

# 2020 Corporate Governance Statement



**TYRO PAYMENTS LIMITED**

ABN 49 103 575 042



# Corporate Governance Statement

The Board of Tyro Payments Limited (**Tyro** or **Company**) is committed to good corporate governance, acknowledging that good governance is imperative to business success.

This Corporate Governance Statement (**Statement**) reports on how Tyro has complied with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**) during the 2020 financial year, from the date of Tyro's listing on the ASX on 6 December 2020.

## Principle 1: Lay solid foundations for management and oversight

### Recommendation 1.1

#### A listed entity should disclose:

- 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.

The Board of Directors of Tyro (**Board**) is ultimately responsible for oversight of the sound and prudent management of Tyro. This includes responsibility for:

- the overall operation and stewardship of Tyro;
- Tyro's long-term growth, financial management and profitability; and
- Tyro's strategies, risk management and values.

The Board has adopted a written Charter, which sets out the respective roles and responsibilities of management and the Board including those matters expressly reserved to the Board and those delegated to management. The Board's conduct is also governed by Tyro's Constitution.

The Board has established the following three committees:

- Audit Committee
- Risk Committee
- People Committee

The responsibilities of each Board committee and details of their membership are disclosed further in this Corporate Governance Report.

The Board has appointed Mr Robbie Cooke as CEO and Managing Director. The CEO and Managing Director is responsible for managing Tyro's operations in accordance with the delegations, policies and strategy approved by the Board. The CEO and Managing Director is supported by the Executive Leadership Team, whose details and biographies are set out in the Tyro Payments Limited Annual Report 2020.

The Board generally holds a scheduled meeting every second calendar month and additional meetings are convened as required. The Tyro Payments Limited Annual Report 2020 discloses the names and tenure of the Directors, the number of times that the Board met during the 2020 financial year and the individual attendances of the Directors at those meetings.

The Tyro Board Charter, Constitution and the Tyro Payments Limited Annual Report 2020 are available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

### Recommendation 1.2

#### A listed entity should:

- a. undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director; and
- b. provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Consistent with its obligations as an Authorised Deposit Taking Institution regulated by Australian Prudential Regulation Authority (**APRA**) and a company listed on the Australian Securities Exchange (**ASX**), Tyro undertakes appropriate checks before appointing a Director or senior executive, or putting forward a candidate for election or re-election as a Director, by shareholders. The checks are undertaken to help determine matters such as the person's character, employment history, experience, education, criminal record and bankruptcy history.

When shareholders are asked to elect, or re-elect, a Director to the Board, at Tyro's annual general meeting (**AGM**), Tyro will provide them with the following information to enable them to make an informed decision:

- biographical information, including relevant qualifications, experience and the skills the candidate brings to the Board;
- details of any other current material directorships;
- a statement as to whether the Board supports the candidate's election or re-election and why;
- (for a candidate standing for election as a Director for the first time) any material adverse information revealed by background checks;
- details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Tyro as a whole rather than the interests of the entity or of an individual shareholder or another party; and
- a statement from the Board as to the candidate's independence; or
- (for a candidate standing for re-election) the term of office currently served and a statement from the Board as to the candidate's independence.



## Principle 1: Lay solid foundations for management and oversight (cont'd.)

### Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Tyro has a written agreement with each Non-executive Director which details the terms and obligations of their appointment, including:

- to disclose the Director's interests and any matters which could affect the Director's independence;
- to notify the Board about anything that may lead to an actual or potential conflict of interest or duty;
- compliance with APRA's fit and proper requirements;
- compliance with their obligations under the Banking Executive Accountability Regime (BEAR);
- compliance with corporate policies;
- remuneration and expected time commitments;
- the expectation that the Director will continue to evaluate their other commitments to ensure that proper time and attention is given to their role as Director of Tyro;
- indemnity and insurance arrangements and ongoing rights of access to corporate information; and
- ongoing confidentiality obligations.

The CEO and Managing Director and other senior executives have written employment contracts that outline the terms of their appointment.

### Recommendation 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.

The Company Secretary is accountable to the Board (through the Chair) on all matters to do with the proper functioning of the Board. The Company Secretary's responsibilities include:

- advising the Board and Board Committees on governance matters;
- monitoring that Board and Board Committee policies and procedures are followed;
- coordinating the timely completion and dispatch of the Board and Board Committee papers;
- ensuring that the business at the Board and Board Committee meetings is accurately captured in minutes; and
- helping to organise and facilitate the induction and professional development of Directors.

Directors and the Company Secretary communicate directly with each other on Board matters.

### Recommendation 1.5

A listed entity should:

- have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- disclose that policy or a summary of it; and
- disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
  - the respective proportions of men and women on the board, in senior executive positions and across
  - the whole organisation (including how the entity has defined "senior executive" for these purposes); or
  - 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.

Tyro values, and is proud, of its diverse workforce and is committed to supporting and further developing this commitment to diversity and inclusion through attracting, recruiting, engaging and retaining diverse talent, and aligning its culture and management systems, with this commitment.

Tyro believes that such a commitment to diversity and inclusion creates a competitive advantage, enhances employee engagement and in this way is essential to the organisation's continuing growth and success.

As a relevant employer under the Workplace Gender Equality Act 2012, we participate in annual reporting against the standardised gender equality indicators. For FY20, our gender mix profile was as follows:

Gender diversity	At 30 June 2020	At 30 June 2019
Board of Directors (Non-executives)	2 of 6 Directors (33%)	1 of 6 Directors (17%)
CEO and Managing Director	0 of 1 employee (0%)	0 of 1 employee (0%)
Key Management Personnel <sup>1</sup>	1 of 2 employees (50%)	1 of 2 employees (50%)
Other executives / general managers <sup>1</sup>	4 of 9 employees (40%)	3 of 8 employees (38%)
Senior managers <sup>1</sup>	11 of 31 employees (36%)	11 of 29 employees (38%)
Other managers <sup>1</sup>	23 of 67 employees (34%)	25 of 69 employees (36%)

<sup>1</sup> These management positions are defined in the Workplace Gender Equality Agency's guide to reporting under the Workplace Gender Equality Act 2012. Note that Key Management Personnel under these reporting guidelines does not include the CEO and Managing Director, as it does elsewhere in this report



## Principle 1: Lay solid foundations for management and oversight (cont'd.)

### Recommendation 1.5 (continued)

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Tyro's Board-approved Diversity Policy sets out the strategies and key initiatives and programs Tyro commits to put in place to achieve appropriate diversity in its Board, senior executives and broader workforce.

Pursuant to the Diversity Policy, Tyro will set and implement measurable objectives to achieve gender diversity. Specifically, since Tyro was included in the S&P ASX 300 Index in June 2020, the measurable objective for achieving gender diversity in the composition of the Board will be to have not less than 30% of its Directors of each gender within the next financial year. Currently this is at 29%.

Having listed in December 2019, Tyro does not yet have other measurable objectives to achieve further gender diversity. The Board will set appropriate targets for these purposes in the next financial year. However, during FY20, Tyro focussed in the following key diversity objectives:

- Achieving a gender diversity in the composition of the Board of not less than 30% of our Directors of each gender.
- Rolling-out unconscious bias training to our team. In FY20 this training was focused on our hiring committees and is due to be rolled-out to the entire Tyro team in FY21.
- Mentoring programs, with a focus on creating mentoring and development opportunities for our female employees.
- Career development and targeted professional development programs including those aimed at helping employees develop skills and experience in preparation for senior management and Board positions.
- Work/life balance policies including flexible work options, parental leave support, and return-to-work programs.
- Opportunities for employees on parental leave to maintain their connection with Tyro, for example, by offering them the option (without any obligation) to receive all-staff communications and to attend work functions and training programs through keep-in-touch days.
- Networking opportunities for women at Tyro to expand their networks beyond their team and department, via the Women of Tyro group.

The Tyro Diversity Policy is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

### Recommendation 1.6

#### A listed entity should:

- a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Each year, the Board undertakes a formal performance assessment, which includes an evaluation of the performance of the Board, Board Committees and individual Directors. The method of assessment may vary from year to year. The Board may choose to use an external facilitator to conduct the review or as it did for the 2020 financial year, seek feedback by way of a survey of Directors and executive management and meetings with management. For the 2020 financial year, the results of the review were compiled by the Company Secretary and discussed at a subsequent Board meeting. The Board continues to monitor progress on recommendations resulting from the assessment.

The Chair of the Board reviews the performance of Directors and meets with each Director individually for this purpose.

### Recommendation 1.7

#### A listed entity should:

- a. have and disclose a process for periodically evaluating the performance of its senior executives; and
- b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Tyro has robust processes in place to assess the performance of all employees, including senior executives. Each year the CEO and Managing Director reviews the performance of senior executives and whether they have met their individual key performance indicators, with regular feedback being provided during the performance period. Both qualitative and quantitative measures are used in the evaluation.

A performance evaluation for each senior executive was completed for the current reporting period.

Under its Charter, each year, the People Committee is responsible for facilitating a review of the performance of the CEO and Managing Director. An annual review was completed for the current reporting period.

The Tyro People Committee Charter is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

## Principle 2: Structure the Board to be effective and add value

### Recommendation 2.1

#### The board of a listed entity should:

- a. have a nomination committee which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director, and disclose:
    - iii. the charter of the committee;
    - iv. the members of the committee; and
    - v. 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 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.

The Board's People Committee, conducts the role of a nomination and a remuneration committee.

The People Committee has three members, all Non-Executive Directors and a majority of whom are independent Directors. The Committee is chaired by Ms Catherine Harris, AO PSM, an independent Director who is not the Chair of the Board.

This Committee operates under a Board-approved Charter which sets out the Committee's responsibilities, including reviewing and making recommendations to the Board in relation to:

- the culture of Tyro;
- the diversity of people at all levels of Tyro;
- employee benefits;
- Board performance and development including the development and implementation of a process for evaluating the performance of Directors and induction and continuing professional development programmes for Directors;
- recruitment, appointment and re-election of Directors;
- Tyro's Remuneration Policy and framework;
- review of remuneration for the Directors, the CEO and Managing Director and senior executives; and
- succession planning for the Board, CEO and Managing Director and senior executives.

The minutes of each People Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the People Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Tyro Payments Limited Annual Report 2020 discloses the members of People Committee, the number of times that the Committee met during the 2020 financial year and the individual attendances of the members at those meetings.

Tyro Payments Limited Annual Report 2020 and the Tyro People Committee Charter are available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

### Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board has a Skills Matrix which sets out the mix of skills that the Board considers is required on the Tyro Board. These skills are set out below.

The Board considers that its current members have the appropriate mix of these skills, personal attributes and experience that allows the Directors individually, and the Board collectively, to discharge their duties effectively and efficiently. The Board comprises people who understand the business of Tyro and the environment in which it operates and who can effectively assess management's performance in meeting agreed objectives and goals.

SKILLS		
Disciplines	Experience	Industries
• Finance (Accounting)	• International	• Banking / Financial Services
• Risk Management	• Business Leadership Experience	• Payments
• Legal + Compliance	• CEO Experience	• High Volume Business
• People + HR	• ASX NED Experience	• SME
• Technology (Innovation)	• Customer Growth / Financial Services	
• Marketing + Brand	• Digital / Data Analytics + Insights / Online + Digital Marketing	
• Customer Experience	• Transactional (M&A)	
• Sales		

The Tyro Payments Limited Annual Report 2020 provides further information about each Director such as their profile, including qualifications, experience, special responsibilities, independence, tenure and attendances at Board and Board Committee meetings as relevant.

Tyro Payments Limited Annual Report 2020 is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

## Principle 2: Structure the Board to be effective and add value (cont'd.)

### Recommendation 2.3 and 2.4

#### 2.3 A listed entity should disclose:

- a. the names of the directors considered by the board to be independent directors;
- b. if a director has an interest, position, association or relationship of the type described below but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- c. the length of service of each director.

#### 2.4 A majority of the board of a listed entity should be independent directors.

Tyro recognises that independent Directors are important in reassuring shareholders that the Board properly fulfils its role. The Board comprises seven Directors, with an independent Chair and a majority of independent Non-executive Directors. Each year, independence status is assessed using the guidelines and factors set out in the Recommendations and, as Tyro is an Authorised Deposit-taking Institution, APRA Prudential Standard CPS 510 (Governance).

Each independent Non-executive Director has undertaken to inform the Board as soon as practical if they think their status as an independent Director has or may have changed.

Mr Rickard joined the Group as an independent Non-executive Director in 2009 and has been serving on the Board since that time. Mr Rickard is also the Chair of the Risk Committee and the Audit Committee. The Board is satisfied that the length of Mr Rickard's service as Director and Chair of these committees will not interfere, and will not reasonably be seen to interfere, with his capacity to bring an independent judgement to bear on issues before the Board and the Committees and to act in the best interests of Tyro. As a practical matter there have been several senior executive management changes during Mr Rickard's tenure.

Historically, all Directors have participated in the Tyro Option Plan. Since listing on the ASX, no further options will be granted under that plan to Directors. The options historically granted under the Option Plan are not material and the Board is satisfied that they will not interfere, and will not reasonably be seen to interfere, with the capacity of Directors to bring an independent judgement to bear on issues before the Board and the Committees and to act in the best interests of Tyro.

The names of the Directors considered by the Board to be independent and the tenure of each Director are included in the Tyro Payments Annual Report 2020.

Tyro Payments Limited Annual Report 2020 is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

### Recommendation 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.

Mr David Thodey is the Chair of the Board and is an independent Non-executive Director. Mr Robbie Cooke is the CEO and Managing Director of Tyro.

The Board Charter requires the Chair to:

- lead the Board;
- facilitate the effective contribution of all Directors;
- promote constructive and respectful working relationships between Directors, senior executives and the Board;
- communicate the views of the Board and senior management to Tyro's shareholders and to the public; and
- oversee and facilitate Board, Committee and senior management evaluation reviews and succession planning.

### Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Tyro's Director induction programme ensures that new Non-Executive Directors can participate fully and actively in decision making, and add value, upon their appointment. The induction programme at Tyro is tailored to Directors' needs but will always include meeting with fellow Directors, the CEO and Managing Director and the senior executive team as well as:

- receiving briefings on Tyro's strategy and Risk Management framework; and
- reviewing Corporate Governance materials and policies.

Each year, the People Committee also considers and recommends to the Board a professional development programme for Directors. This includes training relevant to any skills or knowledge gaps identified by the People Committee and other matters relevant to the business of Tyro from time to time.

## Principle 3: Instil a culture of acting lawfully, ethically and responsibly

### Recommendation 3.1

Listed entities are to articulate and disclose their values.

Tyro is proud of its open, inclusive and collaborative culture which has as its foundation its guiding values as described below. Tyro fosters a high performance, values-driven culture and our most recent employee survey showed that 87% of our team members are proud to work at Tyro and 89% would recommend it as a great place to work.

As a team, the people at Tyro are driven by making a real difference to Australian businesses – Tyro supports them and provides solutions to their business challenges. Tyro’s values are described below.



### Recommendation 3.2

The board of a listed entity should:

- have a code of conduct for its directors, senior executives and employees; and
- disclose that code or a summary of it.

Tyro’s Code of Conduct provides guidance about the attitudes and behaviours necessary to maintain stakeholder confidence in the integrity of Tyro and comply with Tyro’s legal obligations. The Code of Conduct aligns to Tyro’s values and sets out guiding principles relevant to each value, as described below:



- Acting honestly and with high standards of personal integrity.
- Complying with all laws, regulations and statutes that apply to Tyro and its operations.
- Observing at all times, Tyro’s policy on the use of the internet, e-mail, computer systems and social media.



- Never engaging in dishonourable, unethical or unprofessional conduct likely to deceive, defraud or harm Tyro or its customers.
- Never carrying out any action, verbal or written, which is likely to discriminate, abuse, torment, harass or bully any person at any time as an employee or contractor of Tyro.



- Acting ethically and responsibly.
- Disclosing and dealing appropriately with any conflicts between your personal interests and your duties as a Director, Exco, people leader, employee or contractor.
- Never taking advantage of Tyro’s property, information or customers for personal gain or to cause detriment to Tyro and its customers.



- Dealing with customers and suppliers fairly.
- Maintaining the highest standard of business principles, conduct and service at all times.
- Never carrying out an act which may damage the reputation of, or bring into disrepute, Tyro or our clients.
- Promoting Tyro in a professional and ethical manner.

The Code of Conduct is made available to all Directors, senior executives and employees and they are reminded of the importance of the Code of Conduct on a regular basis.

The Board Risk Committee is notified of any material breaches of the Code of Conduct. The Directors and senior executives take appropriate and proportionate disciplinary action against those who breach the Code of Conduct.

The Tyro Code of Conduct is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)



## Principle 3: Instil a culture of acting lawfully, ethically and responsibly (cont'd.)

### Recommendation 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.

Tyro has a Board-approved Whistleblower Policy which supports reporting any concerns about whether Tyro is living up to its values or any unethical, illegal or irresponsible behaviour within Tyro. The Risk Committee is informed of any incidents reported under Tyro's Whistleblower Policy.

The Tyro Whistleblower Policy is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

### Recommendation 3.4

#### A listed entity should:

- a. have and disclose an anti-bribery and corruption policy;
- b. and ensure that the board or a committee of the board is informed of any material breaches of that policy.

Tyro has a Board-approved Anti-bribery and Corruption Policy which confirms Tyro's position that giving bribes or other improper payments or benefits to public officials is a serious criminal offence and can damage an entity's reputation and standing in the community. The Risk Committee is informed of any incidents reported under Tyro's Anti-bribery and Corruption Policy.

The Anti-Bribery and Corruption Policy is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

## Principle 4: Safeguard the integrity of corporate reports

### Recommendation 4.1

#### The board of a listed entity should:

- a. have an audit committee which:
  - i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - ii. is chaired by an independent director, who is not the chair of the board, and disclose:
    - iii. the charter of the committee;
    - iv. the relevant qualifications and experience of the members of the committee; and
    - v. 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
- 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.

The Board's Audit Committee assists the Board in ensuring the integrity of Tyro's corporate reporting. The Committee has three members, all Non-executive Directors and the majority of whom are independent Directors. The Committee is chaired by Mr Paul Rickard, an independent Director who is not the Chair of the Board.

The Committee operates under a Board-approved written Charter, which sets out the Committee's responsibilities, including reviewing and making recommendations to the Board in relation to:

- financial reporting and the adequacy and effectiveness of Tyro's corporate reporting process and internal controls framework;
- the effectiveness of the risk management system;
- internal and external audit plans; and
- the review, appointment and removal of internal and external auditors.

The minutes of each Audit Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Audit Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Tyro Payments Limited Annual Report 2020 discloses the members of Audit Committee, the number of times that the Committee met during the 2020 financial year and the individual attendances of the members at those meetings.

Tyro Payments Limited Annual Report 2020 and the Tyro Audit Committee Charter are available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)



## Principle 4: Safeguard the integrity of corporate reports (cont'd.)

### Recommendation 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.

Before approving Tyro's financial statements for a financial period, the Board receives from the CEO and Managing Director and Chief Financial Officer (CFO) a written declaration that, in their opinion, the financial records of Tyro have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of Tyro's financial position and performance and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### Recommendation 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.

When Tyro releases any periodic corporate report that is not audited or reviewed by an external auditor, it takes other steps to verify the integrity of that report. Such steps include seeking review and obtaining confirmation of the accuracy and completeness of the relevant information by the relevant Tyro personnel.

## Principle 5: Make timely and balanced disclosure

### Recommendation 5.1

#### A listed entity should:

- have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- disclose that policy or a summary of it.

Tyro is committed to effective communication with its merchants, shareholders, employees, suppliers, creditors, other stakeholders and the wider community. Tyro endeavours to make publicly available all appropriate information to ensure that trading in our shares takes place in an efficient, competitive and informed market. Tyro has a Board-approved Continuous Disclosure Policy which outlines the procedures in place to enable Tyro to comply with its continuous disclosure obligations. There is also a Board delegation in place for these purposes.

The Tyro Continuous Disclosure Policy is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

### Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

Directors receive copies of all market announcements promptly after such announcements have been released. This ensures that the Board has visibility of the nature and quality of information disclosed and the frequency of disclosures.

### Recommendation 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.

When Tyro intends to give a new and substantive investor or analyst presentation, it provides shareholders with reasonable opportunity to participate in the presentation and releases a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. Examples of such presentations are those delivered for half year results and full year results and at the AGM.

## Principle 6: Respect the rights of shareholders

### Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Tyro's website is an important communication tool for Tyro's investors and other external stakeholders, such as Tyro's merchants. It is Tyro's primary means to provide all information to all stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.

Tyro's website contains a range of information of relevance to stakeholders including:

- information about the Board of Directors and the executive leadership team;
- relevant Corporate Governance policies and other Governance documents;
- Tyro's statement of values;
- media and ASX announcements;
- annual reports and half-year reports
- presentations to investors; and
- contact details for enquiries from shareholders, analysts or the media.

Tyro's website is also one of the cornerstones of Tyro's Communication Policy with shareholders and the market. All information released to the ASX is posted on the website as soon as practicable after the ASX has confirmed that it has received the information.

The Tyro Communication Policy is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

### Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Tyro has an investor relations program that facilitates effective two-way communication with investors. This program focusses on both:

- professional investors (and financial market participants who service them); and
- engaging with retail investors (and the organisations that represent them),

to understand the matters of concern or interest to those investors. Significant comments or concerns raised by investors or their representatives will be conveyed to the Board or senior management as appropriate.

### Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of shareholders.

Tyro encourages attendance at, and participation in general meetings, whether virtual or otherwise as follows:

- A notice of a shareholder meeting is sent to shareholders prior to meetings, including details of the time and place of the meeting, the business to be considered and proxy voting procedures.
- Tyro recognises that some shareholders will not be able to attend meetings of shareholders. To allow for their participation, Tyro encourages shareholders to forward their questions and comments to the Company prior to our meetings.
- The Chair and CEO and Managing Director take any comments and questions received from shareholders during or after their address.
- The current audit partner attends the AGM and is available to answer shareholders' questions about the audit.
- The Chair provides shareholders with an opportunity to ask questions about and discuss the specific resolutions put to the meeting. Shareholders have the opportunity to ask questions about or comment on the management of Tyro.

### Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands.

As at the date of this report, Tyro has not held its 2020 annual general meeting, which will be Tyro's first general meeting as an ASX listed company. In respect of the 2020 annual general meeting, scheduled for 27 October 2020, all substantive resolutions at that meeting are due to be decided by a poll rather than by a show of hands.

### Recommendation 6.5

A listed entity should give shareholders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Tyro recognises that it is efficient to communicate electronically and accordingly shareholders are given the option to receive communications from, and send communications to, us and our share registry electronically.

## Principle 7: Recognise and manage risks

### Recommendation 7.1

#### The board of a listed entity should:

- a. have a committee or committees to oversee risk, each of which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director, and disclose:
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. 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 Board's Risk Committee assists the Board in overseeing the risks in Tyro's business. The Committee has three members, all Non-Executive Directors and a majority of whom are independent Directors. The Committee is chaired by Mr Paul Rickard, an independent Director who is not the Chair of the Board.

The Committee operates under a Board-approved written Charter, which sets out the Committee's responsibilities, including reviewing and making recommendations to the Board in relation to:

- Tyro's risk management strategy and framework, including Tyro's risk appetite statement;
- the risks relevant to Tyro's business including:
  - capital risk
  - liquidity risk
  - credit risk
  - investment market risk
  - operational risk
  - compliance risk
  - customer and conduct risk.
- management's performance against Tyro's risk management framework, including whether its operating within the risk appetite set by the Board; and
- reports from management on new and emerging sources of risk and risk controls and mitigation methods that have been put in place to deal with them.

The minutes of each Risk Committee meeting are included in the papers for the next Board meeting after the Committee has approved those minutes. The Chair of the Risk Committee reports the Committee's findings to the next Board meeting after each meeting of the Committee.

The Tyro Payments Limited Annual Report 2020 discloses the members of Risk Committee, the number of times that the Committee met during the 2020 financial year and the individual attendances of the members at those meetings.

Tyro Payments Limited Annual Report 2020 and the Tyro Risk Committee Charter are available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

### Recommendation 7.2

#### The board or a committee of the board should:

- a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- b. disclose, in relation to each reporting period, whether such a review has taken place.

The Board reviews Tyro's risk management framework each year to satisfy itself that it continues to be sound and that Tyro is operating with due regards to the risk appetite set by the Board. Specifically, as an APRA regulated entity, Tyro is required to ensure that compliance with and the effectiveness of the risk management framework is subject to review by internal or external audit at least annually. Further Tyro is required to ensure that the appropriateness, effectiveness and adequacy of Tyro's risk management framework are subject to a comprehensive review by operationally independent, appropriately trained and competent persons at least every 3 years. A comprehensive review of this type was undertaken by an independent third party during the 2020 Financial Year..

### Recommendation 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 valuating and continually improving the effectiveness of its risk management and internal control processes.

Tyro has an internal audit function that helps Tyro achieve its objectives by bringing a systematic, disciplined approach to evaluating and continually improving the effectiveness of its risk management and internal control processes. The Head of the Internal Audit function is appropriately qualified and has a direct reporting line to the Chair of the Audit Committee.

### Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Tyro's Sustainability Report discloses the extent to which Tyro has material exposure to economic, environmental and social sustainability risks and explains how such risks are and will be managed. The Tyro Sustainability Report is contained in the Tyro Payments Limited Annual Report 2020.

Tyro Payments Limited Annual Report 2020 is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors).

## Principle 8: Remunerate Fairly and responsibly

### Recommendation 8.1

#### The board of a listed entity should:

- a. have a remuneration committee which:
  - i. has at least three members, a majority of whom are independent directors; and
  - ii. is chaired by an independent director,
 and disclose:
  - iii. the charter of the committee;
  - iv. the members of the committee; and
  - v. 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 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.

As noted in the disclosure for Recommendation 2.1, the Board's People Committee, conducts the role of a nomination and a remuneration committee.

### Recommendation 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.

Tyro's Remuneration Report discloses information about Tyro's policies and practices regarding the remuneration of Non-executive Directors, the CEO and Managing Director and other Key Management Personnel (**KMP**). In summary, remuneration for Executive Directors and other KMP 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:

- **annual fixed salary** - reflecting the value of the individual's personal performance, their ability and experience, as well as Tyro's obligations at law and labour market conditions and should be relative to the scale of Tyro's business;
- **performance based short-term remuneration** - rewards, bonuses, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution having regard to clearly specified performance targets and to Tyro's circumstances, values and risk appetite. This form of remuneration is payable in a combination of deferred equity and cash payments;
- **performance based long-term equity remuneration** - share participation via employee rights and option schemes, reflecting Tyro's medium and long term performance objectives;
- **other benefits** - such as annual leave, sickness benefits, superannuation payments and long service benefits;
- **expense reimbursement** - for any expenses incurred in the course of the employee's duties; and
- **termination payments** - any termination payments should reflect contractual and legal obligations and will not be made when an executive is terminated for misconduct.

Remuneration for Non-executive Directors may contain any or all of the following:

- **annual fees** - reflecting the value of the individuals' personal performance, time commitment and responsibilities of the role, which are eligible to be 'sacrificed' in exchange for rights granted under Tyro's Remuneration Sacrifice Rights Plan;
- **equity based remuneration** - during and in respect of periods prior to Tyro's listing on the ASX only, issues of share options, reflecting the contribution of the Director towards Tyro's medium and long term performance objectives;
- **other benefits** - superannuation payments, but not including retirement benefits that are additional to the individual's superannuation.

The Tyro Remuneration Report is contained in the Tyro Payments Limited Annual Report 2020. Tyro Payments Limited Annual Report 2020 is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)

## Principle 8: Remunerate Fairly and responsibly (cont'd.)

### Recommendation 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.

In accordance with the Remuneration Policy, 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 Tyro, may enter in to any transaction designed to limit the economic risk of participating in the equity based remuneration scheme.

Under the terms of the Remuneration Policy, if any other participant in an equity based remuneration scheme established by Tyro enters into any transactions (whether through the use of derivatives or otherwise) which is designed to limit the economic risk of participating in the equity based remuneration scheme:

- the participant must disclose details of the transaction to the Company Secretary;
- the Company Secretary will disclose to the Board all details of any such economic risk management transactions; and
- the Board will consider whether:
  - the participant is a KMP and if so whether there has been a breach of any law;
  - the equity based remuneration scheme should be amended; or
  - future participation of the senior executives in the equity based remuneration scheme should be amended in anyway.

The Tyro Remuneration Policy is available on the Tyro website [www.tyro.com/about-tyro/investors](http://www.tyro.com/about-tyro/investors)