

ASX Announcement

31 August 2020

Corporate Governance Statement and Appendix 4G

Openpay Group Limited attaches its Corporate Governance Statement for the year ended 30 June 2020 and the accompanying Appendix 4G.

Authorised by

Michael Eidel

CEO and Managing Director

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Corporate Governance Statement.

For the year ended 30 June 2020



Corporate Governance Statement

This Corporation Governance Statement (**Corporate Governance Statement**) is provided by the Directors of Openpay Group Ltd (ACN 637 148 200) (**the Company**) pursuant to ASX Listing Rule 4.10.3 and reports against the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' 4th Edition (the **Recommendations**) including the 8 principles and 35 specific recommendations included therein.

The Company has prepared this statement which sets out its corporate governance practices that were in operation during the financial year ending 30 June 2020. This statement describes the manner in which the Company's practices align with the Recommendations, and, if the Board has not adopted a Recommendation, the reasons for not following that Recommendation.

This Corporate Governance Statement as well as the Company's corporate governance policies are available on the 'Investor' section of the Company's website (<https://investors.openpay.com.au/site/investor-centre/corporate-governance>) (the **Website**).

This Corporate Governance Statement has been approved by the Board and is current as at 31 August 2020, except where otherwise indicated.

ASX Recommendation	Compliance	Statement
Principle 1 – Lay solid foundations for management and oversight:		
A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.		
<p>1.1 A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. 	Compliant	<p>The Board of Directors of the Company (Board) have adopted a charter (Board Charter) which governs the operations of the Board and provides a framework for the effective operation of the Board. It sets out the Board’s role and responsibilities, composition, structure and membership requirements, and those responsibilities which the Board has delegated to management.</p> <p>The Board is responsible for the overall operation and stewardship of the Company and, in particular, for the long-term growth and profitability of the Company, the strategies, values, policies and financial objectives of the Company. The Board is also responsible for overseeing management in the implementation of the Company’s policies, strategies and financial objectives and the instilling of the Company’s values.</p> <p>Management will usually be responsible for implementing the strategic objectives and operating within the risk appetite set by the Board and for all other aspects of the day-to-day running of the Company. It is also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.</p> <p>The Board will review and reassess this Charter at least annually and, if required, make any amendments to the Charter, including with respect to the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Company.</p> <p>The Board Charter is available on the Website.</p>

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ASX Recommendation	Compliance	Statement
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Compliant	<p>The Board Charter sets out the Company's procedure for the selection, appointment and re-appointment of Directors. Pursuant to the Remuneration & Nomination Committee Charter (Remuneration & Nomination Committee Charter), it is the role of the Remuneration & Nomination Committee to develop and implement these procedures in the identification and appointment of Directors and senior executives.</p> <p>When considering the appointment of a person as a Director, the Board and Committee will undertake appropriate checks before appointing the person or putting the person forward to shareholders as a candidate for election as a Director. These checks will usually include the candidate's character, experience, education, criminal record and bankruptcy history. They will also seek confirmation from the candidate that they will have sufficient time to fulfil their responsibilities as a Director of the Company.</p> <p>Before recommending a candidate for election as a Non-Executive Director, the Board will ask him / her to provide the Board, or the Remuneration & Nomination Committee, with relevant information to enable the Company to provide information to allow shareholders to make an informed decision as to whether to elect or re-elect the candidate. This will include:</p> <ul style="list-style-type: none"> – the Director's biographical details such as relevant qualifications and experience and skills they bring to the Board; and – details of any other material directorships currently held by the candidate. <p>In the case of a candidate standing for election for the first time, the information will also include:</p> <ul style="list-style-type: none"> – confirmation that background checks have been conducted and disclosure of any material adverse information found therein; – details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party; – the Board's statement regarding the independence or otherwise of the candidate; and

ASX Recommendation	Compliance	Statement
		<ul style="list-style-type: none"> – the Board’s statement of support for the candidate for election. <p>In the case of a Director standing for re-election:</p> <ul style="list-style-type: none"> – the term of office currently served by the Director; – the Board’s statement regarding the independence or otherwise of the candidate; and – the Board’s statement of support for the Director for re-election.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Compliant	The Board Charter provides that the Company will have a written agreement with each Director and senior executive setting out the terms of their appointment. The Company confirms that a written agreement is in place with all current Directors and senior executives. The Company will immediately disclose the material terms of employment of the CEO, any of its Directors, and any person or entity who is related to the CEO or any Director, as well as any material variation to such an agreement.
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Compliant	<p>The Board Charter sets out the role and responsibilities of the Company Secretary by reference to the Recommendations. It states that the Company Secretary reports to and is accountable to the Board on all matters to do with the proper functioning of the Board and Board Committees.</p> <p>The Company Secretary is appointed and removed by the Board, and each Director is able to communicate directly with the Company Secretary and vice versa.</p>

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ASX Recommendation	Compliance	Statement
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (a) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (b) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. <p>If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>Partially Compliant</p>	<p>The Board has adopted a Diversity Policy (Diversity Policy) which provides for key strategies, initiatives and measurable objectives with the aim of promoting diversity and inclusivity within the organisation.</p> <p>The Board has created a Global Diversity and Inclusion Committee which will oversee the implementation of those strategies, including by introducing diversity targets and reviewing and executing processes to promote 'equal opportunity for all' practices. Due to the recent listing of the Company, the Committee has not yet set its measurable objectives, however it intends to do so and to provide these to the Board by the end of Q1 FY2021.</p> <p>The Company was not in the S&P/ASX 300 Index at the commencement of the reporting period. However, it met the measurable objective for achieving gender diversity in the composition of its board. At the date of this Corporate Governance Statement, the respective proportions of men and women on the board are 67% and 33%; of senior executives the proportion is 82% and 18%; and of the whole company the proportion is 62% and 37%, with 1% unspecified. The Company defines "senior executive" as roles that are accountable and responsible for the entire business – they are required to influence across functions.</p> <p>The Company is a "relevant employer" under the <i>Workplace Gender Equality Act</i>. However, as the duration of the Company's status as a relevant employer has not exceeded 6 months during this reporting period, it has not yet reported its Gender Equality Indicators for the previous period.</p> <p>The Diversity Policy is available on the Website.</p>

ASX Recommendation	Compliance	Statement
<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	Compliant	<p>The Board Charter provides that the Board will undertake an annual evaluation of the Board, each Board Committee and their respective Chairs and individual Directors, comparing their performance with the requirements of this Charter, relevant Board Committee Charters and the reasonable expectations of such functions, including undertaking a periodic review of whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role effectively.</p> <p>Following the performance review, the Chair of the Board, in consultation with the Remuneration & Nomination Committee will establish the goals and objectives of the Board for the upcoming year and effect any amendments to this Charter and any Board Committee Charter considered necessary or desirable.</p> <p>Given that the Company has only been listed for approximately 9 months and the Board was relatively recently appointed, no review has yet taken place in respect of the Board. Such a review will take place in Q2 of FY2021.</p>

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ASX Recommendation	Compliance	Statement
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Compliant	<p>It is the role of the Board to approve criteria for assessing performance of senior executives and monitoring and evaluating their performance. Senior executive performance will be evaluated each quarter based on the achievement of specific objectives and key results.</p> <p>The Remuneration & Nomination Committee is responsible for reviewing and making recommendations to the Board with respect to:</p> <ul style="list-style-type: none"> – the Company’s remuneration policy for senior executives to ensure that the Company is able to attract and retain valued employees and motivate senior executives to pursue the long-term growth and success of the Company; and – the process for reviewing and assessing the performance of senior executives. <p>There is a formal performance review process implemented for members of the senior leadership team. The CEO’s performance is measured and assessed by the Board, in accordance with a review framework adopted by the Board (having regard to recommendations made by the Remuneration & Nomination Committee). The Senior Leadership Team Assessment consists of a self-assessment followed by a manager review after which a review session is conducted where ratings are agreed to. The evaluation aims to assess:</p> <ul style="list-style-type: none"> – The completeness and effectiveness of each senior executive in meeting their KPIs on a quarterly, biannual and annual basis; – Whether the senior executives provide an appropriate mix of skills and experience to allow the company to meet its corporate goals; and – Whether the senior executives provide a safe, secure, productive, harmonious and non-discriminatory environment for their team members to perform at their best. <p>Given that the Company has only been listed for approximately 9 months, no review has yet been undertaken. The Board will ensure that an evaluation of the Company’s senior executives is undertaken in accordance with the Board Charter in Q1 FY2021 following the release of the Company’s full year results.</p>

ASX Recommendation	Compliance	Statement
Principle 2 - Structure the board to be effective and add value:		
The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Compliant	<p>The Board has established the Remuneration & Nomination Committee to consider the appointment and induction of Board members to ensure that the Board is effective and high performing.</p> <p>The Remuneration & Nomination Committee was constituted pursuant to the Remuneration & Nomination Committee Charter.</p> <p>The Remuneration & Nomination Committee is comprised of Yaniv Meydan, Sibylle Krieger and Kelly Bayer Rosmarin as the Chair – thus consisting of a majority of independent Directors and chaired by an independent Director.</p> <p>The Committee met once during the reporting period with all 3 members attending.</p> <p>The Charter is available on the Website.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	Non-Compliant	<p>The Board Charter states that it is the role of the Board, with the assistance of the Remuneration & Nomination Committee, to establish and review the Board's skills matrix to ensure all skills needed to address existing and emerging business and governance issues are covered.</p> <p>In connection with establishing a Board appropriate for a listed entity, the Board considered the mix of skills considered appropriate for the Company as it transitions into being an ASX-listed company.</p> <p>As the Company has only recently been listed, a skills matrix has not yet been formalised. However, having regard to the analysis undertaken at the time of listing, the Board believes that the current members collectively have the necessary proficiencies, expertise and diversity to perform their duties and obligations under the Board Charter.</p> <p>In accordance with the Board Charter, the Board intends to, with the assistance and advice of the Remuneration & Nomination Committee, establish during FY2021 a skills matrix setting out the skills and diversity the Board has or is looking to achieve.</p>

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<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Compliant	<p>The Company considers that each of Patrick Tuttle, Kelly Bayer Rosmarin and Sibylle Krieger are independent, being free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.</p> <p>In reaching the conclusions set out above, the Board considered the guidelines of materiality for the purpose of determining Director independence set out in the Board Charter and Box 2.3 of the Recommendations.</p> <p>The Board Charter provides that the Company will regularly review the independence of each Director in light of interests disclosed and will disclose any change to ASX, as required by the ASX Listing Rules; and review the independence of any Director who has served in that position for more than 10 years to confirm that their independent status can be maintained.</p> <p>The length of service of the Company's Directors are as follows:</p> <ul style="list-style-type: none"> – Patrick Tuttle joined Openpay Pty Ltd (Openpay) in September 2019 and was appointed as a Director of the Company in November 2019. – Michael Eidel joined Openpay in March 2019 and was appointed as a Director of the Company in October 2019. – Kelly Bayer Rosmarin joined Openpay in February 2019 and was appointed as a Director of the Company in November 2019. – Sibylle Krieger joined Openpay in September 2019 and was appointed as a Director of the Company in November 2019. – David Phillips joined Openpay in September 2017 and was appointed as a Director of the Company in October 2019. – Yaniv Meydan was co-founder of Openpay and has been a Director since its inception and was appointed as a Director of the Company in October 2019.

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2.4 A majority of the board of a listed entity should be independent directors.	Non-Compliant	<p>The Board is comprised of 3 independent Directors out of 6 Directors, but does not have a majority of independent Directors.</p> <p>Yaniv Meydan is not considered independent on the basis of the shareholding in the Company to be retained by entities associated with Yaniv Meydan. Michael Eidel is not considered independent due to his role as Chief Executive Officer and Managing Director. David Phillips is not considered independent based on his recent employment with, and ongoing role as a specialist consultant to, Investec Australia Limited. Investec Australia Limited has provided corporate and financial advisory services to the Company.</p> <p>As the Company continues its transition to an ASX-listed company, the Board considers that the Company as a whole benefits from the deep industry experience and knowledge of Yaniv Meydan and David Phillips of the Company's operations and business relationships.</p>
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Compliant	<p>The roles of Chairman and Chief Executive Officer are exercised by separate people. Patrick Tuttle is the Independent Chairman. Michael Eidel is the Chief Executive Officer.</p>
2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Partially Compliant	<p>The Remuneration & Nomination Committee Charter provides that the Remuneration & Nomination Committee is responsible for the induction of Directors and their continued professional development. As the Company has only recently been listed, these processes are being developed in accordance with the ASX Governance Principles and Recommendations, however, they will be implemented in advance of any new Directors being appointed.</p> <p>The Committee will regularly review and adapt the professional development programs available to Directors to ensure that they have and maintain an appropriate mix of skills and knowledge.</p>

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ASX Recommendation	Compliance	Statement
Principle 3 – Instil a culture of acting lawfully, ethically and responsibly:		
A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.		
3.1 A listed entity should articulate and disclose its values.	Compliant	<p>The Company has adopted a Statement of Values (Statement of Values) as follows:</p> <ul style="list-style-type: none"> – Performance: Achieving superior business results and growth through a strong work ethic, Customer service and disciplined financial management, and with the confidence to learn from mistakes and to continually seek improvement across the business. – Customer-focused: Understanding that the Company’s success is based on Customer success, with a clear focus on listening and understanding Merchants’ and Customers’ needs so as to build strong and lasting relationships. – Integrity: Undertaking our work with honesty, efficiency and accountability, and fulfilling our promises. – Respect: Embracing openness, trust, teamwork, diversity and relationships that are mutually beneficial and create an environment where new ideas are welcomed and where the workforce as a whole is challenged so as to learn and develop both at an individual and company level. – Corporate social responsibility: Putting health and safety first, being environmentally responsible and supporting our communities. <p>These values will be incorporated into training programs, recognition programs and performance and assessment processes. The Statement of Values will be developed and reviewed periodically as the Company grows and receives further input from its employees. The Company intends to launch a review and renewal of these values in FY2021.</p> <p>The Company’s current Statement of Values was disclosed in the Company’s Prospectus which is available on the Website.</p>
3.2 A listed entity should: <ol style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. 	Compliant	<p>The Company is committed to instilling and continually reinforcing a culture across the organisation of acting lawfully, ethically and responsibly. The Board has adopted a Code of Conduct (Code of Conduct) which clearly states the standards of conduct expected of Directors and employees of the Company.</p> <p>The Code of Conduct is available on the Website.</p>

ASX Recommendation	Compliance	Statement
<p>3.3 A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Compliant	<p>The Company encourages all its employees to speak up if they see behaviour that does not align with the Company's values. Accordingly, the Board has adopted a Whistleblower Policy (Whistleblower Policy) that provides an environment that allows for the safe reporting of any conduct that is contrary to the Company's policies including its Code of Conduct.</p> <p>The Whistleblower Policy is available on the Website.</p>
<p>3.4 A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	Compliant	<p>The Company has zero tolerance for bribery and corruption and is committed to ensuring its corporate culture actively discourages corrupt conduct in the strongest possible terms. The Board has adopted an Anti-Bribery and Corruption Policy (Anti-Bribery and Corruption Policy) in line with the anti-bribery and corruption standards required by the ASX.</p> <p>The Anti-Bribery and Corruption Policy is available in the Website.</p>

Principle 4 – Safeguard integrity of corporate reports:

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Compliant	<p>The Board has established the Audit & Risk Management Committee to assist the Board in its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the external statutory audit process.</p> <p>The Audit & Risk Management Committee was constituted pursuant to the Audit & Risk Management Committee Charter (Audit & Risk Management Committee Charter), which is available on the Website.</p> <p>The Audit & Risk Management Committee is comprised of David Phillips, Patrick Tuttle and Sibylle Krieger as the Chair – thus consisting of a majority of independent Directors, all of which are non-executive Directors, and chaired by an independent Director.</p> <p>The Committee met twice during the reporting period with all 3 members attending.</p>
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ASX Recommendation	Compliance	Statement
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Compliant	<p>The Audit & Risk Management Committee Charter requires that, before the Board approves the entity's financial statements for a financial period, the Board and Audit & Risk Management Committee must first receive a declaration from the CEO and CFO that, in their opinion, the financial records of the Company and its controlled entities have been properly maintained and that the financial statements comply with the applicable accounting standards and give a true and fair view of the financial position and performance of the Company and its controlled entities and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> <p>This declaration was provided to the Board by the CEO and CFO with respect to the financial reports prepared during the FY2020 period in accordance with the Recommendations.</p>
<p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Compliant	<p>The Audit & Risk Management Committee Charter provides that the Audit & Risk Management Committee is responsible for making recommendations as to the process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external statutory auditor.</p> <p>The Board approves all periodic corporate reports as provided by the Committee in accordance with the Recommendations.</p>

ASX Recommendation	Compliance	Statement
Principle 5 – Make timely and balanced disclosure:		
A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.		
5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Compliant	<p>The Board has adopted the Continuous Disclosure Policy (Continuous Disclosure Policy) which sets out the Company's processes to provide shareholders and the market with timely, balanced, direct and equal access to information issued by the Company in line with its obligations under the <i>Corporations Act 2001</i> (Cth) and the ASX.</p> <p>The Company Secretary is responsible for the overall administration of the Policy including overseeing and co-ordinating disclosure of information to the ASX, all communications with ASX and keeping a record of all ASX and other announcements that the Company has made. The Board and senior management are responsible for the review of material price sensitive information announcements to ensure they are accurate, balanced, made in a timely manner, and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions. All employees have a duty to report any material price sensitive information to their Disclosure Officer, be it a general manager, the Company Secretary or the Chair.</p> <p>All price sensitive information disclosed to the ASX is posted to the Company's website as soon as it is disclosed to the ASX.</p> <p>The Continuous Disclosure Policy is available on the Website.</p>
5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Compliant	<p>The Company Secretary ensures that the Board receives copies of all material market announcements promptly after they have been made to ensure that the Board has timely visibility of the nature and quality of the information being disclosed to the market and the frequency of such disclosures.</p>
5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Compliant	<p>The Company's Communications Policy (Communications Policy) (available on the Website) provides that the Company will release any new and substantive presentations to ASX prior to delivering any such presentation, and that it will place any new and substantive investor or analyst presentations on the Website ahead of any presentation.</p> <p>Since listing in December 2019, the Company has not prepared any new substantive investor or analyst presentations. However, it has held shareholder briefing calls following release of its quarterly results. In those cases, the Company has ensured that its reports and updates have been released in advance of any such briefing.</p>

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ASX Recommendation	Compliance	Statement	
Principle 6 – Respect for the rights of security holders:			
A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Compliant	The Company utilises the 'Investors' section of its Website to provide all relevant information regarding itself and its corporate governance policies and procedures, including information for each of its Directors and senior executives, its governing documents, its corporate governance policies and other materials and copies of its financial reports and ASX announcements.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Compliant	The Company is committed to effective communication with its clients, customers, shareholders, market participants, employees, suppliers, financiers, creditors, other stakeholders and the wider community. The Board has adopted the Communications Policy which includes an investor relations program that empowers investors to raise significant concerns which will be conveyed to the Board or senior management as appropriate.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Compliant	<p>Pursuant to the Communication Policy, the Company provides shareholders with reasonable notice of shareholder meetings, including details of the time and place of the meeting, the resolutions to be considered and proxy voting procedures.</p> <p>Where a vote is to be put to shareholders, all shareholders are provided with details of the resolution to be put, are invited to attend the meeting and are provided with the ability to vote online or to vote by proxy.</p> <p>If they attend the meeting, each shareholder has the right to ask questions about, or make comments on, the management of the Company.</p> <p>The Company recognises that some shareholders will not be able to attend its meetings of shareholders. To allow for the participation of any such shareholders, the Company encourages shareholders to forward their questions and comments to the Company Secretary prior to the meeting. Where appropriate, these questions and comments will be read out and answered at the meeting, or, if this is not practicable, the question or comment and written response will be recorded in the transcript of the meeting.</p> <p>The Company will regularly review its policies and procedures that it has in place to facilitate and encourage participation in shareholder meetings where practicable, including in relation to providing shareholders with dial-in details or providing a link to a live webcast, or by making available on its website a recording or transcript of the meeting as soon as it reasonably can, and providing direct voting facilities to allow shareholders to vote ahead of the meeting without having to attend or appoint a proxy.</p>

ASX Recommendation	Compliance	Statement
6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Compliant	The Company has not yet had a meeting of its security holders but intends that all substantive resolutions will be decided by a poll in accordance with the procedures set out in the Constitution. The Constitution is available on the Website.
6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Compliant	The Communication Policy provides that shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically.

Principle 7 – Recognise and manage risk:

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

7.1 The board of a listed entity should:	Compliant	The Board has established the Audit & Risk Management Committee to assist the Board in its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the external statutory audit process.
(a) have a committee or committees to oversee risk, each of which:		The Audit & Risk Management Committee was constituted pursuant to the Audit & Risk Management Committee Charter, which is available on the Website.
(1) has at least three members, a majority of whom are independent directors; and		The Audit & Risk Management Committee is comprised of David Phillips, Patrick Tuttle and Sibylle Krieger as the Chair – thus consisting of a majority of independent Directors and chaired by an independent Director.
(2) is chaired by an independent director, and disclose:		
(3) the charter of the committee;		
(4) the members of the committee; and		
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		The Committee met twice during the reporting period with all 3 members attending.
7.2 The board or a committee of the board should:	Compliant	The Company has established governance structures, policies and procedures to identify, assess and manage material risks including emerging risks. The Board has overall responsibility for ensuring that the risk management framework is adequate and fit for purpose. The Board has delegated certain responsibilities for these matters to the Audit & Risk Management Committee pursuant to the Audit & Risk Management Committee Charter. The Committee receives periodic updates from management on the status of key risks, reviews key risk management policies and reports to the Board accordingly.
(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and		In addition, the Board reviews the risk management framework at least annually and also oversees key risk management related policies. In connection with the admission of the Company to the official list of ASX, the Company undertook a review of the risk management framework of the group in October 2019. The Board is satisfied that management has developed and implemented a sound system of risk management and internal control.
(b) disclose, in relation to each reporting period, whether such a review has taken place.		

Corporate Governance Statement

ASX Recommendation	Compliance	Statement
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	Compliant	<p>The Audit & Risk Management Committee Charter provides that the Audit & Risk Management Committee is responsible for the internal audit function which facilitates the assessment of risks by each business unit and reports to the Committee on the material risks and actions being undertaken by each business unit to mitigate these risks to an acceptable level.</p> <p>The Board considers that an internal audit function is not currently required; however, the Committee still conducts reviews of the business and reports to the Board regarding the Company's internal processes for managing material risks. The Committee is prepared to adopt an internal audit function if they deem it necessary in accordance with the Audit & Risk Management Committee Charter.</p> <p>The Board is satisfied that the processes in place to identify the Company's material business risks are appropriate and that these risks are being effectively managed. The Company's risk management processes continue to be monitored and reported against.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Compliant	<p>It is the role of the Audit & Risk Management Committee to identify, assess and manage material risks that arise in the course of business. The Company reviews key risks on an ongoing basis and manages them via a robust risk management and governance framework, which is overseen by the Audit and Risk Management Committee.</p> <p>The Company does not have a material exposure to environmental or social risks. It does have an exposure to economic risks as detailed in the Annual Report Section on Key Risks (Pages 34-37).</p> <p>The Annual Report is available on the Website.</p>

ASX Recommendation	Compliance	Statement
Principle 8 – Remunerate fairly and responsibly:		
A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Compliant	<p>The Board has established the Remuneration & Nomination Committee to regularly review and make recommendations to the Board with respect to an appropriate remuneration policy including retirement benefits and termination payments (if any) for senior executives and executive Directors.</p> <p>The Remuneration & Nomination Committee was constituted pursuant to the Remuneration & Nomination Committee Charter – duties and obligations are also stated in that Charter, which is available on the Website.</p> <p>The Remuneration & Nomination Committee is comprised of Yaniv Meydan, Sibylle Krieger and Kelly Bayer Rosmarin as the Chair – thus consisting of a majority of independent Directors and chaired by an independent Director.</p> <p>The Committee met once during the reporting period with all 3 members attending.</p> <p>The Charter is available on the Website.</p>

Corporate Governance Statement

ASX Recommendation	Compliance	Statement
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Compliant</p>	<p>The Company's policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives are set out in the Remuneration Policy (Remuneration Policy), which is available on the Website. The Remuneration & Nomination Committee is responsible for its administration.</p> <p>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.</p> <p>Remuneration for executive directors and senior executives may include annual base salary, performance-based remuneration, equity-based remuneration and other benefits. Remuneration for non-executive directors may contain annual fees, equity-based remuneration and other benefits.</p> <p>Of particular interest are the following arrangements:</p> <ul style="list-style-type: none"> – To assist in the short-term reward and motivation of employees, and retention and attraction of key talent, employees of the Company's management, as determined by the Board, may be awarded a short-term incentive under which cash based incentives, linked to financial or operational metrics, may be payable to participants at the sole discretion of the Board from time to time. – The Company will issue a long-term incentive offer under the terms of the Equity Investment Plan (EIP) to eligible key executives and other key employees of the Group as the Board approves from time to time. – Non-Executive Directors are able to elect to sacrifice a portion (or all) of their pre-tax future fees to acquire Zero Strike Price Options (ZEPOs), under the terms of the EIP. Key terms of the terms on which Non-Executive Directors may elect to participate in the Non-Executive Director Salary Sacrifice Offer (NED Salary Sacrifice) under the terms of the EIP are as follows: Sacrifice Offer (NED Salary Sacrifice) under the terms of the EIP are as follows:

ASX Recommendation	Compliance	Statement
		<ul style="list-style-type: none"> ■ All Australian Non-Executive Directors are entitled to participate in the EIP by salary sacrificing all or part of their Non-Executive Directors fee to acquire ZEPOs to build their shareholdings and align their interests with the interests of Shareholders. ■ The number of ZEPOs to be granted to each Non-Executive Director under future offers will be determined by dividing the NED sacrifice amount by the market value of Shares as at the date of acceptance. ■ The number of ZEPOs to be granted to each Non-Executive Director under future offers will be determined by dividing the NED sacrifice amount by the market value of Shares as at the date of acceptance. ■ ZEPOs acquired under the NED Salary Sacrifice will vest equally on a monthly basis, in line with payment of usual payment of Director fees. ZEPOs may be exercised following vesting and from the next available “trading window” (Conversion Date). Vesting of the ZEPOs is conditional on the Non-Executive Director remaining a Director of the Company at the Conversion Date. <p>Details of the current remuneration of Directors and senior executives are provided in the 2020 Annual Report. The structure of Non-Executive Directors’ remuneration is distinct from that of executives and is further detailed in the Remuneration Report of the Annual Report.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Compliant	<p>Equity based executive remuneration is made in accordance with thresholds set in plans approved by shareholders. In addition, the Company has issued equity-based remuneration to both executive and senior management which was disclosed in the Company’s Prospectus dated 22 November 2019, in which a summary of the incentive plan was provided to investors.</p> <p>The Board have adopted the Securities Trading Policy to regulate the manner in which Directors and employees may trade in Company securities in accordance with the insider trading prohibitions of the <i>Corporations Act 2001</i> (Cth).</p> <p>The Policy prohibits Directors and Restricted Employees from using Derivatives or other products to limit the economic risk of holding unvested Company Securities or Company Securities subject to a holding lock.</p> <p>The Securities Trading Policy is available on the Website.</p>

openpay



Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

OPENPAY GROUP LIMITED

ABN/ARBN

97 637 148 200

Financial year ended:

30 JUNE 2020

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: investors.openpay.com.au/site/investor-centre/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 31 August 2020 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Approved by:

Michael Eidel

Managing Director and CEO

31 August 2020

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our Board Charter at: https://investors.openpay.com.au/site/PDF/1069_0/BoardCharter	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: https://investors.openpay.com.au/site/PDF/1076_0/DiversityPolicy and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.openpay.com.au/site/PDF/1072_0/RemunerationandNominationCommitteeCharter and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and contained in our Annual Report (page 47).</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at https://investors.openpay.com.au/site/about/board-of-directors and, where applicable, the information referred to in paragraph (b) at in our Corporate Governance Statement and contained in our Annual Report (pages 44 - 47) and the length of service of each director at: in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://investors.openpay.com.au/site/PDF/1070_0/CodeofConduct	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://investors.openpay.com.au/site/PDF/1080_0/WhistleblowerPolicy	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://investors.openpay.com.au/site/PDF/1075_0/AntiBriberyandCorruptionPolicy	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.openpay.com.au/site/PDF/1071_0/AuditRiskManagementCommitteeCharter and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and contained in our Annual Report (page 47).</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://investors.openpay.com.au/site/PDF/1077_0/ContinuousDisclosurePolicy	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://investors.openpay.com.au/site/content/default.aspx	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://investors.openpay.com.au/site/PDF/1079_0/CommunicationsPolicy	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<input checked="" type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: https://investors.openpay.com.au/site/PDF/1071_0/AuditRiskManagementCommitteeCharter and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and contained in our Annual Report (page 47).	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	<input checked="" type="checkbox"/> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks, and if we do, how we manage or intend to manage those risks in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.openpay.com.au/site/PDF/1072_0/RemunerationandNominationCommitteeCharter and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and contained in our Annual Report (page 47).</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>https://investors.openpay.com.au/site/PDF/1072_0/RemunerationandNominationCommitteeCharter and</p> <p>https://investors.openpay.com.au/site/PDF/1074_0/RemunerationPolicy</p> <p>It is also contained in our Annual Report (pages 48-56).</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: https://investors.openpay.com.au/site/PDF/1078_0/SecuritiesTradingPolicy	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>