

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Earlypay Limited

ABN/ARBN

88 098 952 277

Financial year ended:

30 June 2022

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

☐ These pages of our annual report:

☒ This URL on our website:

<https://www.earlypay.com.au/investors/>

The Corporate Governance Statement is accurate and up to date as at 21 September 2022 and has been approved by the board.

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

Date: 21 September 2022

Name of authorised officer authorising lodgement: Steve Shin – Company Secretary

<sup>1</sup> “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.

<sup>2</sup> 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.

<sup>3</sup> 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, <sup>4</sup> 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: <sup>5</sup>                                       |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b> |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                      |                                                                                                                                                                                                      |
| 1.1                                                                     | A listed entity should have and disclose a board charter setting out:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.                                                                                   | <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 2, 3, 7 & 11) and disclosed a copy of the Board Charter within the Corporate Governance Statement.                | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2                                                                     | A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(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"/> in our Corporate Governance Statement (Section 2)                                                                                                                | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><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"/> in our Corporate Governance Statement (Section 3, 10, 15)                                                                                                        | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><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"/> in our Corporate Governance Statement (Section 6)                                                                                                                | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

<sup>4</sup> 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/”).

<sup>5</sup> 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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>                                                  |
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| 1.5                                         | <p>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&amp;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> | <input type="checkbox"/> in our Corporate Governance Statement                                                                                                                                       | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.6                                         | <p>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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 10 & 15)                                                                                                          | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity 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, <sup>4</sup> 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: <sup>5</sup>                                                  |
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| 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> | <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 15)                                                                                                               | <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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:                                                                                                                                                             | Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>                                                      |
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| <b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                            |
| 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 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 in our Corporate Governance Statement (Section 15) and;</p> <p>the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement (Section 15).</p>                          | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 2) and</p> <p><input checked="" type="checkbox"/> in our financial report for the year ended 2022.</p>                                                                                                                                                                     | <p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></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"/> in our financial report for the year ended 2022 ... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 8) and</p> <p><input checked="" type="checkbox"/> in our financial report for the year ended 2022.</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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>                                                  |
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| 2.4                                                                                 | A majority of the board of a listed entity should be independent directors.                                                                                                                                                                                                       | <input type="checkbox"/> in our Corporate Governance Statement (Section 8)                                                                                                                           | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><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 type="checkbox"/> in our Corporate Governance Statement (Section 5)                                                                                                                           | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><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"/> in our Corporate Governance Statement (Section 9)                                                                                                                | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable            |
| <b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b> |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                      |                                                                                                                                                                                                                 |
| 3.1                                                                                 | A listed entity should articulate and disclose its values.                                                                                                                                                                                                                        | <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 18)                                                                                                               | <input type="checkbox"/> set out in our Corporate Governance Statement                                                                                                                                          |
| 3.2                                                                                 | A listed entity should:<br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.                                            | <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 18) and<br><input checked="" type="checkbox"/> at Corporate Governance Statement (Annexure 4)                     | <input type="checkbox"/> set out in our Corporate Governance Statement                                                                                                                                          |
| 3.3                                                                                 | A listed entity should:<br>(a) have and disclose a whistleblower policy; and<br>(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"/> at Corporate Governance Statement (Annexure 9)                                                                                                                   | <input type="checkbox"/> set out in our Corporate Governance Statement                                                                                                                                          |
| 3.4                                                                                 | A listed entity should:<br>(a) have and disclose an anti-bribery and corruption policy; and<br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.                                                                           | <input checked="" type="checkbox"/> at Corporate Governance Statement (Annexure 8)                                                                                                                   | <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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup> |
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| <b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                |
| 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"/> in our Corporate Governance Statement (Section 14) and</p> <p><input checked="" type="checkbox"/> at Corporate Governance Statement (Annexure 1) and the information referred to in paragraphs (4) and (5) at:</p> <p><input checked="" type="checkbox"/> at our financial report for the year ended 2022</p> | <p><input type="checkbox"/> set out in our Corporate Governance 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.                                                                                                                                                                                                                                                                                                                                                                                                      | <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 22)                                                                                                                                                                                                                                                               | <input type="checkbox"/> set out in our Corporate Governance Statement                                                                                         |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 23)                                                                                                                                                                                                                                                               | <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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup> |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |                                                                                                                                                                                                           |                                                                                                                                                                                                      |                                                                                                                                                                |
| 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 type="checkbox"/> in our Corporate Governance Statement                                                                                                                                       | <input checked="" 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"/> in our Corporate Governance Statement (Section 20)                                                                                                               | <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"/> in our Corporate Governance Statement (Section 20)                                                                                                               | <input type="checkbox"/> set out in our Corporate Governance Statement                                                                                         |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |                                                                                                                                                                                                           |                                                                                                                                                                                                      |                                                                                                                                                                |
| 6.1                                                         | A listed entity should provide information about itself and its governance to investors via its website.                                                                                                  | <input checked="" type="checkbox"/> at <a href="https://www.earlypay.com.au/investors/">https://www.earlypay.com.au/investors/</a>                                                                   | <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"/> in our Corporate Governance Statement (Section 20)                                                                                                               | <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"/> in our Corporate Governance Statement (Section 20)                                                                                                               | <input type="checkbox"/> set out in our Corporate Governance 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.                                                     | <input checked="" type="checkbox"/> at Corporate Governance Statement (Annexure 6)                                                                                                                   | <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"/> in our Corporate Governance Statement (Section 20)                                                                                                               | <input type="checkbox"/> set out in our Corporate Governance Statement                                                                                         |

| Corporate Governance Council recommendation    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup> |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                |
| 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> | <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 16) <b>and</b></p> <p><input checked="" type="checkbox"/> at Corporate Governance Statement (Annexure 3) and the information referred to in paragraphs (4) and (5) at:</p> <p><input checked="" type="checkbox"/> in our annual report for the year ended 30 June 2022</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>                                                                                  |
| 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>                                                                                                                                                                                                                                                                                                                                                                        | <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 16) and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p><input checked="" type="checkbox"/> in our annual report for the year ended 30 June 2022</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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup> |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7.3                                         | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(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 type="checkbox"/><br><i>[If the entity complies with paragraph (a):]</i><br>and we have disclosed how our internal audit function is structured and what role it performs at:<br>.....<br><i>[insert location]</i><br><i>[If the entity complies with paragraph (b):]</i><br>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 at:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 23) | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement (Section 23)                                           |
| 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"/> in our financial report for the year ended 30 June 2022.<br>and we have disclosed whether we have any material exposure to environmental and social risks at:<br><input checked="" type="checkbox"/> in our financial report for the year ended 30 June 2022.                                                                                                                                                                                                                                                                                                            | <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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:                                                                                                                                                                                                            | Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>                                                                                                                                                                                            |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                  |
| 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 type="checkbox"/> in our Corporate Governance Statement (Section 15) and we have disclosed a copy of the charter of the committee in the Corporate Governance Statement (Annexure 2); and</p> <p>the information referred to in paragraphs (4) and (5) in our financial report for the year ended 30 June 2022.</p>                                                                                   | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 10, 15) 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><input checked="" type="checkbox"/> in our financial report for the year ended 30 June 2022</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>                                                                                                                                                  |
| 8.3                                                    | <p>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>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><input checked="" type="checkbox"/> in our financial report for the year ended 30 June 2022 and we have disclosed our policy on this issue or a summary of it at:</p> <p><input checked="" type="checkbox"/> in our financial report for the year ended 30 June 2022</p>                                                                                                                                     | <p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

# Earlypay Group Limited

## Corporate Governance Statement – as at

### 21 September 2022

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## 1. Our Values

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Earlypay Limited's ("EPY" or the "Company") corporate governance framework has been formulated in light of the principles and recommendations released by the Australian Stock Exchange Corporate Governance Council, 4<sup>th</sup> edition ("The ASX Recommendations"). EPY's framework complies with these recommendations. Consistent with EPY's approach to sound corporate governance, opportunities for improvement are regularly considered.

The Directors are responsible to shareholders for the performance of EPY and their focus is to enhance the interests of shareholders and other key stakeholders and to ensure EPY is properly managed. The main processes that the Directors of EPY use in doing so are set out in this statement.

EPY's values are:

We believe that excellent leadership is the result of articulating and reinforcing our values and vision in our words and deeds.

To be a good corporate citizen by complying with its obligations under appropriate regulations both to the letter and intent of those regulations.

Treat all employees with respect whilst providing opportunities and encouraging achievement within the company.

For all directors, executive and staff to act with honesty and integrity in all dealings within and external to the company.

We recognise that Earlypay operates in a highly competitive environment and we value boldness and innovation in achieving profitable growth within our markets.

We also recognise that a balanced life is in the best interests of our people and our Company, and look to provide opportunities to encourage work-life balance.

Our customers are the life-blood of our Company and retaining our customers through helpful, honest and profitable dealings is essential.

We also recognise that organisations with the finance industry are the target of fraudsters and we value the commitment of our people to our policies, systems and procedures and timely reporting of potentially fraudulent activity.

We recognise the values of consultation, cooperation and teamwork in achieving our corporate objectives.

Everyone in our organisation has a part to play in the Company's success and we value our people's ideas and suggestions on how to continually improve the way we do things.

The Board of Earlypay expects our staff and executive to align with our values and will hold them accountable.

## 2. Board Composition

---

EPY's Constitution requires that the minimum number of Directors is 3.

Membership of the Board currently comprises:

- 5 Non-Executive Directors (NEDs), 3 being independent Directors (as to "independence" see section 8 below); and
- 2 Executive Directors
- The Chairman is a non-executive Independent Director.

Directors are subject to retirement by rotation and election by shareholders at a general meeting. No Director may remain on the Board for more than three years without re-election. When a Director is appointed during the year that Director will hold office until the next Annual General Meeting and then be eligible for re-election.

When a Director is put forward for election or re-election, shareholders are provided, within the Annual Report and/or Notice of AGM, all material information about the Director to assist with the shareholder's decision on whether to elect or re-elect that Director.

When considering Board vacancies, Directors take into account the candidate's capacity to enhance the mix of skills and experience of the Board and to contribute to the ongoing development of Earlypay. When a vacancy exists, the Nomination and Remuneration Committee identifies candidates with the relevant experience and expertise, using external consultants when required.

The Board considers that individually and collectively the directors bring a level of skill, knowledge, experience and diversity that enables the Board to discharge its responsibilities effectively. The following table summarises the key skills and experience of the directors:

| Category                             | Skill or Experience                                                                                                    |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Leadership and Governance            | Leadership and Strategy. Earlypay Directors have a combined total of over 50 years experience in corporate governance. |
| Finance and Risk                     | Capital Markets, Finance and Accounting                                                                                |
| Industry Experience                  | Banking, Finance, Payroll, Health, Government and Recruitment                                                          |
| Other Relevant Skills and Experience | Sales, Marketing, People and Performance                                                                               |

Further information on the skills, experience and expertise of the directors are included in the annual financial reports.

Details regarding the gender diversity of the Board are included in Diversity Statement.

Details of the number of Board meetings and the attendance of the directors are included in the annual financial reports.

### 3. Board Roles and Responsibilities

---

The Board is committed to maximising performance; generating appropriate levels of shareholder value and financial return; and sustaining its finance and businesses.

The responsibilities of the Board are:

- (a) Setting and overseeing the implementation of strategic objectives, and approval of long-term business plans and annual budgets including operating and capital expenditure budgets
- (b) Approval and monitoring the progress of all major capital expenditure projects and acquisitions and divestitures.
- (c) Regularly reviewing the operational and financial performance of EPY.
- (d) Ensuring that appropriate policies and procedures are in place and implemented to satisfy the requirements of continuous disclosure to the investment market and shareholders about the performance and activities of EPY so that they can make informed assessments of EPY's prospects.
- (e) In conjunction with the Risk Committee ensuring appropriate risk management systems are in place to identify, assess and provide proper management of risk and communicate the Board's risk appetite to management.
- (f) Overseeing EPY's commitment to the health and safety of employees and contractors, the environment and sustainable development.
- (g) Ensure the Company maintains a commitment to diversity, equity and inclusion.
- (h) Evaluation of strategic business development opportunities.
- (i) Nomination and, where appropriate, appointment of Directors, evaluating their performance, reviewing their remuneration and ensuring an appropriate succession plan.
- (j) Appointing and removing the Chairperson, Chief Executive Officer (CEO), Company Secretary, Chief Financial Officer (CFO) and other senior executives, evaluating their performance, reviewing their remuneration and ensuring an appropriate succession plan.
- (k) Satisfying itself that remuneration of senior executives aligns with Earlypay's purpose and values. In particular, ensure remuneration structures support the achievement of strategic objectives and Earlypay's risk appetite.
- (l) Ensuring appropriate resources are available to senior executives.
- (m) Ensuring appropriate policies and delegations are sufficient to effectively govern EPY.
- (n) Appointment and oversight of EPY's external auditors.
- (o) Ensuring satisfactory internal controls are maintained over the financial reporting processes.

(p) Approving, monitoring and improving financial and other reporting. In particular the Board should ensure management reports include:

- Detailed contemporary financial information
- Information showing business performance against Earlypay's Strategic Objectives
- Any changes in Earlypay's risks
- Material legal and regulatory matters
- Any breaches of Earlypay's Code of Conduct

(q) Ensuring there is an effective Corporate Governance structure and practice in place.

(r) Ensuring EPY's Code of Conduct (Annexure 4) and other policies are adhered to.

(s) Ensuring that an appropriate policy is in place regarding trading of EPY's shares by employees of EPY (Annexure 5).

(t) Approval of the annual and half-year financial reports.

(u) Determine the company's dividend policy, including quantum and timing of dividends and oversee the company's dividend reinvestment policy.

(v) Ensuring all shareholders are treated equally and fairly.

(w) Ensuring that appropriate policies and procedures are in place to ensure compliance with applicable laws.

(x) Determining and updating the company's Whistle Blower Policy and ensuring management and staff are aware of and have access to the policy.

(y) Determining and updating the company's Anti Bribery and Corruption Policy and ensuring management and staff are aware of and have access to the policy.

All other responsibilities are delegated by the Board to management.

## 4. Board Processes

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The Board currently schedules ten meetings per year. In addition, the Board meets whenever necessary to deal with specific matters needing attention between the scheduled meetings. Extraordinary meetings take place at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared by the Company Secretary in conjunction with the Chairperson and CEO, with periodic input from the Board. Comprehensive Board papers are distributed to Directors in advance of scheduled meetings. Board meetings take place at EPY's head office in North Sydney or other relevant locations including via videoconferencing facilities.

To assist the Board in the execution of its responsibilities, the Board has established an Audit Committee, a Nomination and Remuneration Committee (NR Committee) and a Risk Management Committee (RM Committee). Any issues of corporate governance which are not dealt with specifically by these committees are the responsibility of the full Board.

### Board Performance

During the first quarter of the financial year, the Board evaluates its performance using an objective tool. The results are made available to all directors as a confidential consolidated report.

The Board performance is evaluated against four criteria – Accountability, Supervision, Strategic Thinking and Corporate Policy.

Board and CEO performance are evaluated against Goal Achievement, Cultural Leadership, Capital and Acquisition Strategy, Budget Processes, Shareholder and Key Stakeholder Engagement, Ensuring Governance Processes, Risk Management, Succession Planning, Remuneration Plans, Communications with the Market, Management of Acquisitions.

## 5. Chairperson

---

The Chair is responsible for:

- (a) Leading the Board in reviewing and discussing Board matters;
- (b) Chairing Board meetings and shareholder meetings, including, setting the agenda for Board meetings (in consultation with the other directors and the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items;
- (c) Ensuring the efficient organisation and conduct of the Board's function;
- (d) Briefing all directors in relation to issues arising at Board meetings;
- (e) Facilitating effective contribution by all directors and monitoring Board performance;
- (f) Promoting constructive and respectful relations between Board members and between the Board and management;

- (g) Overseeing the role of the Company Secretary, including, reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
- (h) On the advice of the Nomination Committee, establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

The Chairperson, Mr G Sam, is an independent director and was appointed as new Non-Executive Chairman on the 25<sup>th</sup> August 2022. Mr Sam replaced Mr Riley who was not independent. As such the Company does not meet the ASX Recommendation for the entire year.

## **6. Company Secretary**

---

Company Secretary is directly accountable to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

The Company Secretary acts as secretary of the Board attending all meetings of the Board as required.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board and all Directors have access to the Company Secretary. The decision to appoint or remove the Company Secretary is made or approved by the Board.

The Company Secretary is responsible for:

- (a) Advising the Board and its committees on governance matters;
- (b) Monitoring that Board and committee policies and procedures are followed;
- (c) Coordinating the timely completion and despatch of Board and committee meeting minutes ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- (d) Organising and facilitating the induction and professional development of Directors.

## 7. Responsibilities of Directors

---

Directors are expected to at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors. Directors must:

- a) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- d) not make improper use of information gained through their position as a director;
- e) not take improper advantage of their position as a director;
- f) notify other directors of a material personal interest when a conflict arises;
- g) in the case of non-executive directors, disclose to the Board all information that may be relevant for the Board to assess the director's independence;
- h) make reasonable enquiries if relying on information or advice provided by others;
- i) undertake any necessary enquiries in respect of delegates;
- j) give the Company or ASX Limited all the information required by the Corporations Act; and
- k) not permit the Company to engage in insolvent trading.

## 8. Independence of Board Members

---

The Board regularly assesses the independence of each of the Directors based on the interests and associations disclosed by them, in line with the ASX best practice guidelines on independence, which are listed below.

There are currently 5 Non-Executive Directors, 3 are deemed to be independent and 2 not to be independent. There are also 2 Executive Directors. Earlypay notes that majority of the Board are not independent directors.

As on date of this report, the Board's assessment of each current Director is set out below:

| Name         | Position                                       | Appointment Date                | Status          |
|--------------|------------------------------------------------|---------------------------------|-----------------|
| Greg Riley   | Non-Executive Chair*                           | 4 December 2001                 | Not independent |
| Daniel Riley | Managing Director                              | 3 February 2005                 | Not independent |
| Sue Healy    | Non-Executive Director                         | 20 November 2012                | Independent     |
| Geoffrey Sam | Non-Executive Director<br>Non-Executive Chair* | 10 March 2015<br>25 August 2022 | Independent     |
| Ilkka Tales  | Non-Executive Director                         | 18 September 2017               | Independent     |
| James Beeson | Executive Director                             | 29 July 2021                    | Not independent |

|             |                        |                  |                 |
|-------------|------------------------|------------------|-----------------|
| Steve White | Non-Executive Director | 19 November 2020 | Not independent |
|-------------|------------------------|------------------|-----------------|

\*Greg stepped down as Non-Executive Chair on 25 August 2022 and Geoffrey was appointed on the same day. Greg remained as a Non-Executive Director and will resign following the 2022 AGM.

EPY aims for its Directors to be independent in thought and judgement, as well as expecting the Directors to add value to EPY. EPY operates in an entrepreneurial environment, and both requires and benefits from the passionate involvement of Directors who have been instrumental in launching EPY and the business, and who have specialised knowledge of, and expertise in, this business sector. The existing Board structure is considered appropriate for EPY at this stage of its growth.

In respect to other matters arising, in accordance with the Board's guidelines, the Directors concerned declare their interest in those dealings to EPY and, after discussion; the remaining Directors determine whether the potential conflict of interest should disqualify them from being present or voting on the matter.

### **Assessing the independence of Directors - The ASX guidelines**

An independent Director is a NED (i.e. is not a member of management) and is none of the following:

- (a) A substantial shareholder of EPY or an officer of, or otherwise associated directly with, a substantial shareholder of EPY;
- (b) An employee of EPY in an executive capacity at any time within the last 3 years;
- (c) Receives any performance-based remuneration (including securities) or participates in any Employee Incentive Scheme;
- (d) A principal of a material professional adviser or a material consultant to EPY or another group member, or an employee materially associated with the service provided within the last 3 years;
- (e) A material supplier or customer of EPY or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (f) A holder of a material contractual relationship with EPY or another group member other than as a Director of EPY;
- (g) Has been a director of the entity for such a period of time that the independence is compromised; and
- (h) Any Director that has close personal ties to any of the above categories.

## **9. Director Education and Resources Available to the Board**

The Company has a process to educate new directors about the nature of the business, current issues, corporate strategy and the Company's expectations of directors. All directors are made aware of their rights to access employees, information and resources. Directors are encouraged to visit the Group's locations and meet with management to gain a better understanding of the Group's operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge base.

In relation to their duties and responsibilities, Directors have the right to seek independent professional advice at EPY's expense provided that before the advice is obtained, the Director discusses the requirement for the advice with the Chairperson. Any advice so received must be made available to all other Directors.

Where the Chairperson wishes to seek independent advice, she or he must make a formal request to the Chair of the Audit Committee. Any advice so received must be made available to all other Directors.

EPY intends to enter into Deeds of Access and Indemnity with each Director giving them a right of access to all documents that were presented to meetings of the Board or to any committee of the Board or otherwise made available to the Director whilst in office. This right continues for a term of seven years after ceasing to be a Director or such longer period as is necessary to determine relevant legal proceedings that commenced during that term.

## **10. Remuneration of Non-Executive Directors**

---

The ASX Listing Rules state that the maximum aggregate remuneration for NEDs must be fixed and can be varied only at a general meeting. The maximum aggregate remuneration of \$500,000 per annum was approved by shareholders on 25 June 2019.

The fees are currently set as follows:

- Chairperson's fees \$140,000 p.a.
- Directors' fees \$85,000 p.a.

Executive Directors are not paid Directors' fees in addition to their remuneration as executives.

Fees paid to NEDs have superannuation contributions deducted as applicable as required by Commonwealth legislation. EPY pays no other retirement benefits to Directors.

## **11. Delegations**

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### **Delegation to Chief Executive Officer**

- (a) The Board has delegated to the Chief Executive Officer the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this Charter.
- (b) The Board may impose further specific limits on the Chief Executive Officer delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board from time to time.
- (c) The Chief Executive Officer has authority to sub-delegate to senior management.

### **Role of Chief Executive Officer**

- (a) The management function is conducted by, or under the supervision of, the Chief Executive Officer as directed by the Board, and by other officers to whom the management function is properly delegated by the Board or the Chief Executive Officer. The Board approves corporate objectives for the Chief Executive Officer to satisfy and, jointly with the Chief Executive Officer, develops the duties and responsibilities of the Chief Executive Officer, which includes those set out in any employment contract of the Chief Executive Officer.
- (b) The Chief Executive Officer is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board.

### **CEO and Senior Executive Performance**

The Board reviews and agrees strategic directions in March each year. During the period June to August, the Board and CEO determine the performance benchmarks and stretch targets for the CEO and senior management and align this with strategy, purpose, culture and risk appetite,

Also during July and August each year, the Board and CEO discuss and evaluate senior executive performance against the prior year's benchmarks and targets.

## **12. Meetings**

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- a) All Board meetings will be conducted in accordance with the Company's Constitution and the Corporations Act.
- b) Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.
- c) Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- d) A meeting of the Board will usually be convened by the Chair, although under the Company's Constitution a meeting may be called by any director.
- e) All directors are expected to diligently prepare for, attend and participate in all Board meetings.
- f) At a minimum, a quorum of directors under the Company's Constitution is two directors. Meetings of the Board may be held or participated in by conference call or other electronic communications as permitted by the Company's Constitution.
- g) Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Company's Constitution.
- h) The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.
- i) Non-executive directors will periodically meet without executive directors or management.

## **13. Board Committees**

---

The Board has established three committees to assist in the execution of its duties. They are the:

- (a) Audit;
- (b) Nomination and Remuneration (NR); and
- (c) Risk Management (RM) Committees. Other committees can be formed to deal with specific issues, when required.

Each of the committees has its own charter setting out its role and responsibilities. All recommendations of the committees are submitted to the Board. The charters are approved by the Board. The Board and each committee annually revisit its objectives and duties and evaluate the effectiveness of its performance.

## 14. Audit Committee

---

Unless otherwise determined by the Board, the Committee comprises only NEDs, a minimum of 2 being independent Directors. It is intended that a majority of the Committee at any time will be independent Directors. The Chair should be an independent Director and not the Chair of the Board of Directors. Members of the Audit Committee are:

- **Chair:** Sue Healy;
- **Members:** Geoff Sam, Ilkka Tales and Steve White.

The Company Secretary is to provide administrative support.

The external auditors, the CEO, CFO and other officers of EPY may attend meetings of the Committee by invitation.

Pitcher Partners Chartered Accountants have been appointed as external auditor to EPY. Section 324DA of the *Corporations Act 2001* prescribes a limited term for eligibility of persons playing a significant role in the audit of a listed company. The key responsibilities of the Audit Committee are set out in the Audit Committee Charter (**Annexure 1**). The Audit Committee is responsible for the selection and recommendation of EPY's external auditor. The audit committee has recommended the external audit service be put to tender on a tri-annual basis. Further that in the event the external auditor is retained post 3 years that the engagement partner be rotated on a 5-year basis.

The external auditors have direct access to the Chairperson of the Audit Committee and where necessary, the Chairperson of the Board. The Audit Committee meets with the external auditors without management present on an as required basis, but at least once a year.

The external auditor attends the Annual General Meeting and is available to answer questions from shareholders.

## 15. Nomination and Remuneration Committee

---

Unless otherwise determined by the Board, the Nomination and Remuneration Committee (NR Committee) comprises a minimum of three NEDs. Members of the NR Committee are:

- **Chair:** Sue Healy;
- **Members:** Geoff Sam and Steve White.

The Company Secretary is to provide administrative support. The CEO is invited to attend meetings to discuss senior executives' performance and remuneration.

Majority of the committee are not independent directors. EPY is an entrepreneurial company in which a number of the directors have been involved since the company's inception. At this stage of EPY's development the Board feels the balance of Directors is the most suitable mix for the company's ongoing success.

In all cases Directors act with independence of thought and action. Directors with a direct interest in any matter are excluded from the decision process and/or discussion of the matter.

The key responsibilities of the NR Committee are set out in the NR Committee Charter (**Annexure 2**).

Management is responsible for recommending remuneration practices and policies. The NR Committee has the right to review, approve or refer to the Board for its approval, remuneration practices and policies.

(a) In relation to employees generally, the NR Committee reviews and approves remuneration policies and practices.

(b) In relation to senior management, the NR Committee reviews remuneration policies and practices and makes recommendations to the Board regarding their approval.

(c) In relation to the CEO, Company Secretary, and the CFO, the NR Committee determines and makes recommendations to the Board on remuneration packages and other terms of employment having regard to the need to attract, retain and develop appropriately skilled people.

Each member of the senior management team is employed under a contract covering a range of matters including their duties, rights, responsibilities and entitlements on termination.

Remuneration of the senior management team is reviewed on an annual basis by the NR Committee having regard to personal and corporate performance and relevant comparative information.

Remuneration for senior executives presently comprises a salary per annum, reviewed annually with reference to the progress of EPY. Each may also be entitled to an annual bonus determined by the CEO or the Chairperson, reviewed by the NR Committee, and approved by the Board at the Board's absolute discretion.

The NR Committee approves executive and senior management participation in the EPY Long Term Incentive program (LTI).

The committee approves changes to any remuneration and Long Term Incentive (LTI) related policy.

The NR Committee shall review the Company's succession plans. Succession plans are used to assist in maintaining the appropriate mix of skills, knowledge, experience, independence, and diversity on the Board to enable it to discharge its duties and responsibilities effectively.

## **16. Risk Management Committee**

---

EPY has a risk management program that is reviewed by the Risk Management Committee (RM Committee) and approved by the Board. The program is designed to ensure risks (strategic, operational, legal, reputational and financial) are identified, assessed, addressed and monitored to enable EPY to achieve its business objectives.

EPY's risk management program is managed by the CEO and the CFO. The Board receives regular monthly reports on progress in addressing the risks. The RM Committee has the right to appoint external professional advisers to carry out regular investigations into control mechanisms and report their findings, including recommendations for improvement to controls, processes and procedures, to the Audit Committee.

The RM Committee Charter is provided in (**Annexure 3**).

Unless otherwise determined by the Board, the RM Committee comprises a minimum of three Directors with at least two members being NEDs. Members of the RM Committee are:

- **Chair:** Ilkka Tales
- **Members:** Greg Riley, Sue Healy and Steve White

The Company Secretary is to provide administrative support. The majority of the committee are independent directors and is chaired by the independent director.

## 17. Indemnities

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The Directors are indemnified under Deeds against liability in the fulfilment of their duties except for when an indemnity is not allowed under Section 199A of the Corporations Act, being:

- (a) A liability owed to EPY or a related body corporate;
- (b) A liability for pecuniary penalty order under section 1317G or a compensation order under section 1317H or 1317HA of the Corporations Act; and
- (c) A liability owed to someone other than EPY or a related body corporate and did not arise out of conduct in good faith.

EPY also carries a Directors and Officers insurance policy. EPY or a related body will not pay a premium for a contract insuring an officer or auditor against a liability arising out of:

- (a) Conduct involving a wilful breach of duty in relation to EPY; or
- (b) A contravention of section 182 or 183 of the Corporations Act.

## 18. Code of Conduct

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The Code was adopted to reflect current business and community expectations.

In summary, the Code requires that at all times Directors and employees act with the integrity, objectivity and in compliance with the letter and spirit of the law and EPY policies.

The Code requires employees who are aware of unethical practices within EPY to report these using the avenues available under the Corporate Governance manual. Employees have direct access to the CEO or, if this would cause a conflict, the Chairperson of the Audit Committee or the Chairperson of the Board.

EPY's Code of Conduct is provided in (**Annexure 4**).

## **19. Dealing in EPY's Securities by Directors and Employees**

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Directors and officers of EPY are prohibited from trading in EPY securities apart from the period of 30 days commencing the day after EPY announces its half-yearly, preliminary final statement and full year results and any other announcement containing guidance as to financial results.

Directors and officers are also subject to the provisions of the Corporations Act relating to conduct by a person in possession of inside information. A person possesses inside information, if they know, or ought to reasonably know, that if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of EPY's securities.

Directors and officers in possession of inside information are prohibited from trading in EPY's securities.

Directors and officers must inform the Chairperson, or in her or his absence the Chairperson of the Audit Committee, of their intention to trade in EPY's securities either by themselves or by an associate. In doing so they must confirm they hold no inside information. If the Chairperson intends to trade, he/she must inform the Chairperson of the Audit Committee. Such notification must be provided at least 24 hours prior to any proposed trade.

The Board is responsible for ensuring that management put in place an education program that makes all employees aware of their legal obligations with respect to insider trading.

EPY's Directors and Employees Share Trading Policy is provided in **(Annexure 5)**.

## **20. Continuous Disclosure and Shareholder Communications**

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The Company Secretary is responsible for communication with the Australian Stock Exchange (ASX). This includes ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing information disclosure to analysts, brokers, shareholders, the media and general public.

All information disclosed to the ASX is posted on EPY's website as soon as practicable after it is disclosed to the ASX.

All material market announcements should be verified by the Chairman prior to release unless time is of the essence. All these announcements must be released to the Board promptly after they have been made.

Any new and substantive investor or analyst presentation should be released on the ASX Market Announcements Platform ahead of the presentation.

EPY announcements, annual and half-year reports and AGM presentations are available on the EPY's website [www.earlypay.com.au](http://www.earlypay.com.au). Set out below are some of the common disclosures which must be notified to the ASX. The Company Secretary should seek advice as to whether the ASX requires notification of other changes which may affect the Company.

| Action Required                                                           | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Notice of material information                                            | <p>Listing Rule 3.1 requires companies to immediately notify the ASX of information that a reasonable person would expect to have a material effect on the price or value of company shares.</p> <p>There are exceptions to this rule.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Notice of specific information                                            | <p>A listed company must immediately notify the ASX of information relating to;</p> <ul style="list-style-type: none"> <li>• A takeover bid</li> <li>• A company buy-back</li> <li>• A reorganisation of capital</li> <li>• A proposed issue of securities</li> <li>• Details of a call to be made on its securities</li> <li>• A conversion of securities</li> <li>• Release of restricted securities or securities subject to escrow</li> <li>• Options and changes to options</li> <li>• The lodging of any disclosure document</li> </ul>                                                                                                                                                                                         |
| Change in Company details                                                 | <p>A listed company must immediately notify the ASX of a change of the Company's;</p> <ul style="list-style-type: none"> <li>• Address</li> <li>• Telephone or fax number</li> <li>• Registered office or principal place of business</li> <li>• Chairperson, director, CEO or secretary</li> <li>• Auditor</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                |
| Registers                                                                 | A listed company must immediately notify the ASX of changes of the address at which its register is kept.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Disclosure of Directors' interests                                        | <p>Appendix 3X – “<i>Notifiable interests of a Director</i>” within 5 days from the date a Director is appointed.</p> <p>Appendix 3Y – “<i>Change to a notifiable interest of a Director</i>” within 5 days from when the change occurred.</p> <p>Appendix 3Z – “<i>Notifiable interests of a Director as of the date the former director ceases to be a director</i>” within 5 days of the Director ceasing to be a Director.</p>                                                                                                                                                                                                                                                                                                    |
| Notification of proposed record date or changes to a proposed record date | Appendix 3A – “ <i>Notification of proposed record date or changes to a proposed record date</i> ” at least 7 days before the proposed record date or changes to a proposed record date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Change to the nature or scale of activities                               | Whenever a Company proposes a change to the nature or scale of activities (either directly or indirectly) the Company must notify the ASX as soon as possible BEFORE making the change.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Annual Financial Report                                                   | <ul style="list-style-type: none"> <li>• Lodge within three months of the company's end of financial year, all annual reports that the Company has to lodge with ASIC – annual financial report, auditor's report and Directors' report.</li> <li>• Lodge 2 copies of the Annual Report sent to Members on the earlier of the day the documents are sent to members or 17 weeks after the Company's end of financial year.</li> <li>• Any non-compliance with reporting requirements.</li> <li>• Appendix 4E – “<i>Preliminary final report</i>” within 2 months of the company's end of financial year.</li> </ul> <p>Appendix 4F if the company changes its balance date so the next annual accounts cover more than 12 months.</p> |
| Financial reporting to members                                            | <p>The annual financial report, auditor's report and Directors' report must be sent to members by the earlier of;</p> <ul style="list-style-type: none"> <li>• 21 days before the AGM</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                               |                                                                                                                                                                                                                                                                                                                               |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | 4 months after the end of the financial year                                                                                                                                                                                                                                                                                  |
| Half-year financial reporting | <ul style="list-style-type: none"> <li>• Lodge within two months of the Company's end of half year, all financial reports that the company has to lodge with ASIC – half-year financial report, auditor's report and Directors' report.</li> <li>• Appendix 4D – lodged with the ASX along with the above reports.</li> </ul> |

The Board's philosophy is to encourage full participation of shareholders at any general meeting to ensure a high level of accountability and identification with EPY's strategy and goals. Important issues are presented to shareholders as single resolutions and in plain English. The meeting is held in Sydney and shareholders can attend in person or send a proxy as their representative or may be held by virtual means as the Board deems appropriate. Where possible, all current directors and senior executives attend the meeting. The external auditor also attends the meeting to answer shareholder questions about the conduct of the audit and the preparation and content of the independent auditor's report.

The CEO and CFO meet with shareholders and analysts from time to time. Presentations to be made to those persons are released to the market via the ASX and published on the Company's website. In addition, the CEO and CFO endeavour to respond to all queries from shareholders and analysts in relation to the Group, provided the information requested is not price sensitive or is already publicly available.

The Chairperson meets with shareholders and proxy advisors to discuss matters relevant to the Group's corporate governance, and issues to be considered at the Annual General Meeting.

Routine shareholder enquiries are dealt with by the Company Secretary.

The Company also communicates with its shareholders via its share registry, Computershare. The registry provides shareholders with the option of receiving communications from and sending communications to it electronically, except in certain limited circumstances, for example, in which an original signature or document must be provided.

The Company does not currently have a standalone Continuous Disclosure Policy however does have practices (as outlined above) in place to ensure the Company meets its Continuous Disclosure obligations. The Company will however adopt one in the coming year. There the Company does not meet this ASX Recommendation in its entirety.

## 21. Diversity Equity & Inclusion Statement

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EPY is a Company that prides itself on the diversity of its workforce. The Company is made up from individuals with various skills, backgrounds, and experiences. EPY is proud of its multicultural team with employees from diverse environments and countries. EPY is committed to fostering, cultivating, and preserving a culture of diversity, equity and inclusion.

We understand the impact of the collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and Company's achievement as well.

We embrace and encourage our employees' differences in age, colour, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

EPY's diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for the diversity.

All employees of EarlyPay have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the work site, and at all other company-sponsored and participative events. All employees are also encouraged to participate and in learning and development opportunities to enhance their knowledge to fulfill this responsibility.

Any employee found to have exhibited any inappropriate conduct or behaviour against others may be subject to disciplinary action.

The group recognises that diversity includes, but is not limited to, gender, gender identity, disabilities, religious beliefs, socio-economic background, age, ethnicity and cultural background. As such, Earlypay has no tolerance for discrimination on the basis of a person's personal attributes as listed above. As a result, Earlypay aims to employ its people solely on the person's suitability for the vacancy.

EPY is committed to fostering gender diversity in its workforce. The following table shows the split of genders throughout the group.

|                       | YE2022    |           |            |
|-----------------------|-----------|-----------|------------|
|                       | Male      | Female    | Total      |
| Board – Non-Executive | 4         | 1         | 5          |
| Executive             | 7         | 2         | 9          |
| Middle Management     | 7         | 7         | 14         |
| All Other Staff       | 38        | 34        | 72         |
| <b>TOTAL</b>          | <b>56</b> | <b>44</b> | <b>100</b> |

By continually monitoring diversity balance the EPY Board aims to ensure continued diversity throughout the Company. The Company recognises that the ASX recommend that ASX Listed Company's establish measurable objectives however the Company is yet to set such objectives given the Company is currently in a growth phase and Board does not believe it is appropriate to establish formal diversity objectives at this stage and therefore, we do not comply with Recommendation 1.5 in its entirety.

Earlypay has submitted reports to the Workplace Gender Equality Agency in accordance with the Workplace Gender Equality Act 2012 ("WGEA").

## 22. Financial Reporting

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The Group are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. The declarations for the half year ended 31 December are received in February, and the declarations for the year ended 30 June are received in September each year.

## 23. Internal Audit

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The Company is in the process of establishing robust internal assurance processes in lieu of a dedicated internal audit program. The Company utilises both external and internal resources to provide an internal control function. The Company is mindful to ensure a suitable level of independence is achieved in this internal control program and reports to the Board, Audit Committee and RM Committee in an objective manner allowing for assurance that key risks are being accurately evaluated and reported.

Each divisional manager reports on risk in the monthly report to the Board and coordination of the internal controls program is undertaken by the CEO and CFO.

An internal controls plan is established and designed to provide a suitable level of assurance to the Audit Committee that internal controls are operating effectively and efficiently.

A number of different approaches are utilised as part of the Internal Controls Review Plan.

These include:

- Utilisation of external audit firms to review specific risks in high-risk areas. Currently Price Waterhouse Coopers audits the finance division processes and financials quarterly. The results of this audit are made available to security holders and financiers via the [earlypay.com.au](http://earlypay.com.au) website and the ASX website.
- Six-monthly accounting sign-offs completed by all accountants.

## **Annexure 1 - Audit Committee Charter**

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The Board of EPY has established an Audit Committee. The purpose for which the Audit Committee has been established and the powers of the Audit Committee are set out in this document.

### **(a) Roles and Objectives**

The primary role of the Audit Committee is to monitor and review, on behalf of the Board, the effectiveness of the control environment of EPY in the areas of operational and balance sheet risk, legal/regulatory compliance and financial reporting.

The overriding objective of the Audit Committee is to provide an independent and objective review of financial and other information prepared by management, in particular that to be provided to members and/or filed with regulators, including:

- (1) Overseeing EPY's discharge of its responsibilities with respect to:
  - The financial statements, financial report and annual report;
  - Legal/regulatory compliance;
  - Protection of capital; and
  - Risk management systems.
- (2) Overseeing EPY's relationship with external auditors; and
- (3) Determining the competence and independence of the external auditors.

The Audit Committee is also responsible for the review of EPY's risk management program as submitted by the RM Committee.

The Audit Committee meets and receives regular reports from its external auditors concerning matters that arise in connection with their audit. The Audit Committee is also responsible for review of performance and nomination of the external auditors.

### **(b) Membership of the Audit Committee**

Unless otherwise determined by the Board, the Committee comprises only NEDs and a minimum of 2 independent Directors. It is intended that a majority of the Committee at any time will be independent Directors such that they are independent of management and free of any conflicts, business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.

The Chair should be an independent Director and not the Chairperson of the Board of Directors. The Board will appoint the Chair of the Audit Committee.

The current members of the Audit Committee are:

- **Chair:** Sue Healy
- **Members:** Geoff Sam, Ilkka Tales and Steve White.

Other NEDs who are not Audit Committee members may attend meetings of the Audit Committee should they wish. The external auditors, the CEO, CFO and other officers of EPY may attend meetings of the Committee by invitation.

All persons appointed to the Audit Committee will be financially literate (able to read and understand financial statements) and have sufficient financial knowledge and understanding to allow them to discharge their responsibilities.

The Board will review the membership and charter of the Audit Committee annually, in accordance with paragraph 6.

### **(c) Administrative matters**

It is intended that the Audit Committee will meet at least 3 times each year, or as often as the Audit Committee members deem necessary in order to fulfil their role and objectives set out in this Charter.

Except as set out in this Charter, the Audit Committee is subject to the Board's general policy for engaging or seeking advice from financial and legal advisers.

The Company Secretary will attend all Audit Committee meetings as minute secretary. All minutes of the Audit Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any Director.

### **(d) Reporting**

It is intended that a report of the actions of the Audit Committee and/or a copy of the minutes of the Audit Committee meeting will be included in the Board papers for the Board meeting next following a meeting of the Audit Committee.

The Chair will, if requested, provide a brief oral report as to any material matters arising out of the Audit Committee meeting. All Directors may, within the Board meeting, request information of members of the Audit Committee.

### **(e) Responsibilities and Functions**

#### **(1) Overview**

The Audit Committee's key responsibilities and functions are to:

- (a) Oversee EPY's relationship with the external auditor (including forming a policy on the provision of non-audit services and the rotation of external auditor personnel on a regular basis) and the external audit function generally;

- (b) Oversee the adequacy of the control processes in place in relation to the preparation of financial statements and reports;
- (c) Oversee the adequacy of the EPY's financial controls and systems; and
- (d) Oversee the process of identification and management of business, financial and commercial risks (other than credit and financial market risk).

## **(2) Audit**

The Committee's specific function on audit is to review and report to the Board that:

- (a) The system of control, which management has established, safeguards the assets of EPY;
- (b) Processes are in place such that accounting records are properly maintained in accordance with statutory requirements; and
- (c) Processes exist to reasonably guarantee that financial information provided to investors and the Board is accurate and reliable.

The following are intended to form part of the normal procedures for the Committee's audit responsibility:

- (a) Recommending to the Board the appointment and removal of the external auditors and reviewing the terms of engagement;
- (b) Approving the audit plan of the external auditors;
- (c) Monitoring the effectiveness and independence of the external auditors;
- (d) Obtaining assurances that the audit is conducted in accordance with the Auditing Standards and all other relevant accounting policies and standards;
- (e) Providing recommendations to the Board as to the role of the internal auditor/internal audit function, if any;
- (f) Reviewing and appraising the quality of audits conducted by EPY's external auditors and confirming their respective authority and responsibilities;
- (g) Monitoring the relationship between management and the external auditors;
- (h) Evaluating the adequacy, effectiveness and appropriateness of EPY's administrative, operating and accounting control systems and policies;
- (i) Reviewing and evaluating controls and processes in place to ensure compliance with approved policies, controls, and with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;

- (j) Overseeing EPY's financial reporting and disclosure processes and the outputs of that process;
- (k) Determining the reliability, integrity and effectiveness of accounting policies and financial reporting and disclosure practices; and
- (l) Reviewing (in consultation with management and external auditors) the appropriateness of the accounting principles adopted by management in the composition and presentation of financial reports and approving all significant accounting policy changes.

### **(3) Risk and Compliance**

The Audit Committee's specific function with respect to risk management is to review and report to the Board that:

- (a) EPY's ongoing risk management program effectively identifies all areas of potential risk;
- (b) Adequate policies and procedures have been designed and implemented to manage identified risks;
- (c) A regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- (d) Proper remedial action is undertaken to redress areas of weakness.

The following are intended to form part of the normal procedures for the Audit Committee's risk responsibility:

- (a) Evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks;
- (b) Evaluating the adequacy and effectiveness of EPY's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors;
- (c) Evaluating the structure and adequacy of EPY's own insurances on an annual basis;
- (d) Reviewing and making recommendations on the strategic direction, objectives and effectiveness of EPY's financial and operational risk management policies;
- (e) Overseeing the establishment and maintenance of processes to ensure that there is:-
  - An adequate system of internal control management of business risks and safeguard of assets; and
  - A review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control;

- (f) Evaluating EPY's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance;
- (g) Reviewing EPY's main corporate governance practices for completeness and accuracy;
- (h) Overseeing the proper evaluation of the adequacy and effectiveness of EPY's legal compliance control systems; and
- (i) Providing recommendations as to the propriety of related party transactions.

**(f) Review**

The Board will, at least once in each year:

- (a) Review the membership and charter of the Audit Committee to determine its adequacy for current circumstances. Where necessary, the Board, upon the recommendation of the Audit Committee may, by resolution, alter the responsibilities, functions or membership of the Audit Committee. The Audit Committee may also recommend to the Board the formal adoption of the revised charter for future operations of the Audit Committee; and
- (b) Oversee the preparation of any report or other disclosures to be included in EPY's annual report or other communications to shareholders relating to the external auditors and EPY's financial statements.

## **Annexure 2 - Nomination & Remuneration Committee Charter**

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### **1. Introduction**

The Nomination and Remuneration Committee (NR Committee) is a committee of the Board of directors of the Earlypay Limited (Company and, together with its controlled entities, the Group).

The Board established the NR Committee under EPY's constitution.

This charter sets out the scope of the NR Committee's responsibilities in relation to the Group.

### **2. Objective**

The objective of the NR Committee is to help the board to achieve its objective to ensure that the Group:

- Oversees the nomination and appointment, and monitor the performance, of Board members and senior management;
- Conducts succession planning;
- Has appropriate remuneration policies and practices to attract, motivate and retain executives and Directors who will create value for shareholders and who are appropriately skilled and diverse;
- Observes those remuneration policies and practices;
- Fairly and responsibly rewards executives having regard to EPY and individual performance;
- Has policies to evaluate the performance of the Board, individual Directors and executives on an annual basis; and
- Integrates human capital and organisational issues into its overall business strategy.

### **3. NR Committee Composition**

The NR Committee must comprise:

- A minimum of 3 directors;
- With a majority being independent Directors, if possible.

Members of the NR Committee are:

- **Chair:** Sue Healy;
- **Members:** Geoff Sam and Steve White.

The NR Committee will vote to appoint its Chairperson:

- The Chair of the NR Committee is to be an independent Director and cannot be the Chairperson of the Board.
- The Chair of the Board can attend committee meetings at the request of the Chair of the NR Committee.

No executive officer of the EPY may participate in deliberations on the NR Committee (whether as a member of the NR Committee or in an ex-officio capacity) where he or she has a personal interest.

#### **4. Nominations – Responsibilities**

The responsibilities of the NR Committee are:

Reviewing and making recommendations to the Board on;

- The termination and appointment of senior management positions and where appropriate make recommendations to the Board;
- Potential nominees for membership of the board including the CEO and recommending approval to appoint;
- Identifying and assessing the necessary and desirable competencies and characteristics for Board membership and assessing the extent to which those competencies and characteristics are represented on the Board;
- Establishing processes for identifying suitable candidates for appointment to the Board and executive team, to ensure an appropriate mix of expertise, experience and succession;
- The implementation and review of succession plans for Board and executives;
- Induction and ongoing training and education programs for the Board members ensuring the directors are adequately informed on the business operations and potential risks, the industry and their legal responsibilities; and
- Any other responsibilities as determined by the NR Committee or the Board from time to time.

#### **5. Performance of Directors – Responsibilities**

The responsibilities of the NR Committee are:

- Annually reviewing the performance of the CEO;
- Establishing processes for evaluating the performance of the Board, both collectively and individually;
- Evaluating the performance of the Board, both collectively and individually;
- Evaluating the performance of directors before they stand for re-election; and
- The recommendation of removal of Directors to the board when appropriate; and
- Any other responsibilities as determined by the NR Committee or the Board from time to time.

Members of the NR Committee must not participate in any review or assessment of their own performance. The Company undertook Performance reviews for each of the Board, Committees, individual directors and Senior Executives.

## 6. Remuneration Policies and Practices

Executive remuneration and incentive policies and practices must be performance-based and aligned with EPY's vision, values and overall business objectives.

Executive remuneration and incentive policies and practices must be designed to:

- Motivate the Directors and executives to pursue the EPY's long term growth and success; and
- Demonstrate a clear relationship between the EPY's overall performance and the performance of executives.

### *Guidelines for Executive Remuneration*

**Composition:** remuneration packages for executive directors and other senior executives should include an appropriate balance of fixed remuneration and performance-based remuneration.

**Fixed remuneration:** should be reasonable and fair; taking into account the Company's obligations at law and labour market conditions and should be relative to the scale of the Company's business. It should reflect core performance requirements and expectations.

**Performance-based remuneration:** should be linked to clearly specified performance targets. These targets should be aligned to the Company's short and long-term performance objectives and should be appropriate to its circumstances, goals and risk appetite.

**Equity-based remuneration:** well-designed equity-based remuneration, including options or performance rights, can be an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's longer-term performance objectives. Care needs to be taken in the design of equity-based remuneration schemes, however, to ensure that they do not lead to "short termism" on the part of senior executives or the taking of undue risks.

**Termination payments:** termination payment, if any, for senior executives, should be agreed in advance and the agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.

To the extent that the Company adopts an approach to executive remuneration that is not in accordance with the guidelines outline.

## 7. Remuneration – Responsibilities

The responsibilities of the NR Committee are:

- Reviewing the remuneration of NEDs and the Chair and any fees payable for membership of Board Committees;
- Reviewing and approving remuneration of the CEO including incentive policies and practices on at least an annual basis;
- Determining if shareholder approval is needed for any change to remuneration of Directors or executives;
- Reviewing and approving, on the recommendation of the CEO the total remuneration and terms of employment, and any subsequent changes thereto, of direct reports of the CEO;

- Reviewing and approving on behalf of the Board any report on executive remuneration that may be required and reporting to the Board as appropriate;
- Reviewing and approving the design and total proposed payments from any executive incentive plan;
- Reviewing and approving the proposed award to each executive under the rules of any incentive plan;
- Reviewing, approving and monitoring the performance hurdles for any equity-based plan;
- Recommending to the Board the remuneration, retirement and termination policies for NEDs having regard to market trends and shareholder interests; and
- Any other responsibilities as determined by the NR Committee or the Board from time to time.

## **8. NR Committee Meetings**

- The Board decides appointments, rotations & resignations within the NR Committee having regard to the ASX Listing Rules, the Corporations Act 2001 (Cth) and the EPY's constitution.
- The NR Committee will meet at least 3 times each, or however many times is deemed necessary to fulfil its obligations.
- The quorum for a NR Committee meeting is two NR Committee members.
- The NR Committee may invite anyone it considers appropriate to attend NR Committee meetings.
- The NR Committee must keep minutes of its meetings and shall report these regularly to the Board.

## **9. Access to Information and Independent Advice**

The NR Committee may seek any information it considers necessary to fulfil its responsibilities. Approval for any expenditure is to be provided by the Chairperson of the Board.

- The NR Committee has access to management to seek explanations and information from management, at the EPY's cost.
- The NR Committee may seek professional advice from appropriate external advisers with the approval of the board at the EPY's cost. The NR Committee may meet with external advisers without management being present.

## **10. Review and Changes to this Charter**

The NR Committee will review this charter annually or as often as it considers necessary.

## **Annexure 3 – Risk Management Committee Charter**

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### **(a) Risk Profile & Management of Risks**

Risk is an inherent part of EPY's business. EPY is in a highly competitive market sector.

EPY regards business risks as threats to the achievement of EPY's objectives and goals and to the successful execution of its strategies.

The main risks faced by EPY are:

- (1) Loss of key personnel and management;
- (2) Fraud within the finance and equipment finance business;
- (3) Failure of business of EPY's customers;
- (4) Unforeseen expenditure risk;
- (5) Downturn in the market;
- (6) Reputation of the EPY brand name; and
- (7) Exposure to changes in corporate regulations.

### **(b) Risk Oversight - The Risk Management Committee and the Board**

The RM Committee reviews and the Board approves:

- (1) EPY's risk management strategy and policy as prepared by management;
- (2) EPY's risk management framework, including key policies and procedures, including any changes to the risk management framework or any key risk policies and procedures; and
- (3) Compliance with the endorsed risk management framework through monthly reporting to the Board.

Authority may be delegated to management where appropriate.

The RM Committee regularly reviews business risks applicable to the business and ongoing operations. Additionally, the RM Committee considers risk profiles as part of the annual strategy review and budget planning review. The company's insurance coverage is formally reviewed annually with the company's insurers to ensure adequate coverage of risk areas.

As part of the monitoring process, the RM Committee is provided with monthly management reports, documenting as applicable:

- (1) Reports on exposures, non-compliance with key policies and general effectiveness of risk management systems, when necessary;
- (2) Results of independent reviews of the control environment; and
- (3) Other management information.

### **(c) Risk Management**

The Board has also delegated various authorities to the Non-Executive Chairperson and the CFO to enable the setting of the policy and procedures to assist with the management of EPY's risk profile. The management of operational risk and the implementation of mitigation measures is the responsibility of management.

The risk management and internal control systems within EPY encompass all policies, processes, practices and procedures established by management and/or the Board to provide reasonable assurance that:

- (1) Established corporate and business strategies and objectives are achieved;
- (2) Risk exposure is identified and adequately monitored and managed;
- (3) Resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out EPY's business;
- (4) Significant financial, managerial and operating information is accurate, relevant, timely and reliable; and
- (5) There is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.
- (6) Ensure the procedures concerning key areas of risk are proactively reviewed and updated.'

The RM Committee reviews how senior management:

- (1) Delegate approvals required under the risk management framework;
- (2) Report risk management including operational issues, operational losses;
- (3) Monitor operational control weaknesses and breakdowns, including fraud;
- (4) Monitor due diligence conducted for appointment and ongoing monitoring of outsourced arrangements; and
- (5) Perform in self-assessment reviews and their monitoring of results of workshops for other employees.

#### **(d) Risk Management Committee**

The Company has a risk management program that is reviewed by the RM Committee and approved by the Board. The program is designed to ensure risks (strategic, operational, legal, reputational and financial) are identified, assessed, addressed and monitored to enable the Company to achieve its business objectives.

The Company's risk management program is managed by the CEO and the CFO. The Board receives regular monthly reports on progress in addressing the risks. The RM Committee has the right to appoint external professional advisers to carry out regular investigations into control mechanisms and report their findings, including recommendations for improvement to controls, processes and procedures, to the Audit Committee.

Unless otherwise determined by the Board, the RM Committee comprises a minimum of three Directors with at least two members being NEDs.

Members of the RM Committee are:

- **Chair:** Ilkka Tales
- **Members:** Greg Riley, Sue Healy and Steve White

The Company Secretary is to provide administrative support.

## **Annexure 4 – Code of Conduct**

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EPY is committed to the highest standards of business conduct. It is important that all of us at EPY observe the highest standards of ethics, integrity and behavior. This Code of Conduct outlines the standards of behavior everyone at EPY including Directors, employees, consultants and contractors, must meet. A more detailed business conduct policy is contained in the company's Employee Handbook.

### **(a) Business and Personal Conduct**

- (1) We always act with honesty and integrity.
- (2) We avoid conflicts of interest.
- (3) We protect confidential and proprietary information.
- (4) We treat others equitably and with courtesy, trust, dignity, respect and fairness.

### **(b) Adherence to the Law**

As part of the company's commitment to being a good corporate citizen, everyone at EPY complies with all legislation and codes that govern its business.

- (1) We are committed to implementing any directives of the company which aid it in complying with legal requirements.
- (2) If we become aware of any potential or actual breaches of a law by the company, we will report it to our managers immediately.

### **(c) Privacy**

EPY takes privacy very seriously.

- We will all comply with the company's Privacy Policy, which is set out in the Company's Operations Manual.

### **(d) Conflicts of Interest**

We will avoid circumstances that could compromise our ability to act with objectivity and exercise independent judgment.

- (1) We will not have a direct or indirect personal financial interest in any business transaction involving the Company or competing with the Company without disclosing it and obtaining an appropriate level of approval.
- (2) We will not direct or divert business away from the Company to any other party.
- (3) We will take care that relationships we may form with people while conducting business on the Company's behalf do not lead to a situation in which impartiality or allegiances could be or appear to be compromised.
- (4) We will make sure that all transactions with all suppliers, customers and others doing business with EPY are conducted in a completely transparent and arm's length manner without favour or preference based upon any personal considerations.

#### **(e) Ethical Standards**

EPY is committed to fostering a climate of ethical behavior and business practice. Key issues which we will consider when making any decision on the company's behalf are:

- (1) Is it the right thing to do?
- (2) Is the decision or contemplated business conduct lawful?
- (3) Is it consistent with company policy?
- (4) What will be the outcome for the company, shareholders, colleagues and other stakeholders?
- (5) Does a conflict of interest arise?
- (6) Is the decision one that would stand public examination and scrutiny?

#### **(f) Gratuities**

- (1) We do not accept any substantial gifts such as trips away, anything which put us in a position of significant financial gain, or an item worth a significant amount of money, e.g. cameras, laptops, mobile phone and so on, in the course of conducting business on the company's behalf.

#### **(g) Confidentiality**

- (1) We will not disclose or use any confidential information that we obtain, unless we have been authorised to do so.

#### **(h) Health, Safety and the Environment**

- (1) The safety of all our people is of paramount concern to all of us at EPY and we will do all we can to maintain a safe working environment.
- (2) We will always have regard to matters of Health & Safety and observe all relevant law and regulations, and apply responsible standards.
- (3) If we become aware of any potential threat to anyone's Health & Safety, we will report it immediately.
- (4) We will always act in an environmentally responsible way.

#### **(i) Internal Controls**

- (1) We will not approve or make any payment on the company's behalf except in accordance with board-approved delegations, or with the intention that it is to be used or applied for a purpose other than what appears in the documents supporting the payment.
- (2) We will not establish undisclosed or unrecorded funds or assets for any purpose.
- (3) We will not make false or misleading entries in any books or records of the Company.

**(j) Harassment and Discrimination**

(1) We are committed to providing all employees with a harmonious equal opportunity working environment free of harassment or discrimination.

(2) Any one breaking this code will be subject to disciplinary action which may, depending on the circumstances, include dismissal proceedings.

## **Annexure 5 – Directors and Employees Share Trading Policy**

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### **(a) Introduction**

- (1) This policy:
  - (a) Outlines when trading in EPY's securities by Directors, officers and employees is permitted; and
  - (b) Sets out procedures to reduce the risk of insider trading.
- (2) A person undertakes insider trading if that person trades in a Company's shares while possessing information about the company that is:
  - (a) Not generally available; and
  - (b) Price sensitive.
- (3) The prohibition against insider trading applies to:
  - (a) Direct trading in a company's shares;
  - (b) Procuring another person to trade in a company's shares; and
  - (c) Communicating (tipping) price sensitive information to another person who is likely to trade in a company's shares.
- (4) Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. EPY may also be liable if an employee or Director engages in insider trading.

### **(b) Definitions**

**Dealing** includes any sale or purchase of any securities (including shares) and the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation to acquire or dispose of securities.

**Employee** means any person employed as EPY, whether as an employee, contractor or consultant, who is not a Director or an officer.

**Earlypay's Securities** mean any securities of EPY and any securities or derivatives or other financial products issued or created over the company's securities by third parties.

**Officer** has the meaning given to that term in section 9 of the *Corporations Act 2001*.

**Unpublished price sensitive information** means information that:

- (1) Is not generally available; and
- (2) If it were generally available, a reasonable person would expect it to have a material effect on the price or value of any securities (that is, the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities).

### **(c) When a Director or Officer can deal**

A Director or Officer may only deal in EPY's securities:

- (1) During the 30 days immediately following (i.e. not including the day of) announcement to ASX of the listing of the company's shares, EPY's half-yearly and quarterly reports, preliminary final statement and full year results and any other announcement containing guidance as to financial results;
- (2) During the 30 days immediately following (i.e. not including the day of) the AGM. The Company Secretary will notify staff and Board members of each trading window; and
- (3) At other times with the prior permission of the Chairperson of EPY.

### **(d) When an Employee can deal**

An employee may only deal in EPY's securities:

- (1) During the 30 days immediately following (i.e. not including the day of) announcement to ASX of the listing of the company's shares, EPY's half-yearly and quarterly reports, preliminary final statement and full year results and any other announcement containing guidance as to financial results;
- (2) During the 30 days immediately following (i.e. not including the day of) the AGM. The Company Secretary will notify staff and Board members of each trading window; and
- (3) At other times with the prior permission of the CEO or CFO of EPY.

### **(e) When a Director, Officer or Employee can't deal**

A Director, Officer, or an employee must not ever deal in EPY's securities when he or she:

- (1) Is in possession of information that he or she knows or ought reasonably to know is unpublished price sensitive information in relation to those securities;
- (2) Has not been given permission to deal under **paragraph (g)**.
- (3) The Chairperson will inform the Board when Directors and/or employees should not deal within a normal trading window.

### **(f) Telling Others**

A Director, Officer, or employee must not communicate unpublished price sensitive information in relation to EPY's securities if the employee knows, or ought reasonably to know, that the other person would subscribe for, sell, purchase, or agree to subscribe for, sell or purchase EPY's securities.

### **(g) Notification and Permission from the Board**

- (1) Directors and officers must inform the Chairperson, or in her or his absence the Chairperson of the Audit Committee, of their intention to trade in EPY's securities, including indicative volumes, either by themselves or by an associate. In doing so they must confirm they hold no inside information. If the Chairperson intends to trade,

he/she must inform the Chair if the Audit Committee. Such notification must be provided at least 24 hours prior to any proposed trade.

If the advice is a “sell” advice, the Director must notify other Directors so a ‘sell/buy’ can be arranged if possible.

(2) EPY must maintain a written record of all advice received from a Director or Officer, and clearances given, under this policy.

(3) The Directors of the Company are required to provide to the Company Secretary all of the information necessary for the completion of Appendix 3Y (Change of Director's Interest) forms as soon as practicable after the dealing they have undertaken has taken place so that they can be filed with the ASX for the purposes of Section 205G of the Corporations Act and Listing Rule 3.19A. The Company is obliged to file 3Y forms within five business days of any dealing by a Director.

#### **(h) Dealings by Associated Persons and Investment Managers**

(1) If a Director, Officer or employee is prohibited from dealing in EPY's securities, that Director, Officer or employee must (so far as is consistent with his or her duties of confidentiality to EPY) prohibit any dealing in EPY's securities by:

(a) Any person associated with him or her (including that Director, Officer or employee's family, nominee companies, companies and family trusts); or

(b) An investment manager on his or her behalf or on behalf of any person connected with him or her.

(2) For the purposes of paragraph 8.1, a Director, Officer, or employee must advise all associated persons and investment managers:

(a) Of the periods during which they can deal in EPY's securities;

(b) Of the periods during which the Director, Officer or employee knows he or she is not free to deal in EPY's securities under this policy, (unless his or her duties of confidentiality to EPY prohibit him or her from disclosing those periods); and

(c) To notify him or her immediately after they have dealt in EPY's securities.

#### **(i) Prohibition on Short-Term Trading**

A Director, Officer or employees must not deal in any securities of the Company on considerations of a short-term trading nature. {Short-Term being both buying and selling within 30 days}

#### **(j) Special Approval to deal during the Non-Trading Period**

If there are exceptional circumstances, for example a pressing financial commitment, then approval may be given by:

(1) The Chairperson, in his or her discretion, to a Director or Officer to deal outside of the periods set out in paragraph 3;

(2) The Chairperson of the Audit Committee, in his or her discretion, to the Chairperson to deal outside of the periods set out in paragraph 3; and

(3) Any such approval must be obtained in advance. It cannot be given after the event.

**(k) Actions should a Breach occur**

Should a breach of the Trading Policy occur, the Board will convene within 24 hours of notification and decide the action that should be taken with respect to:-

(1) Informing ASIC and the ASX. When the 3Y is submitted the Board may wish to include commentary about corrective and or disciplinary action taken:

(2) Corrective and/or disciplinary action which may include:

- (a) If the trade is a disposal, require the seller to donate any profit to a charity of the Board's choice;
- (b) If the trade is an acquisition, require the buyer to sell at the first opportunity and donate any profit to a charity of the Board's choice; and
- (c) Other action the Board deems appropriate or that employment contracts require.

**(j) Market Manipulation**

The Corporations Act carries severe criminal and civil penalties for anybody attempting to manipulate the market for a Company's securities.

For a small Company like Earlypay, market manipulation and/or perceptions of market manipulation are a real danger.

Therefore it is prohibited for any person to:

- (a) Engage in buying or selling securities for the purpose of either setting an artificial price or maintaining an artificial price for a security.
- (b) Create a false impression of trading activity by buying and selling at essentially the same price or making arrangements with others to buy and sell at essentially the same price.
- (c) Enter into false trading arrangements designed to maintain or manipulate the market price of securities.

## **Annexure 6 – Investor Communications**

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### **1) Purpose**

Earlypay has adopted this Shareholder Communication Policy (Policy) to ensure that shareholders are informed in a timely and readily accessible manner of all major developments affecting the Company.

The purpose of this policy is to promote effective communication with shareholders and to encourage and facilitate participation at the Company's general meetings and deal promptly with the enquiries of shareholders.

### **2) Methods of communication**

Information is provided to shareholders through, but is not limited to:

- a. the Company's annual and half-yearly reports;
- b. market releases to the Australian Securities Exchange (ASX) in accordance with continuous disclosure obligations;
- c. the investor relations section of the Company's website; and
- d. the annual general meeting

The Company encourages shareholders to receive company information electronically by registering their email address online with the Company's share registry.

### **3) ASX releases**

The Company will make announcements to ASX in a timely manner in accordance with the ASX Listing Rules (see also the Company's Continuous Disclosure Policy).

All announcements made to ASX are available to shareholders under:

- a) the investor relations section of the Company's website; and
- b) the company announcements section of the ASX website.

### **4) Website**

The investor relations section of the Company's website is the primary medium of providing information to all shareholders.

The investor relations section of the Company's website will contain information relevant to shareholders and stakeholders, including statements lodged with the ASX by the Company (including all financial results, annual reports and press releases), board and board committee charters and corporate governance policies and other material relevant to shareholders.

### **5) Annual General Meeting (AGM)**

The AGM provides an important opportunity for the Company to provide information to its shareholders and a reasonable opportunity for informed shareholder participation. At the AGM, shareholders can express their views to the Board and vote on the Board's proposals.

All shareholders are encouraged to attend the AGM.

The date, time and location of the AGM will be provided in the notice of meeting, in the annual report and on the Company's website.

The notice of meeting and proxy form will be distributed to all shareholders prior to the AGM in the timeframe set by the Corporations Act, and will be available on the Company's website.

The Company's auditor will attend its AGM and will be available to answer any questions regarding the conduct of and any issues arising from the audit or the preparation and content of the auditor's report.

## **6) Analysts and institutional investors**

The Company may conduct briefings for analysts and institutional investors from time to time to discuss matters concerning the Company. The Company's policy in relation to such briefings is that:

- (a) Only the Chief Executive Officer, the Chief Financial Officer or other representative of the Company approved by the Board will be authorised to speak to analysts and institutional investors;
- (b) the Company will not comment on price sensitive issues not already disclosed to the market; and
- (c) any questions raised in relation to price sensitive issues not already disclosed to the market will not be answered or will be taken on notice. If a question is taken on notice and the answer would involve the release of price sensitive information, the information must be released through ASX before responding.

## **7) General**

**Annual report:** Unless shareholders have elected to have a hardcopy of the annual report mailed to them, the annual report (or a link where it can be downloaded) will be emailed to shareholders (to the email address recorded on the Company's share register) prior to the AGM within the timeframe set by the Corporations Act.

**Half-year and full year results:** The half-year and full-year results are announced to the ASX pursuant to the ASX Listing Rules and are available to shareholders in the same manner as other ASX announcements.

**Share registry:** Shareholders with any questions related to their shareholding should contact the Company's share registry, Computershare Investor Services Pty Limited, Ph. 1300 850 505, website: <https://www.computershare.com/au>.

## **Voting at General Meetings of Shareholders**

Earlypay has always had resolutions decided by a poll rather than a show of hands at Shareholder Meetings. This policy will continue.

## **Annexure 7 – Privacy Policy**

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We are bound by the Privacy Act and will protect your personal information in accordance with the Australian Privacy Principles. These principles govern how we can collect, use, hold and disclose your personal information.

This is a summary of our Privacy Policy.

### **a) What kinds of personal information do we collect and hold?**

When you apply for our products or services, we collect information that is necessary to be able to provide you with those products or services. For instance, we may ask for identification information such as your name, address and date of birth.

### **b) Why do we collect, hold, use and disclose personal information?**

The main reason we collect, use, hold and disclose personal information is so we can provide you with products and services. This may include:

- (1) Checking your eligibility for the product or service
- (2) Providing you with the product or service; and
- (3) Helping you manage the product or service.

### **c) How do we collect personal information?**

We collect most personal information directly from you. We may also collect information from you electronically; for instance, when you visit our website.

Sometimes we collect personal information about you from other people. For instance, from other Earlypay companies or from publicly available sources of information.

### **d) How do we hold personal information?**

Much of the personal information we hold will be stored electronically in secure EPY-owned data centres. These data centres are located in Australia. We use a range of security measures to protect the personal information we hold.

### **e) Who do we disclose your personal information to, and why?**

We may share your personal information with other EPY companies. Sometimes we may disclose your personal information to organisations outside the EPY. For example, service providers such as mailing houses, insurers, and credit reporting bodies.

**f) Do we disclose personal information overseas?**

We may disclose your personal information to recipients located outside Australia. These entities may include:

- (1) EPY Companies
- (2) EPY service providers; and
- (3) Partner organisations.

**g) Do we use or disclose personal information for marketing?**

We will use your personal information to offer you products and services that we believe may interest you. We will not do this if you tell us not to.

Unless you tell us not to, we will disclose your personal information to companies within the EPY so they can market their products and services to you. We may also disclose your personal information to companies outside the EPY who assist us to market our products and services.

If you don't want to receive marketing offers from us please contact us on the details listed at 'Contact us'.

**h) Access to and correction of personal information**

You can request access to the personal information we hold about you. You can also ask for corrections to be made. To do so, please contact us on the details listed at 'Contact us'.

**i) Resolving your privacy concerns and complaints – your rights**

If you are concerned about how your personal information is being handled or if you would like to make a complaint, please contact us on the details listed at 'Contact us'.

If you are unhappy with our response, there are other bodies you can go to.

The Financial Ombudsman Service (FOS) can consider most complaints about your credit information involving providers of financial services.

FOS can be contacted at:-  
Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Phone: 1300 78 08 08  
[www.fos.org.au](http://www.fos.org.au)

Under the Privacy Act you may complain to the Office of the Australian Information Commissioner about the way we handle your credit information.

The Commissioner can be contacted at:-

GPO Box 5218

Sydney NSW 2001

Phone: 1300 363 992

Email: [enquiries@oaic.gov.au](mailto:enquiries@oaic.gov.au)

[www.oaic.gov.au](http://www.oaic.gov.au)

You can contact Earlypay at:-

Level 11, 201 Miller St

North Sydney NSW 2060

Ph. 1300 666177

Email: [admin@earlypay.com.au](mailto:admin@earlypay.com.au)

## **Annexure 8 – Anti Bribery and Corruption Policy**

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### **1. Introduction**

Earlypay is committed to maintaining a high standard of integrity, investor confidence and good corporate governance including having a leadership role in setting and articulating corporate governance standards in Australia.

Our Anti-Bribery and Corruption Policy (Policy) forms part of Earlypay's risk management framework, which includes Earlypay's Risk Management Policy and other associated risk and compliance policies.

This Policy is a critical component of Earlypay's delivery on its strategic goal of enduring trust, integrity and resilience and outlines Earlypay's requirements regarding the management of gifts and benefits, which protects you and your reputation and minimises potential negative consequences for you and Earlypay.

This Policy is also underpinned by the Earlypay values

Under the Policy you must:

- not give or accept gifts and/or benefits that will compromise, or appear to compromise, your integrity and objectivity in performing your duties
- not give or accept gifts and/or benefits that cause, or appear to cause a conflict of interest
- record gifts or benefits worth \$100 or more in the Gift and Entertainment Register
- record in the Gift and Entertainment Register where a gift or benefit provided on behalf of Earlypay is in excess of \$100
- decline gifts and/or benefits worth \$400 or more (unless an exception applies).

### **2. Scope**

This Policy applies to anyone who is employed by or works at Earlypay, including employees (whether permanent, fixed term or temporary), contractors, consultants, secondees and directors wherever located (collectively referred to as employees in this Policy).

Third party means any individual or organisation you come into contact with during the course of your work, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

### **3. What is Bribery and Corruption?**

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages. Corruption is the abuse of entrusted power for private gain.

### **4. Policy**

#### **4.1 Bribes**

Earlypay employees are not permitted to give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.

#### **4.2 Gifts and Hospitality**

Employees must declare all gifts and benefits, valued at \$100 or more, in the Gift and Entertainment Register.

Any gift to or from a government employee or representative must be approved beforehand by the line manager and recorded in the Gift Register.

Employees are also expected to decline (or avoid accepting) gifts and benefits which are valued at \$400 or more, with the exceptions being:

- work related conferences
- invitations to speak at a professional association (including flights and accommodation)
- working lunches
- where it is part of an Earlypay sponsorship deal

#### **4.3 Approval process for gifts and benefits**

- Employees should, where possible, discuss with their manager the fact that they have been offered a gift / benefit before accepting it, in order to determine the appropriate action.
- Employees are required to enter any gift / benefit in the Gift and Entertainment Register within 5 working days of receiving or being offered the gift / benefit.
- Managers need to action any gifts and benefits reported to them within 5 working days of receiving the disclosure from the employee. Noting that gifts / benefits should not be accepted on a re-occurring basis or broken down into parts of less than \$100.

#### **4.4 Acceptable gift and entertainment expenditure**

Gifts and genuine hospitality and entertainment expenditure that is reasonable and proportionate is allowable provided it complies with the following:

- made for the right reason – it should be clearly given as an act of appreciation or common courtesy associated with standard business practice
- no obligation – it does not place the recipient under any obligation

- no expectation – expectations are not created by the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction
- made openly – if made secretly and undocumented then the purpose will be open to question
- reasonable value – its size is small and in accordance with general business practice
- appropriate – its nature is appropriate to the relationship
- at “arm’s length” – all transactions / gifts should be at an “arm’s length” basis with no special favours and no special arrangements
- legal – it complies with relevant laws
- documented – the expense or gift, if valued at \$100 or more , is fully documented in the Gift and Entertainment Register

#### **4.5 Some examples of acceptable gifts and/or benefits:**

- token gifts / benefits where offered in business situations or to all participants and attendees (e.g. work related seminars, conferences, trade and business events and would include items such as a pen, cap, stationery, coffee mug, stress ball, mouse pad, corporate umbrellas and memory sticks)
- a gift / benefit for presenting at a work related conference, seminar, and / or business event
- a ceremonial gift from another organisation on behalf of the Earlypay. Please note that ceremonial gifts belong to the Earlypay and, as such, you must declare and report the item on the Gifts and Entertainment Register and arrange to display the item in the Earlypay where appropriate
- a gift / benefit given in gratitude when hosting business events or overseas delegations only where refusal would be unreasonable and unnecessarily offensive
- light refreshments (e.g. tea, coffee, water, juice) or a modest meal during a meeting or as a participant of a working group

#### **4.6 These circumstances are never acceptable:**

- gifts in the form of cash and / or cash equivalent vouchers or gift certificates
- “quid pro quo” (a benefit or advantage offered for something in return)
- making incomplete, false or inaccurate entries in the Earlypay’s books and records, e.g. Gift and Entertainment Register

#### **4.7 Facilitation Payments**

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, e.g. Processing papers, issuing permits and other actions of an official in order to expedite performance of duties of a non-discretionary nature (i.e. which they are already bound to perform).

The payment or other inducement is not intended to influence the outcome of the official’s action, only its timing. Facilitation payments, whether legal or not in a country, are prohibited under this Policy.

#### **4.8 Charitable Contributions**

Charitable support and donations are acceptable (and indeed are encouraged via Earlypay in the Community), whether of in-kind services, knowledge, time, or direct financial contributions.

However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery.

Earlypay can only make charitable donations that are legal and ethical under local laws and practices. In Australia, this means that an organisation must have deductible gift recipient status with the Australian Taxation Office. This status makes the organisation entitled to receive income tax deductible gifts and deductible contributions.

No donation must be offered or made on behalf of Earlypay without the prior approval of the CEO.

### **5. Your Responsibilities**

You must ensure that you read, understand and comply with this Policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Earlypay or under its control. All employees are required to avoid any activity that might lead to, or suggest a breach of this Policy. You must notify your manager and / or Enterprise Compliance as soon as possible if you believe or suspect that a conflict with, or breach of, this Policy has occurred, or may occur in the future.

Any employee who breaches this Policy will face disciplinary action, up to and including in termination of employment or engagement. Remember, a bribe does not actually have to take place – just promising to give a bribe or agreeing to receive a bribe is an offence.

### **6. Record-Keeping**

We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. You must declare and enter in the Gifts and Entertainment Register within 5 business days.

This Register may be subject to managerial review and internal and external audit. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should

be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

Noting it is an offence under the Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Act 2016 for a person to make, alter, destroy or conceal an accounting document (including being reckless in their conduct which allowed such an act) to facilitate, conceal or disguise the corrupt conduct.

## **7. Exceptions**

Any gifts and entertainment above \$400 may only be provided by the CEO and for the CEO, must be approved by the Chairman and must be disclosed in the Register.

## **8. How to Raise a Concern**

Under the Code of Conduct, all Earlypay employees have a responsibility to help detect, prevent and report instances of bribery and corruption as well as any other suspicious activity or wrongdoing in connection with Earlypay's business. Earlypay is committed to ensuring that all employees have a safe, reliable and confidential way of reporting any suspicious activity.

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage with your manager. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries or concerns, these should be raised with your manager and/or Enterprise Compliance.

If you are not comfortable, for any reason, with speaking directly to your manager, Earlypay has a Whistle-blower Protection Policy which affords certain protections against reprisal, harassment, or demotion for making the report.

## **9. Monitoring and Review**

Regular reviews of the Register enable the identification and management of any emerging risks, e.g. if a particular company is presenting a significant number of gifts to various employees or if companies are offering frequent and substantial hospitality to employees, e.g. dinners, seats at sporting events, access to corporate boxes at sporting or cultural venues, upgrades on flights, theatre tickets etc.

Internal control systems and procedures will be subject to regular audits and reviews to provide assurance that they are effective in countering bribery and corruption. There may also be independent reviews undertaken from time to time by External Audit.

## **Annexure 9 – Whistle-blower Policy**

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### **1 WHISTLEBLOWER POLICY**

#### **1.1 INTRODUCTION**

The new Whistle-blower regime commenced on 1 July 2019 and we are required to have a relevant policy in place by 1 January 2020.

This policy applies to Earlypay Ltd, Cashflow Finance Australia Pty Ltd, Classic Funding Group Pty Ltd and their associated related bodies corporate. A reference to “Company” or “Company Group” in this policy means any of these companies and related entities.

The new Whistle-blower regime provides that a person (Whistle-blower) can make disclosure, anonymously if they choose, regarding any wrongdoing (Disclosable Matter) and can (in certain circumstances) be protected under the Corporations Act against:

- (i) loss of anonymity;
- (ii) loss of confidentiality; or
- (iii) any detriment.

In addition, on 13 November 2019, ASIC released Regulatory Guide 270 – Whistle-blower Policies, setting out comprehensive requirements and guidance on the content of whistle-blower policies.

The Company, its officers and other senior people within the Company have obligations under the Corporations Act if they receive a report from a Whistle-blower. This policy has been adopted as an important tool for helping the Company to identify wrongdoing that may not otherwise be uncovered unless there is a safe and secure means for disclosing such wrongdoing.

The Company seeks to conduct its business within the law and with integrity and honesty. In particular, the Company seeks to avoid engaging in conduct that, amongst other matters:

- (i) is an offence under the Corporations Act 2001 (Cth);
- (ii) is an offence against any Commonwealth law; or
- (iii) represents a danger to the public.

Whistle-blowers are encouraged to report any wrongdoing by the Company or its employees. However, we recognise that Whistle-blowers may not always feel comfortable about discussing concerns internally — especially if the Whistle-blower believes that the Company or its officers or employees are responsible for the wrongdoing.

This policy covers a situation where there is misconduct or an improper state of affairs or circumstances in relation to the Company and can include a matter where the

discloser has reasonable grounds to suspect the Company, an officer or employee of the Company, has engaged in Improper Conduct.

A potential discloser can obtain further information with respect to this policy from the Eligible Recipient and, if uncertain, should seek independent legal advice.

The meanings of relevant defined terms are set out in Schedule 1 at the back of this Policy.

## **1.2 AIMS OF THIS POLICY**

The aim of this Policy is to ensure:

- Whistle-blowers feel confident that they can raise any serious matter;
- Whistle-blowers know that if they make a report, then it will be taken seriously and treated as confidential (with certain exclusions);
- Whistle-blowers know that if they report Improper Conduct, their identity will be protected (with certain exclusions);
- Whistle-blowers know no detrimental action will be taken against them as a result;
- the Company meets its legal and regulatory obligations; and
- the Company aligns its internal policies with the ASX Corporate Governance Principles and Recommendations.

In addition to those matters set out above, the purpose of this Policy is to ensure that:

- people are encouraged to report Disclosable Matters and Improper Conduct;
- people feel safe and protected if they report Disclosable Matters and Improper Conduct and that such reports are dealt with appropriately and in a timely manner;
- there is transparency around the Company's framework for receiving, handling and investigating disclosures;
- the Company's values, code of conduct and corporate governance policies and procedures are supported;
- the long-term sustainability and reputation of the Company is supported; and
- any serious wrongdoing within the Company is stopped and does not recur.
- The Whistle-blower is protected (e.g. ongoing employment, status, reputation and well-being).
- The Whistle-blower should not be disadvantaged by Whistle-blower activity. Whistle-blowers are encouraged to use the procedure set out below if they:
- seek to report (verbal, written, electronic communication or otherwise) about a Disclosable Matter or Improper Conduct; or
- have concerns about wrongdoing at work.

### **1.3 PROTECTIONS UNDER THE ACT AND POLICY**

Once a valid Whistle-blower Report is made to the Eligible Recipient (or Next Eligible Recipient) by an Eligible Whistle-blower, the Whistle-blower is entitled under the Whistle-blower Act to identity protection, protection from detrimental acts or omissions, compensation and remedies and may, subject to applicable law, be entitled to civil, criminal and administrative protection.

References in this policy to “discloser” is to an Eligible Whistle-blower and references to “disclosure” are to a valid Whistle-blower Report except where the context otherwise requires.

### **1.4 WHO SHOULD USE THIS PROCEDURE?**

Any person who works with the Company, or for the Company (i.e. an Eligible Whistle-blower), should use this Procedure.

An Eligible Whistle-blower is a person who:

- is employed directly by the Company; or
- works for the Company via an employment agency; or
- works for the Company in the capacity of suppliers of goods and services (whether paid or unpaid), including their employees (e.g. contractors, consultants, service providers and business partners); or
- is an Officer of the Company; or
- is an associate of the Company; or
- is a relative, dependent or spouse of an individual mentioned above.

### **1.5 SUBJECT MATTER OF DISCLOSURES UNDER THIS POLICY**

Whistle-blowers are encouraged to disclose a Disclosable Matter which leads the Whistle-blower to believe that malpractice is occurring, may occur, or has occurred.

In particular, Whistle-blowers should disclose the occurrence or likely occurrence of any of the following:

- the commission of a criminal offence;
- any failure to comply with a legal obligation or regulatory requirement applicable to the business;
- any risk to health and safety that has not been dealt with properly; and
- the concealment of information that reveals a Disclosable Matter or Improper Conduct.

Disclosures (for example, personal work-related grievances that do not relate to detriment or threat of detriment to the discloser) that are not about Disclosable Matters are not covered by the policy because they do not qualify for protection under the

Whistle-blower Act. Such disclosures may, however, be protected under other legislation.

Personal work-related grievances are those that relate to the discloser's current or former employment and have, or tend to have, implications for the discloser personally, but do not:

- have any other significant implications for the Company (or another entity); or
- relate to any conduct or alleged conduct, about a Disclosable Matter.

Examples of a grievance that may be a personal work-related grievance include:

- an interpersonal conflict between the discloser and another employee;
- a decision that does not involve a breach of workplace laws;
- a decision about the engagement, transfer or promotion of the discloser;
- a decision about the terms and conditions of engagement of the discloser; or
- a decision to suspend or terminate the engagement of the discloser, or otherwise to discipline the discloser.

A work-related grievance may, however, still qualify for protection if:

- it includes information about misconduct, or information about misconduct and includes or is accompanied by a personal work-related grievance (mixed report);
- the Company has breached employment or other laws punishable by imprisonment for a period of 12 months or more, engaged in conduct that represents a danger to the public, or the disclosure relates to information that suggests misconduct beyond the discloser's personal circumstances;
- the discloser suffers from or is threatened for detriment for making the disclosure; or
- the discloser seeks legal advice or legal representation about the operation of the whistle-blower protections under the Corporations Act.

## **2. POLICY PROVISIONS**

### **2.1 Eligible Whistle-blower and Disclosable Matter**

As a preliminary step, an individual should consider if they are an Eligible Whistle-blower under this Policy. If not, consider other means to deal with the concerns. One alternative would be to have a discussion with a Person of Responsibility.

Secondly, consider if the matter sought to be disclosed is a Disclosable Matter under this policy. If it is not, one alternative would be to discuss the matter with a Person of Responsibility.

A disclosure made to a legal practitioner for the purposes of obtaining legal advice or representation in relation to the operation of the Whistle-blower provisions in the Corporations Act is also protected. A Whistle-blower may also seek external advice

from or make a disclosure to parties outside the organisation such as regulatory bodies, journalists and members of parliament under certain circumstances, including where such disclosure is an Emergency Disclosure or Public Interest Disclosure, and such disclosures to external parties may attract the protection of relevant legislation.

Details of the circumstances of an Emergency Disclosure or Public Interest Disclosure are set out in the definitions section of this policy. It is strongly recommended that these circumstances are reviewed, and independent legal advice is obtained, prior to making an Emergency Disclosure or Public Interest Disclosure.

Disclosures of information relating to disclosable matters can also be made to ASIC, APRA or another Commonwealth body prescribed by regulation that qualify for protection under the Corporations Act.

Where it is uncertain if a disclosure qualifies for protection under this policy, the Company may elect, at its discretion, to treat the disclosure as though the disclosure is protected.

## **2.2 Making a Whistle-blower Report**

The Eligible Recipient is the Company Secretary. Details of who is the current Company Secretary are included in the definition of that term in Schedule 1 of this Policy.

An individual should make a Whistle-blower Report only to the Eligible Recipient. The contact details for the Eligible Recipient are available at the website of the Company and in the Company staff contact lists which all employees are provided with.

However, if the Disclosable Matter involves the Company Secretary, or it is believed that it is inappropriate for disclosure of the Whistle-blower Report directly to be made to the Company Secretary for any reason, then concerns should be raised with a Next Eligible Recipient. Details of who is a Next Eligible Recipient are included in the definition of that term in Schedule 1 of this Policy.

When seeking to make a Whistle-blower Report, a reporting party must at that same time (i.e. during the same communication):

- (i) clearly identify that the communication is a Whistle-blower Report; and
- (ii) that the reporting party seeks that the communication to be dealt with under this Policy.

If an individual fails to clearly identify the communication as a Protected Communication at the first instance, then it cannot be dealt with under this Policy and will not be treated as a Whistle-blower Report.

A written Whistle-blower Report may be made anonymously. This discloser can refuse to answer questions that they feel could reveal their identity at any time, including during follow-up conversations.

It is suggested that a discloser who wishes to remain anonymous should maintain ongoing two-way communication so follow-up questions can be asked, and feedback can be provided.

To protect the anonymity of the discloser, the following measures may be implemented:

- Use of an anonymous telephone line or email when communicating; and
- A discloser may adopt a pseudonym for the purposes of their disclosure – this may be appropriate in circumstances where the discloser's identity is known to their supervisor, the whistle-blower protection officer or equivalent (if any) but the discloser prefers not to disclose their identity to others.

If the initial Whistle-blower Report is verbal, the reporting party may be requested to put the concerns in writing if that is essential for the matter to be dealt with.

In making a Whistle-blower Report, the reporting party must expressly affirm and promise that it is not being made for a Wrongful Purpose or for Wrongful Purposes.

### **2.3 Company dealing with a Whistle-blower Report**

The recipient of a valid Whistle-blower Report shall both:

- (i) seek to resolve the Disclosable Matter (i.e. cause wrongdoing to cease and not recur) and;
- (ii) at the same time seek to protect the confidentiality, anonymity and interests of the Whistle-blower under the provisions of this Policy.

The Company will acknowledge a discloser after receiving their disclosure.

As a preliminary step, the Company will assess each disclosure to determine whether it qualified for protection and if a formal, in-depth investigation is required.

**To be clear**, the purpose of this Policy is to ensure that wrongdoing is stopped (and does not recur) and that the broad interests (e.g. ongoing employment, status, reputation and well-being) of the valid Whistle-blower are protected. A legitimate Whistle-blower should not be disadvantaged by the valid Whistle-blower activity.

The Company will investigate the Disclosable Matter as soon as is reasonably practicable and will endeavour to finalise an investigation as expeditiously as possible.

Typically, the Eligible Recipient will need to determine if the matter is a disclosure to which protection will apply and, if so, if the Company needs to investigate the disclosure.

Once it is established that an investigation is warranted, the Company will determine the nature and scope of that investigation, the person(s) (either internal, external or both) who should lead the investigation, the nature of any technical, financial or legal support required to support the investigation and the timeframe for the investigation.

Following the parameters of the investigation being set as described above, the person(s) leading the investigation will determine the appropriate way forward, including the documentation to be obtained and persons to be interviewed. Once all relevant information has been obtained, the person(s) leading the investigation shall provide a report on their findings to the Eligible Recipient (or Next Eligible Recipient, as applicable) for consideration and action by the Board and the Company generally whilst maintaining confidentiality of the Discloser.

Where possible, the Company will endeavour to provide the discloser with a copy of the findings as received from the person(s) leading the investigation and the proposed action to be taken. It is further anticipated that the findings will be communicated to each Person of Responsibility.

Notwithstanding the above, the method of documenting and reporting findings will be dependent upon the nature of the disclosure and there may be circumstances where it is not appropriate for the Company to provide details of the outcome to the discloser.

Investigations shall be objective, fair and independent. The confidentiality of the investigation shall be paramount. To ensure fairness and independence, investigations shall be independent of the discloser (subject to keeping the discloser informed as set out below), individuals who are subject of the disclosure and the department or business unit involved.

All investigations where additional specialist skills or expertise may be necessary shall be undertaken jointly with an external investigation firm.

It is noted however that the process for and time within which a Disclosable Matter may be investigated is dependent upon the circumstances on a case by case basis.

In addition, the Company may not, without the discloser's consent, disclose information that is likely to lead to the identification of the discloser as part of its investigation process, unless:

- The information does not include the discloser's identity;
- The entity removes information relating to the discloser's identity or other information that is likely to lead to identification of the discloser; and
- It is reasonably necessary for investigating the issues raised in the disclosure.

The Company will ensure the confidentiality of its disclosure handling and investigation process, and will ensure appropriate records and documents are maintained for the investigation.

The investigative process of the Company may be limited. The Company may not be able to adequately undertake an investigation if it is not able to contact the discloser. The Company may investigate a disclosure by requesting the discloser for consent to a limited disclosure. The Company may also investigate a disclosure by conducting a broad review on the subject matter or the work area disclosed.

In addition, the Company could investigate an anonymous disclosure, even if it cannot get in contact with the discloser, if the discloser has provided sufficient information and the Company removes information that is likely to lead to identification of the discloser.

If the discloser has provided contact details (including anonymously), the Company will keep the discloser informed as to how progress is being made. The frequency of updates may vary depending on the nature of the disclosure. The Company will ensure that anonymity of the discloser is not compromised as a result of providing regular updates.

Updates are proposed to be provided to the discloser when the investigation has commenced, is in progress and has been finalised. If possible, the Whistle-blower will

be informed of the outcome of the investigation and of any action that is proposed to rectify any wrongdoing or malpractice.

The Company intends to conduct its investigations on the substance of all disclosures, without regard to the motives of the discloser (unless such motive is directly relevant to the disclosure).

All investigations of disclosures will be conducted in accordance with this policy. The Company will, where possible, review the investigation in respect of a disclosure which has been made in accordance with this policy to ensure the processes and procedures have been adhered to.

## **2.4 Confidentiality and Anonymity**

Any disclosure properly made under this policy will be treated as confidential.

The identity of the discloser or information that is likely to lead to the identification of the disclosure cannot be disclosed. This prohibition applies to all persons, including those which have obtained the details directly or indirectly because the discloser has made a disclosure that qualifies for protection.

The preceding paragraph does not apply if a person discloses the identity of the discloser:

- To ASIC, APRA, or a member of the Australian Federal Police
- To a legal practitioner for the purposes of obtaining legal advice or legal representation about the Whistle-blower provisions in the Corporations Act;
- To a person or body prescribed by regulations; or
- With the consent of the discloser.

In addition, a person can disclose the information contained in a disclosure with or without the discloser's consent if:

- The information does not include the discloser's identity;
- The Company has taken reasonable steps to reduce the risk that the discloser will be identified by or from the information; and
- It is reasonably necessary for investigating the issues raised in the disclosure.

It is illegal for a person to identify a discloser, or disclose information that is likely to lead to identification of a discloser, outside the above exceptions. The discloser can lodge a complaint with the Eligible Recipient or a Next Eligible Recipient about any actual or believed breach of confidentiality. The discloser may lodge a complaint with a regulator, such as ASIC, APRA or the ATO, for investigation.

It is proposed that the Company will, where considered appropriate, implement the following actions to reduce the risk of the discloser being identified:

- The redaction of all personal information or reference to the discloser witnessing an event;

- The discloser being referred to in a gender-neutral context;
- Where possible, the discloser will be contacted to help identify certain aspects of their disclosure that could inadvertently identify them; and
- Disclosures will be handled and investigated by qualified staff.

To ensure secure record keeping and information sharing process, it is proposed that:

- All paper and electronic documents and other materials relating to the disclosure will be stored securely;
- Access to all information relating to a disclosure will be limited to those directly involved in or managing and investigating the disclosure;
- Only a restricted number of people who are directly involved in handling and investigating a disclosure will be made aware of a discloser's identity (subject to a discloser's consent) or information that is likely to lead to the identification of the discloser;
- Communications and documents relating to the investigation of a disclosure will not be sent to an email address or to a printer that can be accessed by other staff; and
- Each person who is involved in handling and investigating a disclosure will be reminded about the confidentiality requirements, including that an unauthorised disclosure of a discloser's identity may be a criminal offence.

The Eligible Recipient is responsible for implementing the Company's measures for ensuring confidentiality of the identity of the discloser.

It is noted that, in practice, people may be able to guess the discloser's identity if:

- The discloser has previously mentioned to other people that they are considering making a disclosure;
- The discloser is one of a very small number of people with access to the information; or
- The disclosure relates to information that a discloser has previously been told privately and in confidence.

## **2.5 Protection from detrimental acts or omissions**

The discloser or any other person are protected from detriment in respect of a disclosure.

A person cannot engage in conduct that causes detriment to a discloser (or another person), in relation to a disclosure, if:

- The person believes or suspects that the discloser (or other person) made, may have made, proposes to make or could make a disclosure that qualifies for protection; and
- The belief or suspicion is the reason, or part of the reason, for the conduct.

In addition, a person cannot make a threat to cause detriment to a discloser (or another person) in relation to a disclosure. A threat may be express or implied, or conditional or unconditional. A discloser (or another person) who has been threatened in relation to a disclosure does not have to actually fear that the threat will be carried out.

Detrimental conduct may include, but is not limited to:

- Dismissal of an employee;
- Alteration to an employee's position or duties to their disadvantage;
- Discrimination between an employee and other employees of the same employer;
- Harassment or intimidation of a person;
- Harm or injury to a person, including psychological harm;
- Damage to a person's property, reputation, business or financial position or other damage.

The following are examples of actions that are not detrimental conduct. The following examples are not an exhaustive list:

- Administrative action that is reasonable for the purpose of protecting a discloser from detriment (e.g. moving a discloser who has made a disclosure about their immediate work area to another office to prevent them from detriment); and
- Managing a discloser's unsatisfactory work performance, if the action is in line with the Company's performance management framework.

The Company shall ensure that the discloser understands the reason for the Company undertaking the relevant administrative or management action.

A discloser or other person can seek compensation and other remedies through courts if:

- They suffer loss, damage or injury because of a disclosure; and
- The Company failed to take reasonable precautions and exercise due diligence to prevent the detrimental conduct.

Disclosers are encouraged to seek independent legal advice.

A discloser may, subject to applicable law, be protected from any of the following in relation to their disclosure:

- Civil liability (e.g. any legal action against the discloser for breach of an employment contract, duty of confidentiality or another contractual obligation);
- Criminal liability (e.g. attempted prosecution of the discloser for unlawfully releasing information, or other use of the disclosure against the discloser in a prosecution (other than for making a false disclosure)); and
- Administrative liability (e.g. disciplinary action for making the disclosure).

These protections do not grant immunity for any misconduct a discloser has engaged in that is revealed in their disclosure.

The following are measures that the Company may take to protect disclosers from detriment:

- Implementing processes for assessing the risk of detriment against a discloser and other persons which will commence as soon as possible after receiving a disclosure;
- Support services being made available to disclosers;
- Implementing strategies to help a discloser minimise and manage stress, time or performance impacts, or other challenges resulting from the disclosure or its investigation;
- Completing actions for protecting a discloser from risk of detriment (for example, allowing the discloser to perform duties in another location, making modifications to the discloser's workplace or the way they perform their work duties);
- Implementing processes to ensure management are aware of their responsibilities to maintain the confidentiality of a disclosure, address the risks of isolation or harassment, manage conflicts and ensure fairness when managing the performance of, or taking other management action in relation to, a discloser;
- Implement procedures on how a discloser can lodge a complaint if they have suffered detriment, and the action the Company may take in response to such complaints (for example, the complaint could be investigated as a separate matter by an officer who is not involved in dealing with disclosures and the investigation findings could be provided to the Board or the audit and risk committee); or
- Undertake intervention for protecting a discloser if detriment has already occurred (for example, investigating and addressing the detrimental action, including disciplinary proceedings against the perpetrator of such detrimental conduct).

The discloser may wish to seek independent legal advice or contact regulatory bodies, such as ASIC, APRA or the ATO, if they believe they have suffered detriment.

The Company will consider the risks of detriment as part of its risk management framework and will ensure appropriate records are kept in connection with the consideration and action taken in respect of detriment.

## **2.6 Ensuring fair treatment of individuals mentioned in a disclosure**

The Company is committed to ensuring fairness in connection with any disclosure, both for the discloser and any person named in the disclosure. This section sets out the measures and/or mechanisms the Company may implement for ensuring the fair treatment of individuals mentioned in a disclosure:

- Disclosures will be handled confidentially, when it is practical and appropriate in the circumstances;
- Each disclosure will be assessed and may be subject to an investigation;

- The objective of an investigation is to determine whether there is enough evidence to substantiate or refute the matters reported;
- When an investigation needs to be undertaken, the process will be objective, fair and independent;
- An employee who is the subject of a disclosure will be advised about the subject matters of the disclosure as and when required by principles of natural justice and procedural fairness prior to any action being taken by the Company;
- An employee who is the subject of a disclosure may contact the Company's support services through the Employee Assistance Program (EAP).

An individual the subject of a disclosure will be informed about the investigation prior to the Company making any adverse findings against them. The Company will balance the need to inform the individual the subject of a disclosure with the potential for same to potentially compromise the effectiveness of the investigation of the disclosure.

## **2.7 Dissatisfaction**

If a discloser is dissatisfied with the way that the Company is dealing with his or her Whistle-blower Report then those concerns should be expressed in writing to the Eligible Recipient or a Next Eligible Recipient. The Company undertakes that it will respond to those concerns.

If such concerns arise in respect of an investigation of a Whistle-blower Report then the Company may determine to review the investigation to ensure it was conducted in accordance with this Policy and the processes and procedures set out in it.

Some matters are difficult to deal with. If a discloser is dissatisfied with the way that the Company is dealing with his or her Whistle-blower Report, they may need to make a further Whistle-blower Report to External Authorities.

## **2.8 Protection**

If a discloser believes that confidentiality, anonymity or Whistle-blower Protection are not being dealt with properly then they should immediately inform the Eligible Recipient or a Next Eligible Recipient Under this Policy. The Company undertakes that it will take appropriate action.

## **2.9 External Authorities**

Some matters are difficult to deal with. In such cases, the Company itself may engage with External Authorities to report or resolve the wrongdoing. If this is necessary, then the Company reserves the right to involve one or more External Authorities with or without the prior consent of the Whistle-blower. Where possible, the Company will seek to preserve the anonymity of the Whistle-blower but will make legally required disclosures which may include the identity of the Whistle-blower and the Whistle-blower Report.

If an External Agency is engaged, then responsibility for confidentiality and anonymity of the Whistle-blower shall be in the hands of the External Agency and their subsequent activities.

## **2.10 Good faith and potential misconduct**

The Whistle-blower Act is intended to protect authentic Whistle-blowers.

This Whistle-blower Policy should not be used for purposes other than those provided for in the Whistle-blower Act.

Use of this Policy for Wrongful Purposes is not protected by this Policy or the Whistle-blower Act.

Making a Whistle-blower Report for Wrongful Purposes or use of this Policy for Wrongful Purposes will constitute misconduct and may result in the Company:

- (i) taking disciplinary action against the reporting party (which may result in dismissal); or
- (ii) reporting the conduct to External Authorities.

Making a Whistle-blower Report for Wrongful Purposes or use of this Policy for Wrongful Purposes will not be covered by anonymity or confidentiality provisions of this Policy.

## **3. ACCESSIBILITY**

The policy will be held within the Company's online filing system and will be maintained by the Company Secretary and updated as required. The Company will endeavour to send this policy to all existing and future internal staff and contractors. The Company will also make this policy (with redactions as necessary) available on its website. A copy of the policy as available on the website can be provided in soft copy on request to the Company Secretary.

This policy will also form part of the materials received by new employees at induction.

Any updates to this policy shall be disseminated as set out above.

The Company will endeavour to arrange for training in respect of this policy, and in particular training for those persons who have a specific role under this policy (Eligible Recipient and Next Eligible Recipient) and management so that they are aware of their obligations. The Company will further endeavour to arrange for training of all employees.

## **4. CEO AND COMPANY SECRETARY RESPONSIBILITIES**

If the CEO or Company Secretary become aware of a breach of this policy, then they should notify the Board without delay.

## **5. REVIEW AND PUBLICATION OF THIS POLICY**

The Board will review this Policy from time to time. The Policy may be amended by resolution of the Board.

This Policy is a public document and may be placed on the Company's web site in satisfaction of regulatory obligations.

## Schedule 1 – Defined Terms

In this policy:

**Board** means the Board of Directors of the Company

**CEO** means the Chief Executive Officer of the Company. The current CEO is Daniel Riley.

**Company** means Earlypay Ltd, Cashflow Finance Australia Pty Ltd and Classic Funding Group Pty Ltd and their related bodies corporate.

**Company Secretary** means the company secretary of the Company. The current Company Secretary is Steve Shin.

**Corporations Act** means the Corporations Act 2001.

**Director** means a director of the Company.

**Disclosable Matter** means a matter where the discloser has reasonable grounds to suspect that the information concerns serious misconduct or an improper state of affairs or circumstances in relation to the Company and can include a matter where the discloser has reasonable grounds to suspect the Company, an officer or employee of the company, has engaged in conduct that:

- (i) is an offence under the Corporations Act 2001 (Cth) or other applicable legislation;
- (ii) is an offence against any Commonwealth law punishable for 12 months or more by imprisonment;
- (iii) represents a danger to the public or the financial system; or
- (iv) is prescribed by regulation.

**Eligible Recipient** means person authorised by the Company to receive disclosures under the Policy, being the Company Secretary.

**Eligible Whistle-blower** means a person who can rely on the rights and protections afforded under this policy and the law if they report misconduct as set out in section 1.4.

**Emergency Disclosure** is a disclosure of information to a journalist or parliamentarian, where:

- (a) The discloser has previously made a disclosure of the information to ASIC, APRA or another Commonwealth body prescribed by regulation;
- (b) The discloser has reasonable grounds to believe that the information concerns a substantial or imminent danger to the health and safety of one or more persons or the natural environment;
- (c) Before making the emergency disclosure, the discloser has given written notice to the body noted in (a) above that:
  - (i) Includes sufficient information to identify the previously disclosure; and
  - (ii) States that the discloser intends to make an emergency disclosure; and

- (d) The extent of the information disclosed in the emergency disclosure is no greater than is necessary to inform the journalist or parliamentarian of the substantial and imminent danger.

**Employee** means any employee of the Company.

**External Authorities** means authorities such as the Australian Securities Exchange (ASX), the Australian Securities and Investments Commission (ASIC), the Australian Prudential Review Authority (APRA), the Australian Taxation Office (ATO) or Police (State or Federal).

**Improper Conduct** means an officer or employee of the company has engaged in conduct that:

- (i) is an offence under the Corporations Act 2001 (Cth);
- (ii) is an offence against any Commonwealth law punishable for 12 months or more by imprisonment; or
- (iii) represents a danger to the public.

**Next Eligible Recipient** means a person other than the Eligible Recipient authorised to receive Whistle-blower Reports. This includes a Person of Responsibility or the auditor of the Company. Details of the auditor of the Company are available in the annual report or financial information of the Company.

**Person of Responsibility** means a Director, Company Secretary or Senior Employee. The current relevant Persons of Responsibility are Daniel Riley (CEO and Director), Riman Akhunji (Head of Risk), James Beeson (COO) and Jeffrey Doo (General Counsel).

**Protected Communication** means a communication from an Eligible Whistle-blower that clearly identifies to the Eligible Recipient (or the Next Eligible Recipient) both:

- (i) that the communication is a Whistle-blower Report; and
- (ii) that the Eligible Whistle-blower seeks the communication to be dealt with under this Policy.

**Public Interest Disclosure** is a disclosure of information to a journalist or a parliamentarian, where:

- (e) At least 90 days have passed since the discloser made the disclosure to ASIC, APRA or another Commonwealth body prescribed by regulation;
- (f) The discloser does not have reasonable grounds to believe that action is being, or has been taken, in relation to the disclosure;
- (g) The discloser has reasonable grounds to believe that making a further disclosure of the information is in the public interest; and
- (h) Before making the public interest disclosure, the discloser has given written notice to the body noted at (a) above that:
  - (i) Includes sufficient information to identify the previously disclosure; and
  - (ii) States that the discloser intends to make an emergency disclosure; and

**Whistle-blower** means a person reporting a matter under the policy and invoking protections under the Whistle-blower Act.

**Whistle-blower Act** means Treasury Laws Amendment (Enhancing Whistle-blower Protections) Act 2019.

**Whistle-blower Protection** means the Whistle-blower is protected i.e. their ongoing employment, remuneration rates, promotion opportunities, status, reputation and well-being shall not be disadvantaged by the legitimate Whistle-blower activity.

**Whistle-blower Report** means a communication (verbal, written, electronic communication or otherwise) by an Eligible Whistle blower about a Disclosable Matter that conforms to this Policy.

**Whistle-blower Policy** means the policy covered by this document.

**Wrongful Purpose(s)** means for example, purpose or purposes:

- (i) other than provided for in the Whistle-blower Act;
  - (ii) for malicious or mischievous purposes;
  - (iii) to pursue a grudge or vendetta against another employee or the Company.
-