



# 2021 Corporate Governance Statement.



# Approach to Corporate Governance.

We are pleased to present our 2021 Corporate Governance Statement which provides you with information about governance at EML Payments Limited (**EML or the Company**).

**EML's approach to corporate governance goes beyond compliance. Our Board of Directors (Board) and all levels of management are fully committed to achieving the highest standards of corporate governance and business conduct.**

This statement outlines EML's principal corporate governance practices in place during the financial year ended 30 June 2021.

This Corporate Governance Statement is current as at 17 August 2021 and has been approved by the Board and lodged with the ASX together with its accompanying Appendix 4G.

## Compliance with ASX Governance Recommendations

Under ASX Listing Rule 10.4.3 we are required to benchmark our corporate governance practice against the 4th edition of the ASX Corporate Governance Councils Principles & Recommendations (ASX Governance Recommendations)

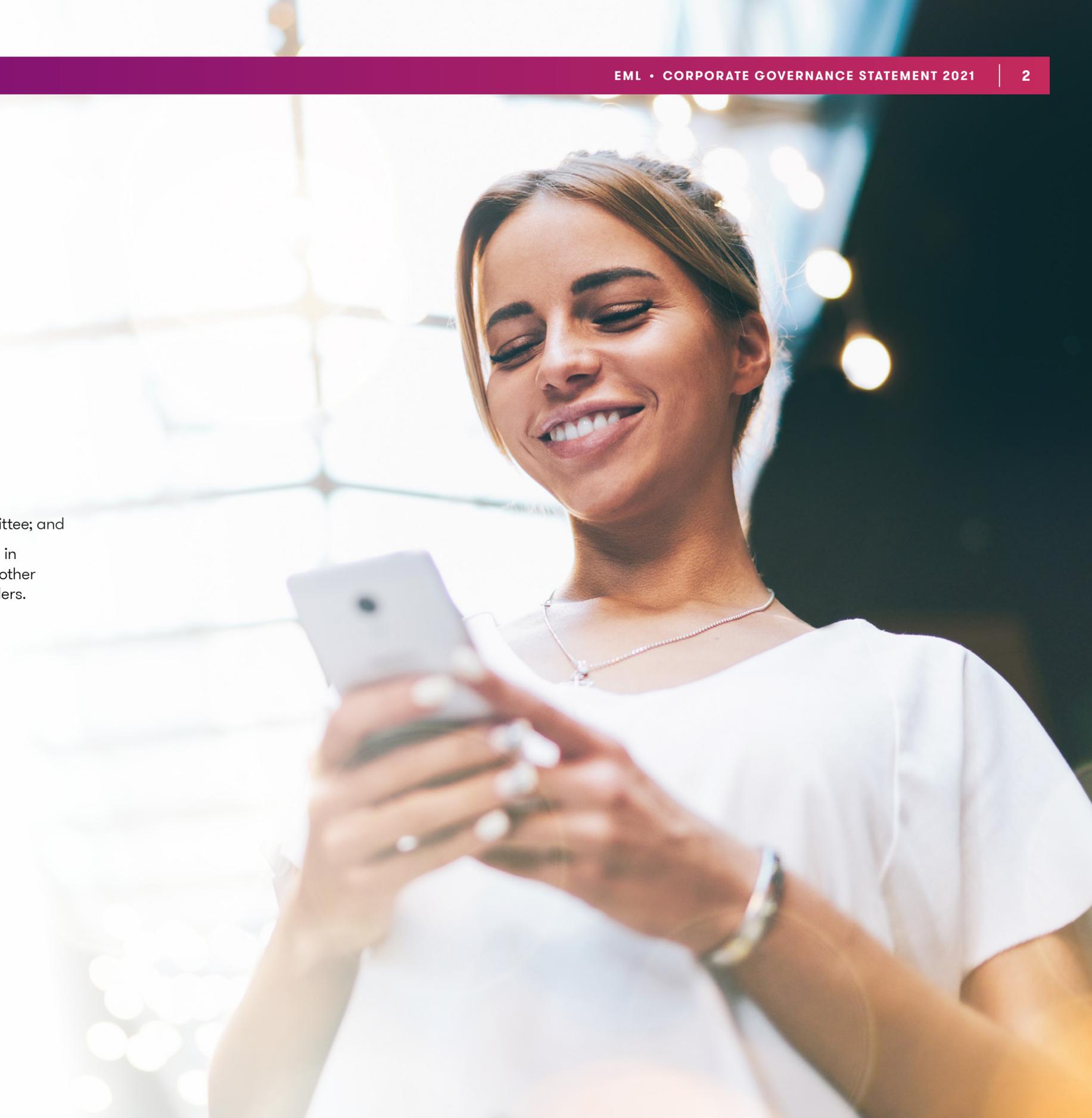
We have adopted and complied with the ASX Governance Recommendations to the extent appropriate and to the size and nature of EML and its wholly owned subsidiaries (**the Group**) operations.

We regularly review our governance practices in light of both current and emerging corporate governance developments of relevance to EML, to reflect market practice, expectations and regulation as appropriate.

## Website

Details of EML's governance framework can be found on the Investors page under the Corporate Governance tab and include:

- This Corporate Governance Statement, together with its accompanying Appendix 4G and the 2021 Annual Report;
- The Charters of the Board and each Committee; and
- The core governance documents referred to in this Corporate Governance Statement and other policies / documents of interest to stakeholders.



## 2021 Governance Highlights

- Annual Review and update of the Board & Committee Charters
- Completion of an external independent Board evaluation
- Reviewed and implemented a Group Wide Whistleblower Policy and external whistleblower hotline
- Established EML's Culture, Governance and Nominations Committee
- Developed our Group Human Rights and Modern Slavery Policy
- Reported against the UK and Australian Modern Slavery Acts in EML's first Modern Slavery Statement for FY20

## Principle 1.

Lay solid foundations for management & oversight.

### Relevant Governance Documents

- Board Charter
- Culture, Governance & Nomination Committee Charter
- Audit & Risk Committee Charter
- Remuneration Committee Charter
- Investment Committee Charter
- Code of Conduct
- Group Whistleblower Policy
- Group Human Rights and Modern Slavery Policy
- Risk Management Policy
- Securities Trading Policy
- Board Performance Evaluation Policy
- Diversity & Inclusion Policy

Our governance framework plays an integral role in supporting our business – helping us deliver on our strategy. It provides the structure through which our strategy and business objectives are set, our performance is monitored and the risks we face are managed.

It includes a clear framework for decision making and accountability across our business and provides guidance on the standards of behaviour we expect of each other.

### Our governance framework includes:

- Open, concise and timely communications with our shareholders;
- A skilled, experienced, diverse and independent Board, with a Board Committee structure suited to our needs;
- Clear delegation, decision making and accountability frameworks;
- Robust systems of risk management and assurance;
- EML's Code of Conduct and policy framework which explains how we will conduct ourselves as we work together to deliver our strategy.

### 1.1 Roles & Responsibilities

The Board has a formal Charter documenting its membership, operating procedures and the allocation of responsibilities between Board and management.

The Board is responsible for overseeing the management of EML and providing the strategic direction of the Group. It monitors operational and financial performance, human resources policies and practices and approves EML's budgets, business plans and major capital commitments. It is also responsible for supervising EML's financial reporting, risk management, compliance framework and governance practises.

The Board has delegated specific authority to its Committees, which assist the Board by examining various issues and making recommendations. A description of the Committees and their roles and responsibilities are set out in this statement, and included in the Committee Charters, which are available on our [website](#).

The Board delegates authority, within parameters and in accordance with formal delegations, to the Managing Director & Group Chief Executive Officer (**Group CEO**) for the executive management of EML and the day to day operations of the Group. The Group CEO is supported in this function by the Executives of the Group, which comprise the direct reports to the Group CEO.

The Board regularly reviews the divisions and functions between the Board and management to ensure that it continues to be appropriate to the needs of the Company.

# Principle 1.

Lay solid foundations for management & oversight.

## 1.2 Appropriate Checks & Material Information

EML has appropriate procedures in place to ensure potential candidates for appointment to the Board are carefully reviewed in terms of their character, experience, education and skill set, as well as interests and associations. EML conducts appropriate background checks to verify the suitability of a candidate prior to their election.

The Board reviews the candidates recommended through the Culture, Governance and Nominations Committee.

The most suitable candidate is appointed by the Board and is elected at the next AGM.

As is required by the ASX Governance Recommendations, all material information in the Company's possession relevant to a Directors election or re-election is provided to shareholders in the relevant notice of meeting for each Annual General Meeting (AGM).

## 1.3 Written Agreements

If the Board determines a candidate should be appointed to the Board, they receive a formal letter of appointment outlining key terms, conditions and expectations of their appointment. Before accepting the position, the candidate must confirm that they have sufficient time to fulfil their obligations to the Company and provide details of their commitments and interests.

EML has entered into written agreements with each Director and Senior Executive, setting out the terms of their appointment, including their respective roles and responsibilities.

## 1.4 Company Secretary

During FY21 our Company Secretaries were Paul Wenk and Sonya Tissera - Isaacs.

The Company Secretaries had dual roles with separate reporting lines. Paul Wenk as Group General Counsel is responsible for the Company's legal services globally and formally reports to the Group CEO. Sonya Tissera - Isaacs as Head of Corporate Governance was responsible for maintaining EML's Corporate Policies and overseeing the relationship with the Share Registry and formally reported to the Group General Counsel.

The Company Secretaries are responsible for the operations of the Company Secretary's office including administering Board and Committee meetings and associated Board governance requirements for the Group, administering EML's listed securities, including managing communication and lodgement of information with securities exchanges and corporate regulators. For all matters pertaining to the proper functioning of the Board and Committees, each Company Secretary reported directly to the Board.

As at 30 June Paul Wenk resigned as Company Secretary to focus on his role as General Counsel reporting directly to the CEO and Sonya Tissera - Isaacs was appointed the sole Company Secretary for EML Payments Limited reporting directly to the Board.

Each Director is entitled to access the advice and services of the Company Secretary and in accordance with the Company's Constitution, the appointment or removal of a Company Secretary is approved by the Board.

The relevant skills, qualifications and experience of EML's Company Secretaries is set out in the 2021 Annual Report and is also available on our [website](#).



# Principle 1.

Lay solid foundations for management & oversight.

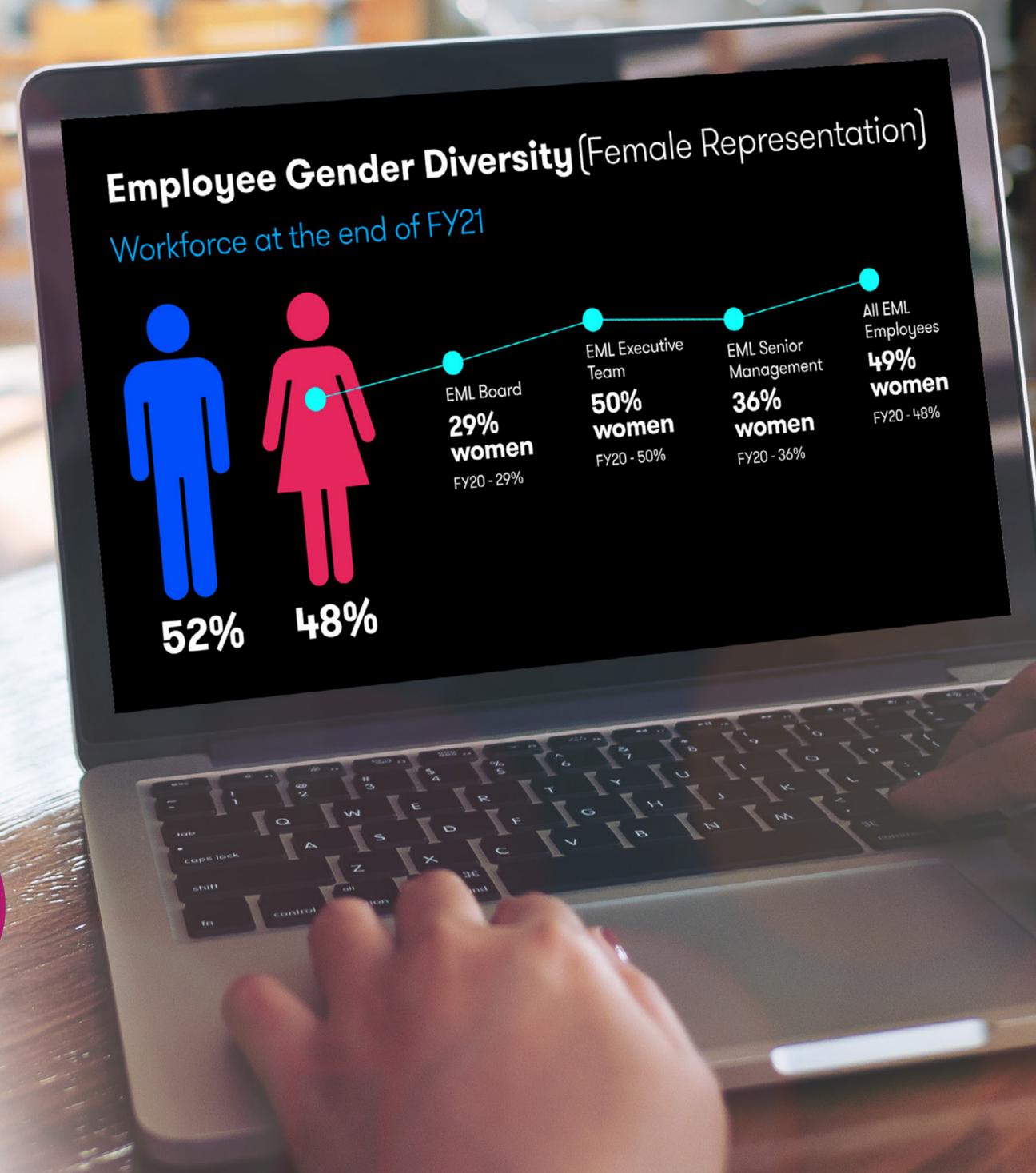
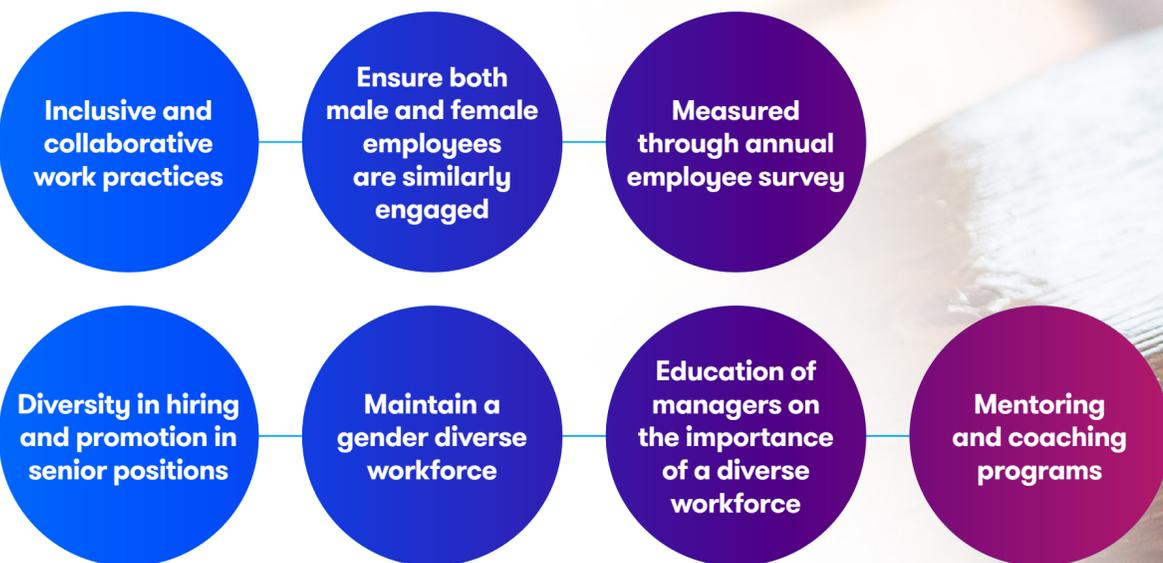
## 1.5 Diversity & Inclusion Policy

EML recognises the value of a diverse Board and employee base. EML is committed to creating and maintaining an environment where diverse backgrounds, experiences and perspectives of its people are encouraged and supported, and where possible can be leveraged to drive the overall performance of the Group in meeting its stated objectives.

Diversity at EML includes respecting and valuing differences based on a wide range of personal characteristics including gender, age and ethnicity, as well as diversity of insight and background.

The Board has adopted a Diversity & Inclusion Policy, which is available on our [website](#).

The Board have set the following measurable objectives for achieving gender diversity within the Group. The objectives include:



Progress against gender representation is reported to the Board with a focus on improving female representation in leadership and in roles traditionally occupied by males. Our workforce at the end of FY21 comprised 48% females and 52% males, supported by our equal opportunity hiring policies.

Further information on current initiatives and how we support diversity and enhance inclusion in our workplace are available in the 2021 Annual Report.

# Principle 1.

Lay solid foundations for management & oversight.

## 1.6 Board Performance Evaluation

The Performance of the Board, the Committees and individual Directors is reviewed annually either through an internal review process, or by an external consultant.

In the reporting period, a formal, confidential external evaluation was completed to facilitate the annual performance review process. The Board meets to discuss and consider the results of the Board evaluation to action any matters arising from the evaluation.

Matters covered by the review include the role, structure, processes, behaviours, performance, Directors' understanding of the strategy, objectives and key risks to the business and achievement of those objectives, succession planning and the effectiveness of the Chairman.

Further information on the board performance evaluation process can be found in the Board Performance Evaluation Policy, available in the governance section of our [website](#).

## 1.7 Senior Management Performance Evaluation

The Group defines its Senior Executives as the Group CEO and its executive leadership group, including Key Management Personnel (**KMP**).

Each year the Board sets financial, operational, management and individual targets for the Group CEO. The Group CEO's performance evaluation is completed by the Chairman in consultation with the Board.

The Group CEO sets key performance criteria for his direct reports. Performance against these criteria is reviewed formally every six months with a final formal appraisal completed at the end of the financial year. Performance is also reviewed informally throughout the year.

This performance evaluation process was in place and was followed for the reporting period.

## Our Board of Directors during the reporting period.



**Peter Martin**  
Chairman,  
Non-Executive Director



**David Liddy AM**  
Independent  
Non-Executive Director



**Dr Kirstin Ferguson**  
Independent  
Non-Executive Director  
*Retired effective 16 July 2021*



**Thomas Cregan**  
Managing Director  
and Group CEO



**Tony Adcock**  
Independent  
Non-Executive Director



**Melanie Wilson**  
Independent  
Non-Executive Director



**George Gresham**  
Independent  
Non-Executive Director  
*Resigned effective 29 July 2021*

# Principle 2.

Structure the board to be effective and add value.

## Relevant Governance Documents

- Board Charter
- Culture, Governance and Nomination Committee Charter

## 2.1 Nominations Committee

During FY21 the Board has established a Culture, Governance and Nomination Committee (**CGNC**) to manage matters relating to Culture, Governance and the composition, appointment, induction, performance review of the Board and succession planning of the Board and CEO that was previously the responsibility of the People and Remuneration Committee

Details of the Composition, Responsibilities and membership of the Committee during FY21 are detailed below and also formalised in a Charter, a copy of which is available on our [website](#).

The CGNC will meet as often as is required under its Charter. Following each meeting, the CGNC will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval.

The number of meetings held and the number of meetings attended by each Committee member during the reporting period are set out in the 2021 Annual Report.

Composition	Membership in FY21	Purpose & Responsibilities
Comprises at least three members, all of whom are Non-Executive Directors and the majority of whom are Independent.	<b>Current members</b> 1. Kirstin Ferguson (Chairman) <sup>1</sup> 2. David Liddy 3. Tony Adcock 4. Melanie Wilson 5. George Gresham <sup>2</sup>	The purpose of the Committee is to review and recommend to the Board matters relating to: — The composition of the Board, including the criteria for Board membership; — Succession planning for the Board; — Performance evaluation of the Board, its Committees and individual Directors including the Managing Director; and — Induction and continuing professional development training for Directors.
Chaired by an Independent (Non-Executive) Director.		
<small><sup>1</sup> Kirstin Ferguson was appointed the Chair of the CGNC on 20 May 2021 until her retirement from the Board on 16 July 2021. Mr Peter Martin was appointed Chair of the CGNC on 21 July 2021.</small>		
<small><sup>2</sup> Gresham was appointed a member of the CGNC on 2 June 2021 until his resignation on 29 July 2021</small>		

## Principle 2.

Structure the board to be effective and add value.

### 2.2 Board Skills Matrix

To maximise the effectiveness with which it discharges its responsibilities, the Board ensures that it has an appropriate mix of skills, experience, diversity and expertise. At a minimum annually, the Culture, Governance and Nominations Committee reviews the structure of the Board and makes recommendations to the Board with respect to the suitability of the skills mix of Directors, giving due consideration to the business strategy and operations. Diversity is also considered, and in this context, is not limited solely to gender diversity alone.

During FY21 our female representation on the Board was 29%, and the Board are actively seeking to increase the female representation at the Board level.

EML recognise the value of a diverse Board and employee base, seeks to maintain a gender diverse workforce and have set measurable objectives for achieving gender diversity within the Group.

Further information regarding diversity initiatives is available in the FY21 Annual Report.

During FY21 EML's target diversity representation of women on the Board remained at slightly under 30% as at 30 June 2021 the Board considered that it had an appropriate number of Non-Executive Directors who could challenge management and hold them to account, whilst also representing the best interests of EML and its shareholders as a whole, rather than those of individual shareholders or interest groups.

The Board skills matrix focuses on three broad categories of skills and experience as well as personal attributes the Board consider relevant for Directors to effectively discharge their obligations and add value to EML both now and in the future.

Each of the skills and diversity attributes identified are considered essential and were represented within the Board as a group. The Board benefited from the totality of the Directors individual skills, knowledge and diversity.

Due to the retirement of Kirstin Ferguson and resignation of George Gresham in July 2021 the Board have commenced the search for additional independent Non-Executive Directors with skills, experience and diverse attributes that will add value to the existing Board composition.

Details of the Directors, including their qualifications and experience, together with details of their length of service can be found in the Board of Directors section of our 2021 Annual Report.



## Principle 2.

Structure the board to be effective and add value.

### Industry Skills

**Global Experience.** Senior leadership experience across a range of international business with exposure to a range of political, cultural, regulatory and business environments.

83%

**Payments.** Specific expertise / experience in the payments industry within and outside of Australia.

74%

**Mergers & Acquisitions.** Experienced in the process and analysis of company mergers and acquisitions and the subsequent integration of acquired businesses.

91%

#### Capital Markets / Stakeholder Engagement.

Knowledge of corporate financing, equity and debt markets networking with relevant industry and business groups and the ability to effectively engage with clients, retail and institutional investors and regulators.

89%

### Technical Skills

**Board/ASX Listed.** Extensive experience as a CEO, Senior Executive or (Non-Executive) Director of listed companies on the ASX or international exchanges or unlisted companies.

100%

**Financial Acumen.** Senior Executive or equivalent experience in finance, including in financial accounting and reporting.

91%

**People Management.** Executive level experience in remuneration, workplace culture, people management, appointment and evaluation, overseeing organisational change and succession planning.

91%

**Commercial Experience.** A broad range of commercial/business experience in areas including communications, marketing and branding and business systems, practises and improvement.

89%

### Governance, Risk & Compliance

**Governance.** Sound knowledge of governance and sustainability issues, including the legal, compliance and regulatory environment applicable to ASX listed entities and highly regulated industries.

83%

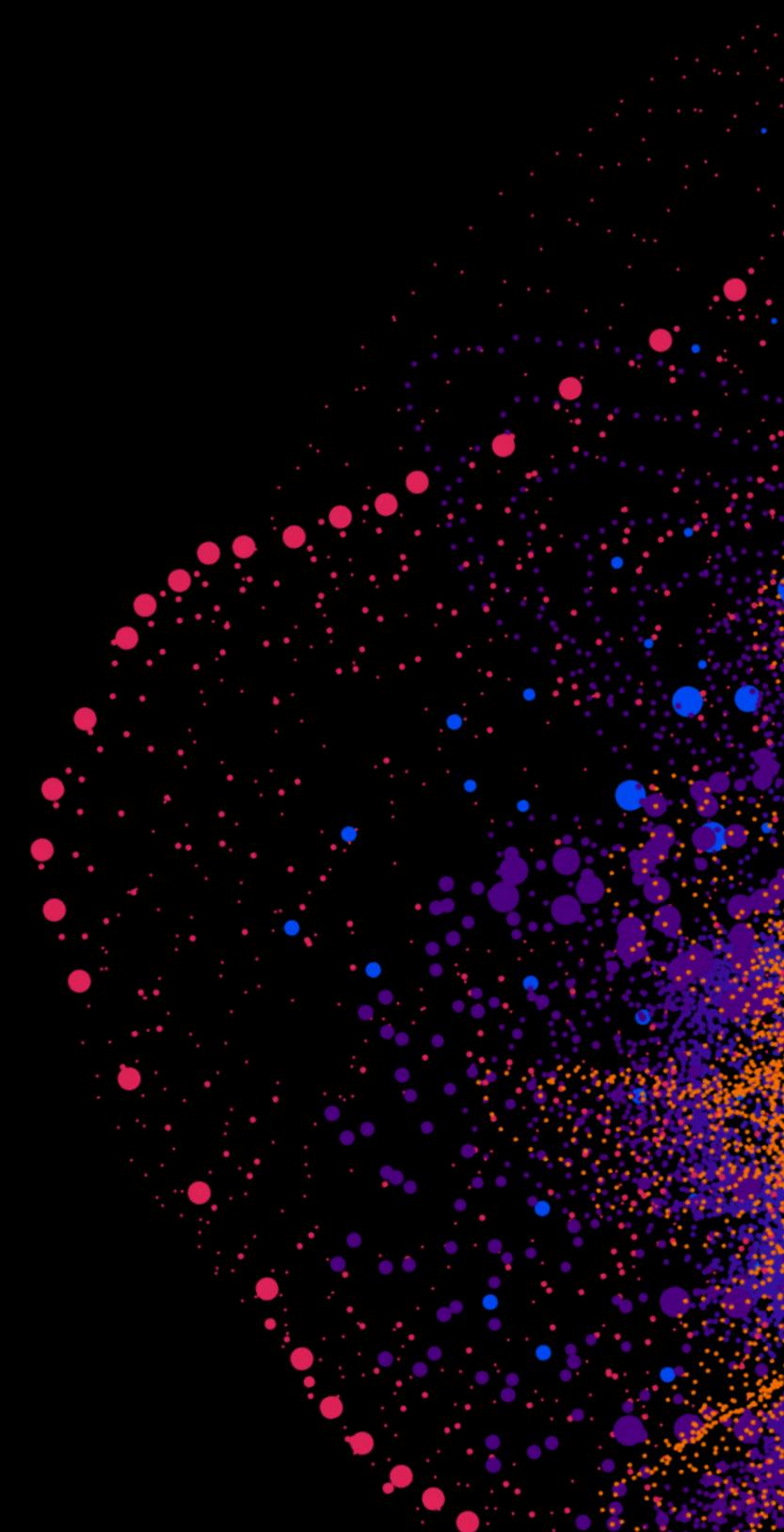
**Risk & Compliance.** Ability to assess key risks to the Group including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems.

86%

#### Information Technology Strategy &

**Governance.** Knowledge and experience in the strategic use and governance of information management and information technology.

69%



# Principle 2.

Structure the board to be effective and add value.

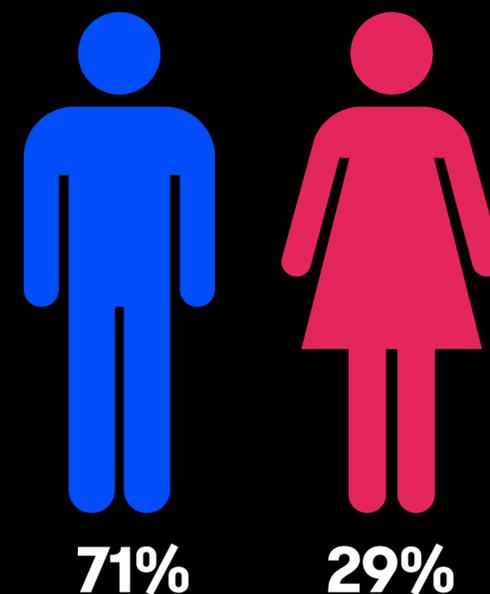
## Personal Attributes

- Integrity ethics and commitment
- Leadership
- Effective listener, communicator and questioner
- Influencer and negotiator
- Robust leadership ability
- Curious, courageous and critical thinker
- Contributor and team player

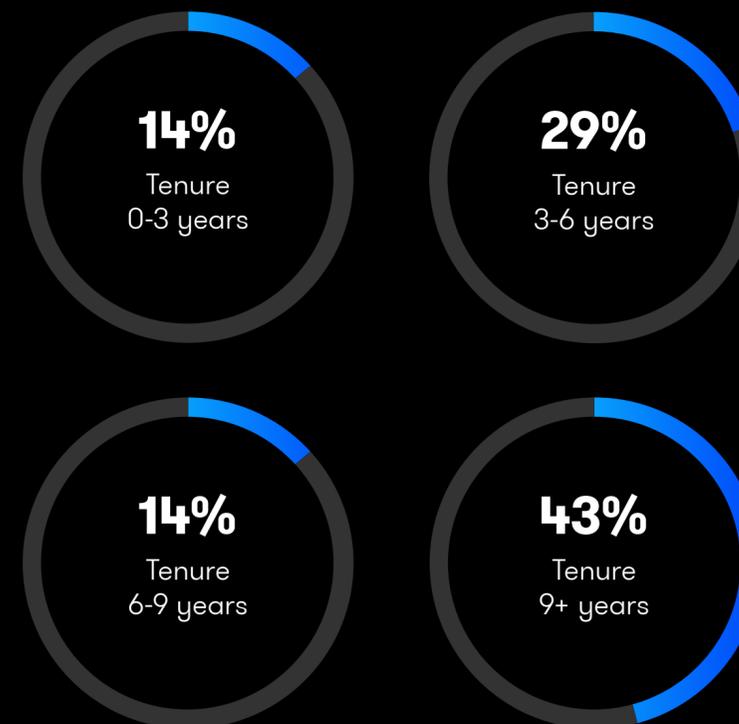
## Board Diversity

The diversity of the Board during the reporting period, in relation to gender, tenure and geographic location was as follows:

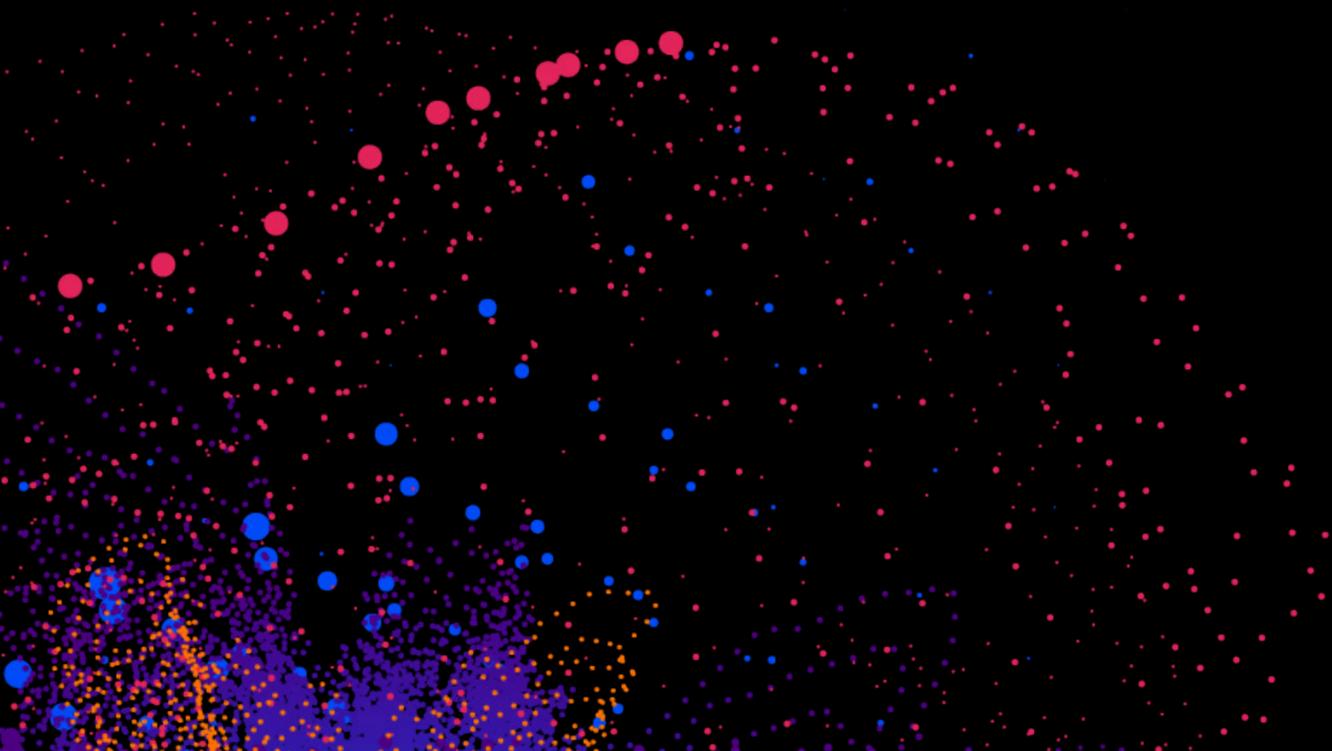
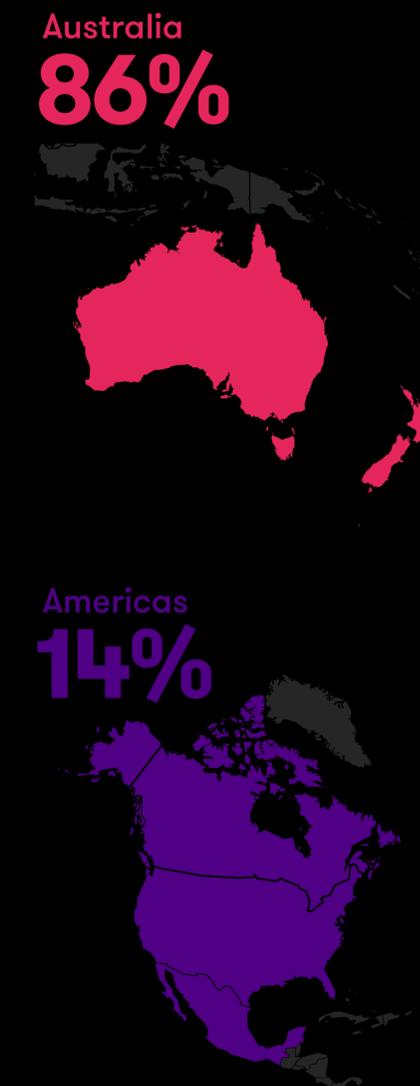
### Gender



### Tenure



### Geographic Location



## Principle 2.

Structure the board to be effective and add value.

### 2.3 Status of Independence

Throughout FY21 there were seven Directors on the Board.

The Board agreed that during FY21 it was of sufficient size to meet the requirements of the business and manage any changes to the composition of the Board and Committees without undue disruption. Due to the departure of Kirstin Ferguson and George Gresham in July 2021 the Board have commenced the search for additional Independent Non-Executive Directors.

The below table sets out the details of the Directors who served on the Board during FY21, their length of service and their status of independence.

Name	Position	Appointed	Independence
Peter Martin	Non-Executive Chairman	2012	Independent
Tom Cregan	Managing Director and Group CEO	2012	Non-independent
Tony Adcock	Non-Executive Director	2011	Independent
David Liddy AM	Non-Executive Director and Deputy Chairman	2012	Independent
Kirstin Ferguson <i>Retired 16 July 2021</i>	Non-Executive Director	2018	Independent
Melanie Wilson	Non-Executive Director	2018	Independent
George Gresham <i>Resigned 29 July 2021</i>	Non-Executive Director	2020	Independent

### 2.4 Majority of Directors to be Independent

The Board has adopted the independence definition set out in the ASX Governance Recommendations. The majority of Directors, including the Chairman are considered Independent.

Shareholding and Tenure are factors taken into consideration by the Board in assessing the independence of a Director, but is not determinative.

**Shareholding** – the Board has assessed that an interest of less than 5%, if held in conjunction with all associate holdings, is considered to be independent.

**Tenure** – Based on its assessment, the Board determined that each Independent (Non-Executive) Director remains able to bring an independent mind to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The qualifications and experience of the Directors of the Board, the number of Board meetings and Committee meetings held and the number of meetings attended by each Director in the reporting period are set out in the 2021 Annual Report.

### 2.5 Role of the Chair & CEO must be Separate

The role of the Chairman and the role of Group CEO are exercised by different individuals, being Peter Martin and Tom Cregan respectively.

Our Chairman, Peter Martin is an Independent (Non-Executive) Director and has been a Director of EML since 2012.

The Chairman's overarching responsibilities are to provide appropriate leadership to the Board and EML and to ensure the Board fulfills its obligations under its Charter. The Chairman's responsibilities are set out in more detail in the Board Charter which is available on our [website](#).

### 2.6 Induction & Professional Development

Upon appointment, Non-Executive Directors are provided with a comprehensive induction program that ensures they are able to maximise their contribution to the governance and strategic oversight of the Company. The Culture, Governance and Nomination Committee reviews the effectiveness of the induction program periodically.

The induction program for Non-Executive Directors is split into the following two stages:

Stage 1	
Upon Appointment	<b>Induction Pack</b> Immediately following their appointment to the Board, new Non-Executive Directors are provided with a comprehensive induction pack of written materials that cover the core governance documents (such as the Constitution, Board & Committee Charters, Group Policies, the previous Annual Report and Governance Statement). Group Strategy documents, core financial and risk documents and other Board materials.
Stage 2	
First 6 months	<b>1:1 Meetings &amp; Office Tours/Site Visits.</b> In this period new Directors have 1:1 meetings scheduled with other Directors, the Executive and key Leadership roles, finance and investor relations, risk, governance, the external auditor and other appropriate external stakeholders. In addition, they attend client site/office tours where relevant.

All Directors are expected to maintain the skills required to discharge their obligations to the Company.

On an ongoing basis, Directors are provided with papers, presentations and briefings on matters which may affect the business or operations of EML. Directors are also encouraged to undertake continuing education and training relevant to the discharge of their obligations as Directors of the Company. Subject to consultation with the Chairman and Company Secretary, the reasonable cost of continuing education and training is met by EML.

Directors are entitled to access independent professional advice at EML's expense to assist them in fulfilling their responsibilities as appropriate.

# Principle 3.

Instil a culture of acting lawfully, ethically & responsibly.

## Relevant Governance Documents

- Code of Conduct Policy
- Securities Trading Policy
- Anti-Bribery & Corruption Policy
- Group Whistleblower Policy
- Group Human Rights and Modern Slavery Policy

## 3.1 Values

The Company has adopted the following values which embody EML's culture, behaviours and actions:

- Openness
- Simplicity
- One team
- Awesomeness

These values which are disclosed on the Company's website, have been created to build a shared understanding of the priorities of the Company in our decision making and focus.

The Board have established a Code of conduct for Directors, executives and employees, a copy of which is available in the Corporate Governance section of our [website](#). The Code of Conduct articulates our values and is provided to all employees as part of the induction process. The Code of Conduct forms the foundation for the behaviour expectations that the Company has for its Directors, senior executives, employees and contract personnel.

## 3.2 Code of Conduct

The Board maintains high standards of ethical conduct and the CEO is responsible for ensuring that high standards of conduct are maintained by all staff.

### Code of Conduct Policy

The EML Code of Conduct Policy (**The Code**) sets out the way in which our Directors, Officers, employees, contractors and third parties are expected to conduct themselves every day.

The Code articulates our high standards of business conduct built on our commitment to act fairly, ethically and lawfully with all stakeholders.

Staff members are provided with regular training in The Code, and those policies and procedures referred to within it. On joining, staff members are required to confirm that they have read and understood the Code of Conduct Policy.

The Company encourages individuals to report known or suspected instances of inappropriate conduct, including breaches of The Code and other policies and directives. There are policies in place designed to protect employees and contractors from any reprisal, discrimination or being personally disadvantaged as a result of their reporting a concern. Any breach of these policies is reported to the Audit and Risk Committee and to the Board.

The Code of Conduct policy and main Group level policies relevant to conduct are also available on our [website](#).

## 3.3 Whistleblower Policy

A comprehensive Group wide Whistleblower Program operates within the Company to encourage employees and external parties including suppliers and former employees to report suspected illegal or unethical behaviour or practise. This program is supported by the Group Whistleblower Policy.

A Whistleblower Hotline is operated by an independent third party where reports can be made confidentially and anonymously. All reports made under the Group Whistleblower Policy are reported to the Audit and Risk Committee and any material breach of the Group Whistleblower Policy is reported to the Chair of the Board

## 3.4 Anti-Bribery & Corruption Policy

The Board has approved a standalone Anti-Bribery & Corruption Policy (**ABC Policy**). The ABC Policy sets out EML's zero tolerance for any bribery or corruption in our business dealings and operations globally. The ABC Policy provides a reporting mechanism for allegations of bribery and corruption via the independently managed whistleblower hotline. Any breach of this policy is reported to the Audit and Risk Committee and Board.

# Principle 4.

Safeguard the integrity of corporate reports.

## Relevant Governance Documents

— Audit & Risk Committee Charter

### 4.1 Audit & Risk Committee

The Board has established an Audit & Risk Committee (**ARC**) as detailed in the table to the right. The ARC functions and powers are formalised in a Charter, which is available on our [website](#).

Composition	Membership in FY20	Purpose & Responsibilities
<p>Comprises at least three members, all of whom are Non-Executive Directors and the majority of whom are Independent.</p> <p>Chaired by an Independent Non-Executive Director who was not the Chairman of the Board.</p> <p><small>1 David Liddy resigned from the ARC effective 20 May 2021.</small></p> <p><small>2 George Gresham resigned from the Board effective 29 July 2021.</small></p> <p><small>Peter Martin was appointed to the ARC effective 17 August 2021.</small></p>	<p><b>Current members</b></p> <ol style="list-style-type: none"> <li>1. Tony Adcock (Chairman)</li> <li>2. Melanie Wilson</li> <li>3. David Liddy<sup>1</sup></li> <li>4. George Gresham<sup>2</sup></li> </ol>	<p>The purpose of the Committee is to oversee financial reporting, business policies and practices, legal and regulatory compliance, internal controls and risk reporting and the whole of organisation risk management framework. Responsibilities include:</p> <ul style="list-style-type: none"> <li>— Financial reporting: to ensure the balance, transparency and integrity of published financial information;</li> <li>— Internal controls: to confirm the effectiveness of EML's internal controls;</li> <li>— Internal audit: to be satisfied with the internal audit function (if applicable) and to approve the appointment and assess the performance of the internal auditor (if applicable);</li> <li>— External audit: to ensure an independent audit process;</li> <li>— Risk: oversee and assess the effectiveness of EML's Risk Management Framework; and</li> <li>— Review and monitor EML's compliance with legal and regulatory obligations, internal policies and industry standards.</li> </ul>

The Audit & Risk Committee meet as often as required in accordance with its Charter. Following each meeting, the ARC reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the ARC that requires Board approval.

The skills and experience of the Committee members together with the number of meetings held, and the number of meetings attended by each Committee member in the reporting period are set out in the 2021 Annual Report.

The external auditors attend meetings at the invitation of the Committee. The Non-Executive Directors periodically meet the external auditors without the Group CEO or other management being present.

To ensure the auditor remains independent, all audit and non-audit work is authorised by the ARC.

The external auditor attends the AGM and shareholders are given an opportunity to ask questions regarding conduct of the audit, preparation and content of the auditors report, the accounting policies adopted by the Company, and the independence of the auditor.

## Principle 4.

Safeguard integrity in corporate reporting.

### 4.2 CEO & CFO Declaration

The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and performance. The Board, with the guidance of the Audit & Risk Committee, review the Group's half yearly and annual financial statements.

The Group CEO and Group CFO provide written declarations to the Board in respect of the half year and full year statutory accounts that in their opinion, the Group's financial records have been properly maintained and the statutory accounts comply with the relevant accounting standards and give a true and fair view of the Group's financial position and performance, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For the FY21 reporting period the Board has obtained a written assurance from the Group CEO and Group CFO that the declaration provided under section 295A of the Corporations Act 2001 (Cth) (and for the purposes of Recommendation 4.2) is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting and material business risks.

### 4.3 Verifying the integrity of corporate reports

The Company's financial and half yearly financial reports are audited prior to being released to the market. Prior to any half yearly financial reports or financial reports being released to the market, Directors require a s295A declaration from the CEO and the CFO.

The ARC reviews the Company's financial reports, including the Company's Annual Report and recommends whether Directors should approve the release of these documents to the market. In addition to its financial reports, the Company releases a Corporate Governance Statement and Modern Slavery Statement each year.

The Culture, Governance and Nomination Committee verifies the annual Corporate Governance Statement and Modern Slavery Statement and recommends Board approval.

The Company also provides updates to the market on its earnings outlook at broker conferences or investor days. The provision of any unaudited corporate report is reviewed and approved by the ARC and/or Board prior to release on the ASX and clearly states the information is unaudited.

## Principle 5.

Make timely & balanced disclosure.

### Relevant Governance Documents

— Disclosure & Communications Policy

### 5.1 Continuous Disclosure

EML is committed to maintaining the highest standards of disclosure, providing shareholders and the investment community with the same access to full and accurate information about its activities in an accessible and timely manner. The Company acknowledges that providing information in this way enables investors to trade in EML shares in an informed, efficient and competitive market.

EML has a Disclosure & Communications Policy which includes the following principles, consistent with the continuous disclosure obligations under ASX Listing Rules that govern EML's communications:

- EML will, in accordance with the requirements of the ASX Listing Rules, immediately issue to the ASX any information that a reasonable person would expect to have a material effect on the price or value of its securities;
- the Group CEO, Group CFO, Group General Counsel and Company Secretary manage the day-to-day continuous disclosure issues and are responsible for compliance, coordinating disclosure and educating employees about EML's Disclosure & Communications Policy; and
- all material information issued to the ASX, the Annual Reports, half year and full year results, and presentation material given to analysts, is published on our [website](#).

The Company Secretary is the primary persons responsible for communication with the ASX. Only authorised spokespersons can communicate on behalf of EML with shareholders, the media or the investment community.

The Disclosure & Communication Policy was last updated in February 2021 and is available on our [website](#).

### 5.2 The prompt provision of all material market announcements to the Board

In accordance with our Disclosure and Communications Policy all material market announcements during FY21 were approved by Directors prior to being released to the ASX.

The Company Secretary also provides Directors with a copy of all material market announcements promptly after they are made.

### 5.3 Investor presentations to be released to the market

In accordance with our Disclosure and Communications Policy any slides or presentations prepared for investor briefings/analyst presentations will be released through the ASX and thereafter posted on the Company's [website](#) prior to the briefing taking place.

Before each reporting period, the Group CEO and Group CFO will formulate guidelines for presentations for that period. The Company's policy at these briefings is that:

- the Company will not disclose price sensitive information at any meeting with an investor or analyst without formally disclosing it to the market beforehand;
- the Company will not comment on price sensitive issues already disclosed to the market; and
- 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.

# Principle 6.

Respect the rights of security holders.

## Relevant Governance Documents

— Disclosure & Communications Policy

### 6.1 Communicating with Investors via the Website

EML is committed to dealing fairly and openly with shareholders and the investment community.

All recent Company announcements, investor presentations, AGM presentations, Annual Reports and information on corporate governance practices are uploaded to the 'Investors' section of our [website](#).

### 6.2 Two Way Communication with Investors

The Board is committed to ensuring communication to shareholders is of high quality, the information is relevant and useful, and communicated in a timely manner. To this end, EML encourages shareholders to receive communications from, and send communications to, EML and its Share Registry, Link Market Services Limited, electronically.

The Company's Disclosure & Communication Policy outlines the Company's approach to effective communication to and from shareholders and other stakeholders through a range of forums. This includes:

- investor roadshows conducted by the Group CEO and Group CFO after the release of the Company's half and full year results, the presentations of which are lodged on the ASX announcement's platform;
- presentations by the Chairman and Group CEO regarding the Company's activities and state of affairs at the AGM with the transcript of these presentations lodged on the ASX announcement's platform and our [website](#); and
- attendance of Directors and the external auditor at the AGM to answer questions of shareholders as required.

EML's shareholders are encouraged to make their views known to EML by directly raising matters of concern.

### 6.3 Shareholder Communication Policies

Shareholders are encouraged to attend the Company's AGM. Notice of the FY21 AGM will be given in accordance with the Company's Constitution, the Corporations Act 2001 (Cth) and the ASX Listing Rules.

The Company's AGM in particular is an opportunity for shareholders to receive updates from the Group CEO on the Group performance and to ask questions of the Board and auditors and to vote on the various resolutions affecting the Company's business. Shareholders are also given an opportunity at the AGM to ask questions of the Company's auditors regarding the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

The Company's FY20 AGM was successfully held as a virtual meeting pursuant to the amendments to the *Corporations Act 2001* (Cth) under the Corporations Corona-virus Economic Response (Determination (No.1) 2020.

The Company's Constitution was updated to permit holding a virtual or Hybrid AGM. The date, time, location and format of the FY21 AGM will be provided in the notice of meeting and on our [website](#).

Whilst the Company would ordinarily encourage shareholders to attend meetings in person, in the event that they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.

**Due to the continuing impact of COVID-19, we aim to hold the 2021 EML AGM as a Hybrid meeting.**

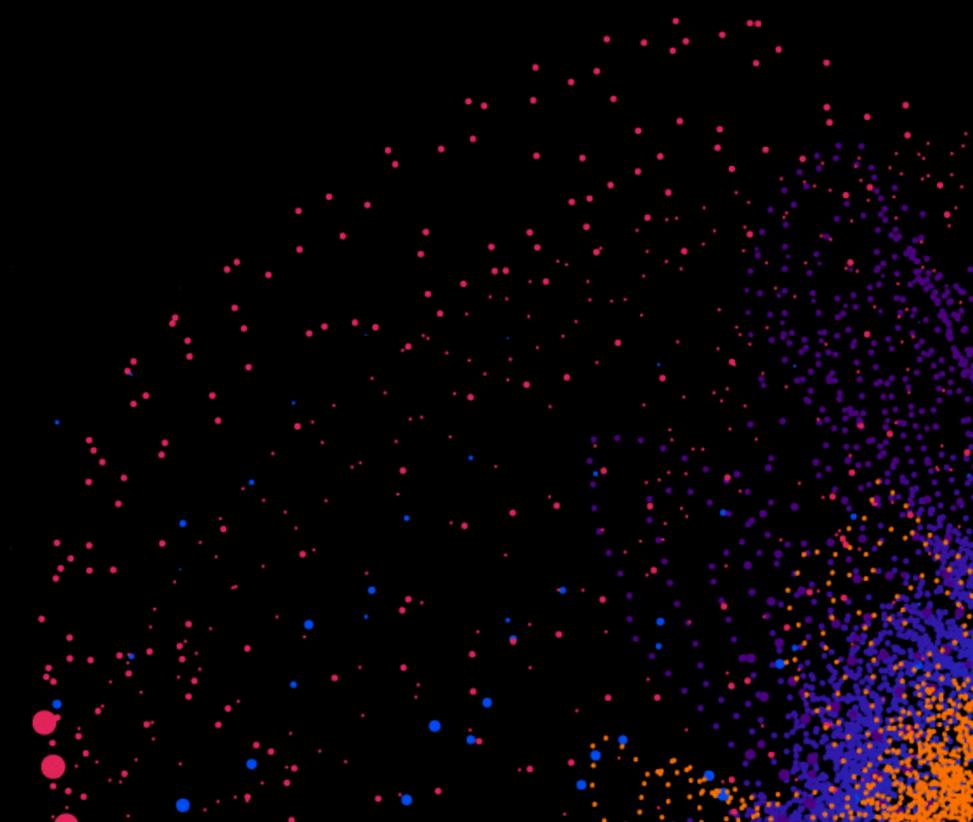
The Company's Disclosure & Communications Policy is available on our [website](#).

### 6.4 Substantive resolutions to be held by poll.

It is Company practice for voting on all resolutions to be conducted by a poll. This practice will continue for the AGM this year.

### 6.5 Options for security holders to send and receive communications electronically

The Board is committed to ensuring timely communication to shareholders and strongly encourages shareholders to communicate with the Company electronically by emailing the Company Secretaries. EML also encourages its shareholders to receive company information electronically by registering their email addresses online or via post with the Company's share registry, Link Market Services.



# Principle 7.

## Recognise & manage risk.

### Relevant Governance Documents

- Risk Management Policy
- Audit & Risk Committee Charter

### 7.1 Audit & Risk Committee

The Board has established an Audit & Risk Committee (**ARC**) as detailed in the table below. The ARC functions and powers are formalised in a Charter to oversee risk, a copy of which is available on our [website](#).

The Audit & Risk Committee meets as often as is required in accordance with its Charter. Following each meeting, the ARC reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of ARC that requires Board approval.

The skills and experience of the Committee members together with the number of meetings held, and the number of meetings attended by each Committee member in the reporting period are set out in the 2020 Annual Report.

Composition	Membership in FY20	Purpose & Responsibilities
<p>Comprises at least three members, all of whom are Non-Executive Directors and the majority of whom are Independent.</p> <p>Chaired by an Independent Non-Executive Director who was not the Chairman of the Board.</p>	<p><b>Current members</b></p> <ol style="list-style-type: none"> <li>1. Tony Adcock (Chairman)</li> <li>2. Melanie Wilson</li> <li>3. David Liddy<sup>1</sup></li> <li>4. George Gresham<sup>2</sup></li> </ol>	<p>The purpose of the Committee is to oversee financial reporting, business policies and practices, legal and regulatory compliance, internal controls and risk reporting and the whole of organisation risk management framework. Risk related responsibilities include:</p> <ul style="list-style-type: none"> <li>— Oversee and assess the effectiveness of EML's risk management framework, and to make recommendations in respect of the development of embedding of the risk management framework and appetite to the Board with detailed oversight of financial risk;</li> <li>— Assist the Board with the monitoring and review of EML's risk culture;</li> <li>— Review and approve policies and initiatives that ensure best practise risk management, reflect stakeholder expectations and influence EML's reputation as a responsible organisation; and</li> <li>— Review and monitor EML's compliance with legal and regulatory obligations, internal policies and industry standards.</li> </ul>

<sup>1</sup> David Liddy resigned from the ARC effective 20 April 2021.

<sup>2</sup> George Gresham resigned from the Board effective 29 July 2021.

Peter Martin was appointed a member of the ARC effective 17 August 2021.

### 7.2 Risk Management Framework

EML has established a Risk Management Framework (**Framework**) and regularly reviews the soundness and effectiveness of that Framework. The Framework is designed to identify and manage risk on an ongoing basis. The Board sets the risk appetite for the Group, oversees the Framework and satisfies itself that the Framework is sound by reviewing reports received and asking questions when necessary to satisfy itself as questions arise. It is the responsibility of management to design and implement that Framework and to ensure that the Group operates within the risk appetite set by the Board.

The Audit & Risk Committee is responsible for advising the Board on the adequacy of the Group's risk management system. In the reporting period, the ARC reviewed the Group's Framework, and advised the Board that it was consistent with AS/NZS ISO 31000:2009: Risk Management – Principles and Guidelines, and that the Group continued to have an approach to risk oversight, management and internal control that was appropriate for the Group's business.

The Board has adopted a Risk Management Policy which sets out its approach to the oversight and management of risks. The policy is available on our [website](#).

# Principle 7.

Recognise & manage risk.

## Relevant Governance Documents

- Risk Management Policy
- Board Charter
- Audit & Risk Committee Charter

### 7.3 Internal Audit Function

In accordance with the Board Charter it is the Board’s responsibility to oversee the effectiveness of the risk management framework, internal control and compliance in the Group that covers both financial and non-financial risks;

The ARC assists the Board in carrying out its accounting, auditing, financial reporting and risk management responsibilities and the Group Chief Risk Officer (**Group CRO**) has responsibility for management of the Group’s risk function and has access to the Chairman of the ARC.

The Company’s internal audit function is outsourced to a specialised independent firm. The Internal Audit function provides independent assurance over the effectiveness of the Company’s risk management, internal control and governance processes. The internal audit function has direct access to the Chairman of the ARC and to management.

The annual internal audit plan is aligned to the Company’s material risks by the Audit and Risk Committee using inputs from management and the outsourced internal audit firm. The internal audit plan is approved by the ARC annually.

### 7.4 Environmental and social Risks

EML acknowledges the increased community concern about climate change and the impact that our business has on the environment we operate in. We also acknowledge the importance of considering the impact of climate change on the sustainability of our operations even though EML has a relatively low environmental footprint through our operations.

We continue to review if we have any material exposure to environmental and social risks, are committed to positive environmental and sustainability outcomes, and compliance with applicable legal and regulatory requirements. The Company does not consider that it has any material environmental or social risks.

We seek continuous improvement of our environmental sustainability, focusing on major impact areas such as responsible consumption and production and waste reduction. We encourage and support employee engagement on environment and sustainability matters.

Information regarding our progress on social and environmental commitments and initiatives are available in the 2021 Annual Report.



**EML.**  
**CHANGE FOR GOOD**  
**x5,000**

EML will eliminate 25 million plastic cards by 2023. That's 25,000m or 5,000 giraffes, standing on top of each other.

	1 giraffe	5,000 giraffes
	<b>5m</b>	<b>25,000m</b>

**EML.**  
**change for good.**

# Principle 8.

Remunerate fairly & responsibly.

## Relevant Governance Documents

- Remuneration Committee Charter (formerly the People & Remuneration Committee Charter)
- Remuneration Report / Annual Report
- Securities Trading Policy

### 8.1 Remuneration Committee

The Board believes that attracting and retaining the right calibre of personnel at the Board, Executive and Employee level is critical to ensure the Group is able to pursue its strategic objectives.

The Remuneration Committee assists the Board to achieve this. Its role and function are set out in its Charter, a copy of which is available on the Company's [website](#).

Details of the REMCO composition, membership and responsibilities in relation to remuneration are set out below.

Following each meeting, the REMCO will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the REMCO that requires Board approval.

The qualifications and experience of the members of the Committee, together with the number of meetings held and the number of meetings attended by each Committee member in the reporting period are set out in the 2021 Annual Report.

### 8.2 Remuneration Policies & Practises

In accordance with the terms of the REMCO Charter, in the reporting period the Committee reviewed and approved the Group's overall remuneration policy in order to assess whether remuneration was market competitive and designed to attract, align and retain valuable members of staff.

While details of the Group's remuneration policies and practices are set out in the Remuneration Report, broadly in FY21:

- Independent (Non-Executive) Directors receive their fees in cash. They receive a fixed amount and do not receive options, bonus payments or other performance incentives and are not entitled to retirement benefits (other than superannuation);
- The Group CEO, KMP and Executives receive both fixed and incentive-based remuneration. Details of remuneration and the policies and practises adopted by the Group in setting the remuneration of the Group CEO, KMP's and Executives are outlined in the Remuneration Report in the EML 2021 Annual Report.

### 8.3 Equity Based Remuneration Restrictions

The Company's Securities Trading Policy prohibits any employee of EML to enter into security transactions (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration scheme, or otherwise awarded, or which will be offered by EML in the future.

The Securities Trading Policy is available on our [website](#).

Composition	Membership in FY21	Purpose & Responsibilities
<p>Comprises at least three members, all of whom are Non-Executive Directors and the majority of whom are Independent.</p> <p>Chaired by an Independent Non-Executive Director.</p>	<p><b>Current members</b></p> <ol style="list-style-type: none"> <li>1. David Liddy (Chairman)</li> <li>2. Kirstin Ferguson<sup>1</sup></li> <li>3. Peter Martin<sup>2</sup></li> <li>3. George Gresham<sup>3</sup></li> </ol>	<p>The purpose of the REMCO is to review and recommend to the Board matters relating to remuneration including:</p> <ul style="list-style-type: none"> <li>— Remuneration policies, including developing and maintaining the policies and frameworks that guide and govern Senior Management remuneration decisions, practices and outcomes;</li> <li>— Evaluation of performance and remuneration packages for the Group CEO and other members of Senior Management;</li> <li>— The review of short and long-term incentive plans, including plan terms and conditions, performance hurdles and invitations to participate;</li> <li>— Monitoring compliance with the Non-Executive Director remuneration pool established by the Constitution, or as subsequently amended by shareholders, and recommending any changes to the pool.</li> </ul>

<sup>1</sup> George Gresham was appointed as a member of the REMCO on 20 April 2021 and resigned from the Board on 29 July 2021.

<sup>2</sup> Peter Martin resigned as a member of the REMCO on 20 April 2021.

<sup>3</sup> Kirstin Ferguson retired from the Board on 16 July 2021.

Melanie Wilson was appointed as a member of the REMCO effective 21 July 2021.

Tony Adcock was appointed as a member of the REMCO effective 17 August 2021.

