

Corporate Governance Statement

Payright Limited

Corporate Governance Statement

Introduction

This Corporation Governance Statement (CGS) is provided by the Directors of Payright Limited (ACN 605753 535) (the Company) as required by ASX Rule 4.10.3. The CGS reports against the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' 4th Edition (the Recommendations) and sets out the Company's corporate governance practices that were in operation on admission of the Company to the official list of the ASX.

This CGS and the Company's corporate governance policies are available on the 'Investor' section of the Company's website ([https:// https://investors.payright.com.au/investor-centre/corporate-governance/](https://investors.payright.com.au/investor-centre/corporate-governance/)) (the Website).

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<p>Principle 1 – Lay solid foundations for management and oversight</p> <p>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.</p>		
<p>1.1 A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Compliant	<p>The Board has adopted a charter (Board Charter) that sets out the roles and responsibilities of its Board and management, including those matters expressly reserved by the Board and those delegated to management.</p> <p>The Board is responsible for the operation and stewardship of the Company, its short and long-term growth and profitability, and its strategy, policies and financial objectives. The Board's responsibilities also include monitoring the implementation of those policies, strategies and financial objectives, among other responsibilities set out in the Board Charter.</p> <p>The Board will delegate day to day decision making and implementation of the Company's strategic objectives, values and code of conduct to the joint CEO's within the budget and risk appetite determined by the Board.</p> <p>The Board Charter is available on the Website investors.payright.com.au.</p>
<p>1.2 A listed entity should:</p>	Compliant	<p>The Board Charter sets out the procedures in relation to new Directors, including that background checks are completed. It is the role of</p>



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<p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>		<p>the Remuneration and Nomination Committee to make recommendations on the process for selection, appointment and re-election of Directors.</p> <p>Under the Board Charter the Board will ensure that a candidate for election as a director has satisfactorily completed checks including the candidate's character, experience, education, criminal record and bankruptcy history.</p> <p>The Company has completed appropriate checks for directors and senior executives in accordance with the Company's AML Program and Recruitment and Selection Policy. The Company will provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Compliant	The Company has a written agreement with each director and senior executive setting out the terms of their appointment.
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Compliant	<p>The Board Charter sets out that the Company Secretary will report and be accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board and Board Committees.</p> <p>The Company has appointed Saara Redward as the Company Secretary.</p>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	Partially Compliant	<p>The Board has adopted a Diversity and Inclusion Policy that sets out the expectations for the Company's Team Members, Leaders and the Board, as well as the Company's goals, and actions to promote inclusion and diversity.</p> <p>The Company is committed to creating a diverse workplace that is fair and flexible, promotes personal and professional growth and enables employees to enhance their contribution by drawing from their different backgrounds, beliefs, and experiences. It includes characteristics such as gender, age, ethnicity, cultural background, language and disability.</p> <p>Measurable objectives for gender diversity across the Company have been set. The Company aims to ensure any one gender does not comprise more than 60% of the Company-wide workforce. The Company's adherence to these objectives is monitored by the Remuneration and Nominations Committee and reported to the Board in accordance with the requirements of the Diversity and Inclusion Policy.</p> <p>For FY21 the Company workforce comprised 51% female and 49% male. The Company also aims to provide equivalent remuneration rates regardless of gender and will work towards meeting this objective in FY22. The Company was not in the S&P/ASX 300 Index prior to preparing this CGS.</p> <p>The Diversity and Inclusion Policy is available on the Website investors.payright.com.au.</p>

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<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Compliant	<p>The Board Charter sets out the process for performance review of the Board, its committees and individual directors.</p> <p>A review was not undertaken in FY21. As such, the Board expects to complete Performance Reviews in FY22 and the performance of the Board, its committees and individual directors will be evaluated against the requirements of the Board Charter, relevant Board Committee Charters among other criteria. For FY22 performance reviews will be undertaken internally in accordance with the Board Charter with external reviews where appropriate, and usually every 3 years. The Company will disclose after each reporting period whether a performance evaluation has been undertaken in accordance with that process or in respect of that period.</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period</p>	Compliant	<p>The role of the Board under the Board Charter includes to evaluate the performance of the joint CEOs and to monitor and oversee evaluation of the performance of senior executives based on specific performance criteriaset by the Board.</p> <p>The Remuneration and Nomination Committee, under its Charter is to assist the Board to carry out its responsibilities in relation to evaluationof Board, Committee and individual Directors performance. The Committee will review and make recommendations on the Company's remuneration framework, including awards to be made to Directors and senior executives.</p> <p>Performance reviews of the senior executives (excluding the joint CEOs) have been conducted in FY21. CEOs performance will be evaluated in FY22.</p> <p>The Company will disclose after each reporting period whether a performance evaluation has been undertaken in accordance with that process or in respect of that period.</p>

Principle 2 – Structure of the board to be effective and add value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p>	Compliant	<p>The Board has established a nomination committee (the Remuneration and Nomination Committee) with responsibility for reviewing the composition and competency of the Board and its</p>
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<p>(3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</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>Committees. The Committee has 3 members: Lindley Edwards (Independent Non-Executive Director and Committee Chair), Paul Cowan (Non-Executive Director), Matthew Pringle (Independent Non-Executive Director). The Chair and the majority of members are independent directors.</p> <p>The relevant qualifications and experience of the members of the committee are disclosed in the Company's Prospectus.</p> <p>The Remuneration and Nomination Committee Charter is available on the Website investors.payright.com.au.</p> <p>After each reporting period the Company Annual Report will disclose the number of times the Remuneration and Nomination Committee met throughout the period and the individual attendances of the members at those meetings.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>Non-Compliant – Payright will work towards full compliance in the 2022 financial year</p>	<p>The Company has not finalised a skills matrix for the Board. This will be completed and documented during FY22. The Board believes that the current members collectively have the necessary proficiencies, expertise and diversity to perform their duties and obligations under the Board Charter</p> <p>The Remuneration and Nomination Committee is responsible for providing advice to the Board with respect to the necessary and desirable competencies of Directors.</p>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Compliant</p>	<p>The Board considers Matthew Pringle and Lindley Edwards to be independent Directors. Neither of these Directors has an interest, position or relationship of the type described in Box 2.3 of the Recommendations.</p> <p>The date of appointment of each director is as follows:</p> <ul style="list-style-type: none"> - Myles Redward: May 2015 - Piers Redward: January 2017 - Paul Cowan: October 2017 - Matthew Pringle: October 2020 - Lindley Edwards: October 2020
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>Non-compliant</p>	<p>The majority of the Board are not independent directors. The Company considers this departure from the Recommendations justified given the relatively small size of the Board. Further the Board believes that each</p>



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		of the non-independent Directors make an invaluable contribution to the Company given their deep understanding of, and involvement in, the Company's business. If, in future, an increase in Board size is warranted, then the Board will give due regard to the ASX Recommendations.
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.	Non-compliant	<p>The Chair of the Board is Paul Cowan. He is not considered to be an independent Director due to his participation in the Employee Share Ownership Plan (ESOP).</p> <p>The Company considers Mr Cowan's appointment is appropriate due to his intimate knowledge of the Company acquired in the course of his service as a director since 2017 which provides continuity. Mr Cowan has been Chair of the Board and has acted in this capacity during its start-up phase, and the Company considers that it remains appropriate for Mr Cowan to continue in this capacity. Myles Redward and Piers Redward are joint Chief Executive Officers.</p>
2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Compliant	<p>The Remuneration and Nomination Committee is responsible under its Charter for reviewing and making recommendations to the Board on the induction of new Directors and their ongoing professional development. No new Directors have been appointed since the Company listed in December 2020. These procedures have been developed, and will be implemented before any further appointments are made to the Board. The Chair of the Board and the joint CEO's are responsible for the induction of the current Board.</p> <p>The Remuneration and Nomination Committee will regularly review whether Directors have the requisite skills and knowledge to perform their roles as directors effectively and make recommendations as to the continued professional development program accordingly.</p>

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

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

3.1 A listed entity should articulate and disclose its values	Compliant	The Board has adopted a Code of Conduct, which articulates the Company's values.
3.2 A listed entity should:	Compliant	The Company's Code of Conduct outlines its expectations regarding



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<p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>		<p>employees' behaviour within the organisation. The Code of Conduct applies to employees, directors, contractors and anyone representing Payright.</p> <p>The Company will ensure that the Board is informed of material breaches of the Code of Conduct and of the Company's response.</p>
<p>3.3 A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Compliant	<p>The Board has adopted a Whistle-blower Policy that:</p> <ul style="list-style-type: none"> - Encourages all staff, including Directors, contractors and consultants, to disclose reasonable suspicion of gross misconduct or wrongdoing confidentially and without fear of reprisal - Provides for prompt and independent investigation of reports that are made. <p>The Chief People Officer will report appropriately on material disclosures made under the Whistle-blower Policy to the Audit and Risk Committee.</p> <p>No material disclosures have been made to the Head of People and Culture during the reporting period under the Policy.</p> <p>The Whistleblower Policy is available on the Website investors.payright.com.au.</p>
<p>3.4 A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	Compliant	<p>The Board has adopted an Anti- Bribery and Corruption Policy that sets out the Company's zero-tolerance for bribery and corruption and establishes effective systems to counter corrupt practices in line with the standards the ASX requires.</p> <p>The Head of Compliance has primary responsibility for implementing the policy and will ensure that the Audit and Risk Committee is informed of material incidents arising under the policy.</p> <p>No material disclosures have been made to the Head of Compliance during the reporting period under the Policy.</p> <p>The Anti-Bribery and Corruption Policy is available on the Website investors.payright.com.au.</p>

Principle 4 – Safeguard the integrity of corporate reports

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

<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p>	Compliant	<p>The Board has established an audit committee (the Audit and Risk Committee), with responsibility among other things to assist the Board in</p>
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<p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>carrying out its accounting, auditing, financial reporting, and risk management and compliance responsibilities, including:</p> <ul style="list-style-type: none"> - assessing the adequacy of management reporting on risks, operations and finances; - monitoring compliance with laws, regulations and applicable standards; - reviewing and approving all transactions in which the Company and a related party is a participant; - scrutinising accounting policies and reviewing financial statements; - recommending, reviewing the performance of and consulting with external auditors; - ensuring the maintenance of an effective and efficient audit; and - reviewing risk management and internal control systems. <p>The Committee has 3 members: Lindley Edwards (Independent Non-Executive Director), Paul Cowan (Non-Executive Director), Matthew Pringle (Independent Non-Executive Director and Committee Chair). The Chair and a majority of members are Independent Directors.</p> <p>The relevant qualifications and experience of the members of the Committee are disclosed in the Company's prospectus.</p> <p>The Audit and Risk Committee Charter is available on the Website investors.payright.com.au.</p> <p>After each reporting period the Company Annual Report will disclose the number of times the Audit and Risk Committee met throughout the period and the individual attendances of the members at those meetings.</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.

Compliant

The Audit and Risk Committee is responsible under its Charter for considering financial matters relevant to the reporting obligations of the Company in a timely manner and determining whether the Company's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the Company's financial position and performance.

In discharging that responsibility the Audit and Risk Committee will first receive a declaration from the joint CEOs and CFO that, in their opinion, financial records of the Company



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		<p>have been properly maintained and that the financial statements comply with the applicable accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Compliant –</p>	<p>The Audit and Risk Committee is responsible under its Charter for considering financial matters relevant to the Company's reporting obligations in a timely manner and whether the Company's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the Company's financial position and performance.</p> <p>It must also consider the appropriateness of the accounting judgments or choices exercised by management in preparing the Company's financial statements</p>

Principle 5 – Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

<p>5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>Compliant</p>	<p>The Board has adopted a Continuous Disclosure and Company Communications Policy that explains how it complies with its continuous disclosure obligations.</p> <p>The Company Secretary is responsible for the overall administration of the Policy including lodging ASX announcements approved by the Audit and Risk Committee or the Board, all communications with ASX and keeping a record of all ASX and other announcements that the Company has made. The Audit and Risk Committee is responsible for ensuring Payright complies with its continuous disclosure obligations including the review ASX announcements for material price sensitive information and approval of media releases. All employees have a duty to report any material price sensitive information to the Company Secretary.</p> <p>All price sensitive information disclosed to the ASX is posted to the Website investors.payright.com.au within 24 hours of ASX</p>
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		acknowledgement that it has been released to the market. The Continuous Disclosure and Company Communications Policy is available on the Website investors.payright.com.au .
5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Compliant	The Company Secretary will ensure that the Board receives copies of all material market announcements promptly after they have been made.
5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Compliant	The Company's Continuous Disclosure and Company Communications Policy requires that the Company will not disclose MarketSensitive Information during any briefing with analysts, investors or themedia, including briefings at broker-sponsored investor conferences, unless acknowledgement has been receivedfrom the ASX that the relevant MarketSensitive Information has been released to the market.

Principle 6 – Respect the rights of security holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

6.1 A listed entity should provide information about itself and its governance to investors via its website.	Compliant	The Website investors.payright.com.au provides information about the Company and its governance for investors.
6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Compliant	The Company is committed to effective communication with its clients, customers, shareholders, market participants, employees, suppliers, financiers, creditors, other stakeholders and the wider community. The Company has a page on its Website investors.payright.com.au which includes a dedicated email address for investor inquiries.
6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Compliant	The Company's Continuous Disclosure and Company Communications Policy sets out how it facilitates and encourages participation at meetings of security holders.
6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Compliant	The Company (as a listed entity) has not yet had a meeting of its security holders but intends that all substantive resolutions will be decided by a poll in accordance with the procedures set out in the Constitution. The Constitution is available on the Website investors.payright.com.au .

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6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Compliant	The Company's Continuous Disclosure and Company Communications Policy sets out that shareholders will be given the option to receive communications from, and send communications to, the Company and its share registry electronically.

Principle 7 – Recognise and manage risk

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

<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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>	Compliant	<p>The Board has established a committee to oversee risk (the Audit and Risk Committee), with responsibility among other things to assist the Board in carrying out its accounting, auditing, financial reporting, and risk management and compliance responsibilities, including:</p> <ul style="list-style-type: none"> - assessing the adequacy of management reporting on risks, operations and finances; - monitoring compliance with laws, regulations and applicable standards; - reviewing and approving all transactions in which the Company and a related party is a participant; - scrutinising accounting policies and reviewing financial statements; - recommending, reviewing the performance of and consulting with external auditors; - ensuring the maintenance of an effective and efficient audit; and - reviewing risk management and internal control systems. <p>The Committee has 3 members: Lindley Edwards (Independent Non-Executive Director), Paul Cowan (Non-Executive Director), Matthew Pringle (Independent Non-Executive Director and Committee Chair). The Chair and a majority of members are Independent Directors.</p> <p>The relevant qualifications and experience of the members of the committee are disclosed in the Company's prospectus.</p> <p>The Audit and Risk Committee Charter is available on the Website investors.payright.com.au.</p>
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		<p>After each reporting period the Company Annual Report will disclose the number of times the Audit and Risk Committee met throughout the period and the individual attendances of the members at those meetings.</p>
<p>7.2 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>	Compliant –	<p>The Audit and Risk Committee Charter sets out that the Audit and Risk Committee is responsible for reviewing and making recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board.</p> <p>A revised risk management framework for the Company was formally reviewed and approved by the Board in FY 21 including risk appetite statements and tolerance limits. The Audit and Risk Committee will review the Company's risk management framework and risk appetite statements at least annually. After each reporting period, the Company will disclose whether the review of its risk management framework has taken place.</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	Compliant	<p>The Audit & Risk Management Committee Charter provides that the Audit & Risk Management Committee is responsible for the internal audit function which facilitates the assessment of risks by each business unit and reports to the Committee on the material risks and actions being undertaken by each business unit to mitigate these risks to an acceptable level. The Board considers that an internal audit function is not currently required; however, the Committee still conducts reviews of the business and reports to the Board regarding the Company's internal processes for managing material risks. The Committee will consider and determine whether and when in future it is an appropriate time to adopt an internal audit function to operate in accordance with the Audit & Risk Management Committee Charter.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Compliant	<p>The Audit & Risk Management Committee has responsibility under its Charter to review risk management and internal control systems and assess the adequacy of management reporting on risks, operations and finances and whether the Company is</p>

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		operating within the Board approved risk appetite. The Company reviews key risks on an ongoing basis and manages them via a robust risk management and governance framework, under Audit and Risk Management Committee oversight. The Company does not have a material exposure to environmental and has limited exposure to social risks.

Principle 8 – Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

8.1 The board of a listed entity should:	Compliant	The Board has established a remuneration committee (the Remuneration and Nomination Committee) with responsibility for reviewing the composition and competency.
(a) have a remuneration committee which:		
(1) has at least three members, a majority of whom are independent directors; and		
(2) is chaired by an independent director, and disclose:		
(3) the charter of the committee;		The Committee has 3 members: Lindley Edwards (Independent Non- Executive Director and Committee Chair), Paul Cowan (Non-Executive Director), Matthew Pringle (Independent Non-Executive Director). The Chair and a majority of members are Independent Directors.
(4) the members of the committee; and		
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
(b) if it does not have a 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.		The relevant qualifications and experience of the members of the committee are disclosed in the Company's Prospectus The Remuneration and Nomination Committee Charter is available on the Website investors.payright.com.au . After each reporting period the Company Annual Report will disclose the number of times the Remuneration and Nomination Committee met throughout the period and the individual attendances of the members at those meetings.
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.	Compliant	Section 6.4.2 of the Prospectus details remuneration arrangements for Board members and senior executives. The Remuneration and Nomination Committee, in accordance with its Charter, will review and make recommendations to the Board on the allocation of the pool of Directors fees,



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<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it</p>	Compliant	<p>and the remuneration packages to be awarded to Directors and senior executives.</p> <p>The Board has adopted an Employee Share Ownership Plan ('ESOP') on 28 October 2020 under which the Board may make grants of rights or options to acquire shares or may offer restricted shares in the Company to eligible employees as part of or in connection with the employees remuneration arrangements with the Company.</p> <p>The Company's Securities Trading Policy prohibits Directors and restricted employees from entering into margin loans or similar funding arrangements to acquire any Payright securities or grant lenders any rights over their holding of Payright securities.</p> <p>The Securities Trading Policy similarly prohibits Directors, restricted employees and close connections of these individuals from trading in Payright securities in a way that may demonstrate a long-term lack of confidence in the prospects of the Company. This prohibition includes trading in derivatives or other products which operate to limit the economic risk of unvested Payright securities and short-selling of Payright securities.</p> <p>The Securities Trading Policy is available on the Website investors.payright.com.au.</p>

Principle 9 – Additional recommendations that apply only in certain cases

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

<p>9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>		Not Applicable
<p>9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time</p>		Not Applicable



ASX Recommendation	Compliance	Statement
9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		Not Applicable



