures by which the Board will conduct, at least annually, evaluations of its performance;
- review our Corporate Governance Guidelines annually and recommend changes, as appropriate, for review and approval by the Board; and

make recommendations to the Board regarding management succession planning and corporate governance best practices.

A copy of our Nominating and Corporate Governance Committee charter is available without charge on our website, www.net1.com under the Investor Relations Governance section.

BOARD LEADERSHIP STRUCTURE AND BOARD OVERSIGHT OF RISK

Board Leadership

Our Board is led by our Chairman, Dr. Belamant, who is also our Chief Executive Officer. The Board believes that Dr. Belamant s service as both Chairman of the Board and Chief Executive Officer is in our best interests and the best interests of our shareholders.

A combined Chairman and Chief Executive Officer leadership structure is commonly utilized by public companies in the United States, and our Board believes that this leadership structure has been effective for us and minimizes the potential for duplication of efforts and conflict of roles. Dr. Belamant possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing us, and is thus better positioned than a non-employee Chairman to focus the Board s time and attention on the matters that are most critical to us. Additionally, having one person serve as both Chairman of the Board and Chief Executive Officer enables decisive leadership, ensures clear accountability and enhances our ability to communicate our message and strategy clearly and consistently to our shareholders, employees, customers and suppliers.

While our Amended and Restated By-Laws do not require that the roles of Chairman of the Board and Chief Executive Officer be filled by the same person, our Board believes that having Dr. Belamant fill both positions is the appropriate leadership structure for us.

We do not have a lead director. The Board believes that all of our independent directors are active and engaged Board members and that a number of them fulfill a lead director role at various times depending upon the particular issues involved. Further, Mr. Seabrooke, who is the Chairman of both the Nominating and Corporate Governance Committee and the Audit Committee and is a member of the Remuneration Committee, presides over all executive sessions of the independent directors.

The Board s Role in Risk Oversight

Managing risk is an ongoing process inherent in all decisions made by management. The Board discusses risk throughout the year, particularly at Board meetings when specific actions are considered for approval. The Board has ultimate responsibility to oversee our enterprise risk management program. This oversight is conducted primarily through various committees of the Board as described below.

Our Enterprise Risk Management Committee is responsible for identifying, assessing, prioritizing and developing action plans to mitigate the material business, operational and strategic risks affecting us. The Enterprise Risk Management Committee comprises our Chief Executive Officer (who serves as Chairperson), Chief Financial Officer and Group Compliance Officer. The Group Compliance Officer meets semi-annually with the leaders of our various business units and his findings are reported to and discussed by the Enterprise Risk Management Committee. The Enterprise Risk Management Committee meets and reports to the Audit Committee semi-annually.

The Audit Committee directly provides oversight of risks relating to the integrity of our consolidated financial statements, internal control over financial reporting and the internal audit function. The Remuneration Committee oversees the management of risks related to our executive compensation program. The Nominating and Corporate Governance Committee oversees the management of risks related to management succession planning.

REMUNERATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the members of our Remuneration Committee has at any time been one of our officers or employees. None of our executive officers serves or in the past has served as a member of the Board or remuneration committee of any entity that has one or more of its executive officers serving on our Board or our Remuneration Committee.

NOMINATIONS PROCESS AND DIRECTOR QUALIFICATIONS

The Nominating and Corporate Governance Committee reviews with the Board the skills and characteristics required of Board members. Our Corporate Governance Guidelines provide that the Nominating and Corporate Governance Committee consider a candidate s independence, as well as the perceived needs of the Board and the candidate s background, skills, business experience and expected contributions. At a minimum, members of the Board must possess the highest professional ethics, integrity and values, and be committed to representing the long-term interests of our shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. The Nominating and Corporate Governance Committee may also take into account the benefits of diversity in candidates viewpoints, background and experience, as well as the benefits of constructive working relationships among directors. Other than as set forth in our Corporate Governance Guidelines, the Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity.

The Nominating and Corporate Governance Committee also reviews and determines whether existing members of the Board should stand for re-election, taking into consideration matters relating to the number of terms served by individual directors, the ability of an individual director to devote the appropriate level of time and attention to Board duties in light of other positions he holds (including other directorships) and the changing needs of the Board. We do not have a limit on the number of terms an individual may serve as a director on our Board.

The Nominating and Corporate Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Nominating and Corporate Governance Committee regularly assesses the appropriate composition, size and independence of the Board, and whether any vacancies are expected due to change in employment or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating and Corporate Governance Committee considers various potential candidates for director. Candidates are evaluated at regular or special meetings of the Nominating and Corporate Governance Committee, and may be considered at any point during the year. The Nominating and Corporate Governance Committee will consider shareholder recommendations for candidates for the Board that are properly submitted in accordance with Section 4.16 of our Amended and Restated By-Laws in the same manner it considers nominees from other sources. In evaluating such recommendations, the Nominating and Corporate Governance Committee will use the qualifications standards described above and will seek to achieve a balance of knowledge, experience and capability on the Board.

SHAREHOLDER COMMUNICATIONS WITH THE BOARD

Any shareholder who wishes to communicate directly with the Board may do so via mail or facsimile, addressed as follows:

Net 1 UEPS Technologies, Inc.
Board of Directors
PO Box 2424
Parklands, 2121, South Africa
Fax: 27 11 880 7080

The corporate secretary shall transmit any communication to the Board, or individual director(s), as applicable, as soon as practicable upon receipt. Absent safety or security concerns, the corporate secretary shall relay all communications, without any other screening for content.

CORPORATE GOVERNANCE GUIDELINES

The Board has adopted a set of corporate governance guidelines. We will continue to monitor our corporate governance guidelines and adopt changes as necessary to comply with rules adopted by the SEC and Nasdaq, and to conform to best industry practice. This monitoring will include comparing our existing policies and practices to policies and practices suggested by various groups or authorities active in corporate governance and the practices of other public companies. A copy of our corporate governance guidelines is available on our website at www.net1.com under the Investor Relations Governance section.

CODE OF ETHICS

The Board has adopted a written code of ethics, as defined in the regulations of the SEC. We require all of our directors, officers, employees, contractors, consultants and temporary staff, including our Chief Executive Officer, our Chief Financial Officer (who also serves as our principal accounting officer) and other senior personnel performing similar functions, to adhere to this code in addressing the legal and ethical issues encountered in conducting their work. Our code of ethics requires avoidance of conflicts of interest, compliance with all laws and other legal requirements, conduct of business in an honest and ethical manner, integrity and actions in our best interest. Directors, officers and employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the code. The Sarbanes-Oxley Act of 2002 requires companies to have procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. We currently have such procedures in place. A copy of our code of ethics is available upon request made either by mail to our corporate secretary at Net 1 UEPS Technologies, Inc., PO Box 2424, Parklands 2121, South Africa or by telephone to our Investor Relations Department at + 1 917-767-6722. A copy of our code of ethics is also available free of charge on our website at www.net1.com under the Investor Relations Governance section.

COMPENSATION OF DIRECTORS

Directors who are also executive officers do not receive separate compensation for their services as directors. During fiscal 2015, our non-employee directors received compensation as described below.

Name	Fees Earned or Paid in Cash ($)	Stock Awards[(1)(2)] ($)	Stock Options ($)	Total ($)
Paul Edwards	81,796	39,325	-	121,121
Alasdair J.K. Pein	109,824	52,800	-	162,624
Christopher S. Seabrooke	137,280	66,000	-	203,280

(1) As of June 30, 2015, the number of shares of restricted stock held by each non-employee director is as follows: Mr. Edwards 8,105 Mr. Pein 17,316; Mr. Seabrooke 13,604.

(2) Represents shares of restricted stock granted on August 27, 2014, one-third of which vest on August 27, 2015, 2016 and 2017, respectively. Vesting of such shares is conditioned upon the recipient s continuous service as a member of our Board through the applicable vesting date. The dollar value reflected is based on the closing price of our common stock on the date of grant. Based on this price, the number of shares granted was as follows: Mr. Edwards 3,502; Mr. Pein 4,702 and Mr. Seabrooke 5,877.

In determining fiscal 2015 compensation, the Board analyzed the annual compensation of non-employee directors of U.S.- and UK-listed transaction processor companies with a range of market equity capitalizations above, below and comparable to ours. The peer group comprised: Heartland Payment Systems, Inc., Global Payments Inc., WEX Inc., Euronet Worldwide, Inc., Total System Services, Inc., Verifone Systems, Inc., Jack Henry & Associates, Inc., Sage Group plc and Green Dot Corporation. In addition, the Board considered the various roles of the non-employee directors. Directors receive a base fee for membership on the Board. Directors who serve on Board committees and/or serve as Chairperson of Board committees receive additional compensation in recognition of the additional time they are required to spend on committee matters.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information regarding our compensation plans under which our equity securities are authorized for issuance as of June 30, 2015:

Number of securities to be issued upon exercise of outstanding options, warrants and	Weighted average exercise price of outstanding options, warrants and	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected