

Openpay Group Ltd

Remuneration Policy

22 November 2019

Remuneration Policy¹

Openpay Group Ltd (ACN 637 148 200) (the Company) and its subsidiaries

1. Background

1.1 Overview

The Company is committed to attracting and retaining the best people to work in the organisation, including directors and senior management. A key element in achieving that objective is to ensure that the Company is able to appropriately remunerate its key people.

1.2 Purpose of policy and key principles

The purpose of this remuneration policy is to establish a framework for remuneration that is designed to:

- (a) ensure that coherent remuneration policies and practices are observed which:
 - (i) enable the attraction and retention of directors and management who will create value for shareholders; and
 - (ii) are aligned with the overall risk management framework of the Company;
- (b) fairly and responsibly reward directors and senior management having regard to the Company's performance, the performance of the senior management and the general pay environment; and
- (c) comply with all relevant legal and regulatory provisions.

2. Key concepts

2.1 Responsibility

The Remuneration & Nomination Committee (the **Committee**) is responsible, amongst other things, for assisting the Board to determine the appropriate remuneration for directors and senior management.

2.2 Principles

In order to fulfil the role of the Committee set out above, the Committee members must refer to the purpose and key principles underpinning this remuneration policy as outlined in paragraph 1.2, when developing recommendations to the Board regarding remuneration.

2.3 Remuneration packages for executive directors and senior executives

Remuneration for executive directors and senior executives may incorporate fixed and variable pay performance elements with both a short term and long term focus. Remuneration packages may contain any or all of the following:

¹ A link to the Company's corporate governance policies can be found here: www.openpay.com.au

- (a) annual base salary - reflecting the value of the individuals' personal performance, their ability and experience, as well as the Company's obligations at law and labour market conditions and should be relative to the scale of the business of the Company;
- (b) performance based remuneration - rewards, bonuses, special payments and other measures available to reward individuals and teams to recognise significant business contribution having regard to clearly specified performance targets and to the Company's circumstances, values and risk appetite;
- (c) the deferral of performance-based remuneration, and the reduction, cancellation or clawback of a performance-based remuneration in the event of serious misconduct or a material misstatement in the entity's financial statements;
- (d) equity based remuneration - share participation via employee share and option schemes, reflecting the Company's short, medium and long term performance objectives;
- (e) other benefits - such as holidays, sickness benefits, superannuation payments and long service benefits;
- (f) expense reimbursement - for any expenses reasonably and properly incurred in the course of the personnel's duties; and
- (g) termination payments - any termination payments should reflect contractual and legal obligations and will not be made when an executive is removed for misconduct.

2.4 Remuneration for non-executive directors

Remuneration for non-executive directors may contain any or all of the following:

- (a) annual fees - reflecting the value of the individuals' personal performance, time commitment and responsibilities of the role;
- (b) equity based remuneration - issues of shares or securities, reflecting the contribution of the Director towards the Company's medium and long term performance objectives; and
- (c) other benefits - superannuation payments, but not including retirement benefits that are additional to the individual's superannuation.

2.5 Assessing remuneration

The Committee will make a recommendation to the Board regarding the remuneration of executive directors and senior management having regard to various factors including performance and any recommendations made by the Managing Director / CEO, senior management, compensation consultants and other advisors. The Committee will also make a recommendation to the Board regarding the remuneration of non-executive directors having regard to, amongst other things, any recommendations made by compensation consultants and other advisors.

2.6 Economic risk management for equity participation schemes

No director or member of senior management (including any employee who is a restricted employee under the Company's Securities Trading Policy) who participates in an equity based remuneration scheme established by the Company may enter into any transaction designed to limit the economic risk of participating in the equity based remuneration scheme.

3. Other matters

3.1 Amendment of policy

This Policy can only be amended with the approval of the Board.

3.2 Adoption of Policy and Board review

This Policy was adopted by the Board on the date on the front cover of this Policy, and takes effect from that date and replaces any previous policy in this regard.

The Remuneration & Nomination Committee and the Board will review this Policy periodically. The Company Secretary will communicate any amendments to employees as appropriate.