



CORPORATE GOVERNANCE STATEMENT

Approach to Corporate Governance

We are pleased to present our 2020 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 2020.

This Corporate Governance Statement is current as at 18 August 2020 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 3rd 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.

This includes consideration of the 4th edition of the ASX Governance Recommendations, which we will adopt before or during the financial year ending 30 June 2021.

The summary to the right identifies EML's status of adoption to the ASX Governance Recommendations with further information contained within the Governance Statement.

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 2020 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.

ASX Corporate Governance Principles & Recommendations — 3rd Edition

ASX Governance Recommendations	Status	ASX Governance Recommendations	Status
Principle 1: Lay Solid Foundations for Management & Oversight		Principle 5: Make Timely & Balanced Disclosure	
1.1 Roles & Responsibilities	●	5.1 Continuous Disclosure	●
1.2 Appropriate Checks & Material Information	●	Principle 6: Respect the Rights of Security Holders	
1.3 Written Agreements	●	6.1 Communicating with Investors via the Website	●
1.4 Company Secretary	●	6.2 Two Way Communication with Investors	●
1.5 Diversity & Inclusion Policy	●	6.3 Shareholder Communication Policies	●
1.6 Board Performance Evaluation	●	6.4 Electronic Communication with Shareholders	●
1.7 Senior Management Performance Evaluation	●	Principle 7: Recognise & Manage Risk	
Principle 2: Structure the Board to add Value		7.1 Audit & Risk Committee	●
2.1 Nominations Committee	●	7.2 Risk Management Framework	●
2.2 Board Skills Matrix	●	7.3 Internal Audit Function	●
2.3 Status of Independence	●	7.4 Sustainability Risks	●
2.4 Majority of Directors to be independent	●	Principle 8: Remunerate Fairly & Responsibly	
2.5 Role of the Chair & CEO must be Separate	●	8.1 Remuneration Committee	●
2.6 Induction & Professional Development	●	8.2 Remuneration Policies & Practises	●
Principle 3: Act Ethically & Responsibly		8.3 Equity Based Remuneration Restrictions to Based	●
3.1 Code of Conduct	●	Principle 4: Safeguard Integrity in Corporate Reporting	
4.1 Audit & Risk Committee	●	4.1 Audit & Risk Committee	●
4.2 CEO & CFO Declaration	●	4.2 CEO & CFO Declaration	●
4.3 External Auditors to Attend the AGM	●	4.3 External Auditors to Attend the AGM	●

2020 Governance Highlights

- Review and update of the Board & Committee Charters in light of recent developments in practice and the 4th Edition of the ASX Corporate Governance Principles & Recommendations
- Completion of an internal Board performance evaluation
- Implemented a Whistleblower Policy
- Appointment of a new independent Director
- Appointment of a Deputy Chairman and Rotation of Chairman of the People and Remuneration Committee
- Appointment of an additional Company Secretary and Head of Corporate Governance
- EML's organisational Purpose was defined.
- Refresh of the Company's Corporate Policies
- Board members participated in visits to our North American office
- EML to commence reporting against the Modern Slavery Act for the year ending 30 June 2020

Principle 1

Lay Solid Foundations for Management & Oversight.

Relevant Governance Documents

- [Board Charter](#)
- [People & Remuneration Committee Charter](#)
- [Audit & Risk Committee Charter](#)
- [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 People & Remuneration 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 fulfill 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

Our Company Secretaries are Paul Wenk and Sonya Tissera-Isaacs.

During FY20 the Board appointed Sonya Tissera-Isaacs as Head of Corporate Governance and Joint Company Secretary to strengthen EML's corporate governance framework and practises.

The Company Secretaries have 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 is responsible for maintaining EML's Corporate Policies and overseeing the relationship with the Share Register and formally reports 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 reports directly to the Board.

Each Director is entitled to access the advice and services of the Company Secretaries 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 are set out in the 2020 Annual Report and are also available on our [website](#).



Principle 1

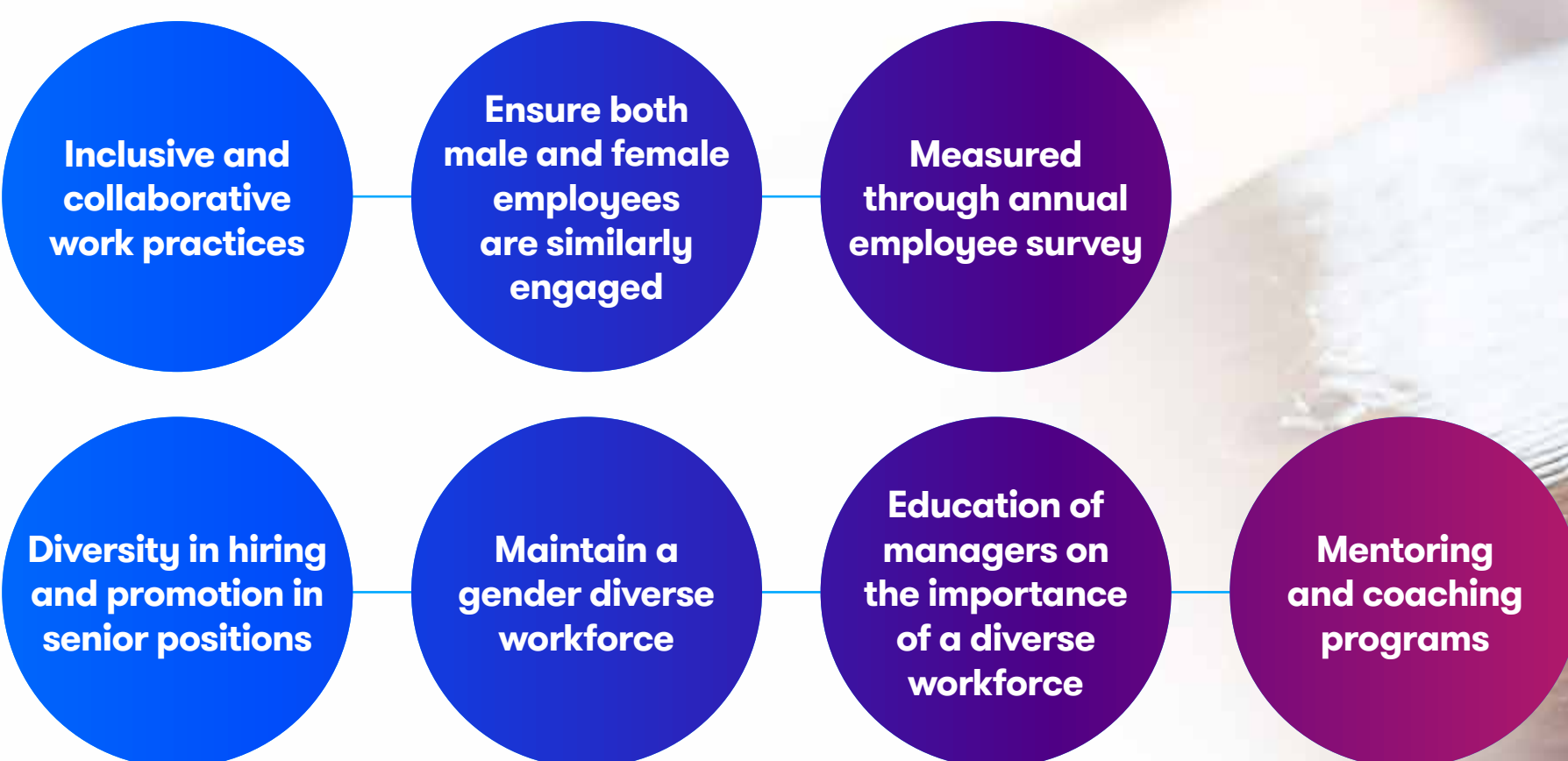
Lay Solid Foundations for Management & Oversight.

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:



Employee Gender Diversity (Female Representation) Workforce at the end of FY20



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 FY20 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 2020 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 self-evaluation questionnaire was used to facilitate the annual performance review process. The questionnaire included questions on those areas identified for improvement in previous cycles as well as areas appropriate for examination during the current reporting period. The questionnaire responses and insights from discussions are collated and the Board meets to discuss and consider the results – actioning any matters arising from the review.

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.



Peter Martin
Chairman,
Non-Executive Director



David Liddy AM
Independent
Non-Executive Director



Dr Kirstin Ferguson
Independent
Non-Executive Director



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

Principle 2

Structure the Board to add Value.

Relevant Governance Documents

- [Board Charter](#)
- [People & Remuneration Committee Charter](#)

2.1 Nominations Committee

The Board has established a People & Remuneration Committee (**PRC**), formerly known as the Remuneration & Nomination Committee to manage matters relating to the composition, renewal, performance review and succession planning of the Board.

Details of the Composition, Responsibilities and membership of the Committee during FY20 are detailed below and also formalised in a Charter, a copy of which is available on our [website](#).

The PRC will meet as often as is required under its Charter. Following each meeting, the PRC 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 2020 Annual Report.

Composition	Membership in FY20	Purpose & Responsibilities
Comprises at least three members, all of whom are Non-Executive Directors and the majority of whom are Independent.	Current members 1. David Liddy (Chairman)* 2. Kirstin Ferguson* 3. Peter Martin	The purpose of the Committee is to review and recommend to the Board matters relating to: <ul style="list-style-type: none">— 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.
* As part of a Committee Chair rotation, Mr David Liddy was appointed to the Chair of the PRC on the 20th May 2020. Dr Kirstin Ferguson remains a member of the PRC.		

Principle 2

Structure the Board to 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 People & Remuneration 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 FY20 our Board increased to seven members with the appointment of Mr George Gresham on 18 May 2020. Mr Gresham's appointment reduced our Board gender diversity from female representation of 33% in FY19 to 29% in FY20 and increased our geographic diversity to now include representation within North America.

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 FY20 Annual Report.

Although our target diversity representation of women on the Board has fallen slightly under 30%

as at 30 June 2020 the Board considers that it has an appropriate number of Non-Executive Directors who can 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.

During the year the Board reviewed its skills matrix both in terms of the level of detail of director skills (as required in the 4th edition of the ASX Governance recommendations in order to provide meaningful information to shareholders), and as a tool for the Board to review its composition, director appointment and succession planning considerations.

The Board skills matrix has been simplified to focus 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 are currently represented within the Board as a group. The Board benefits from the totality of the Directors individual skills, knowledge and diversity. 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 2020 Annual Report.



Principle 2

Structure the Board to 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.

69%

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.

86%

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.

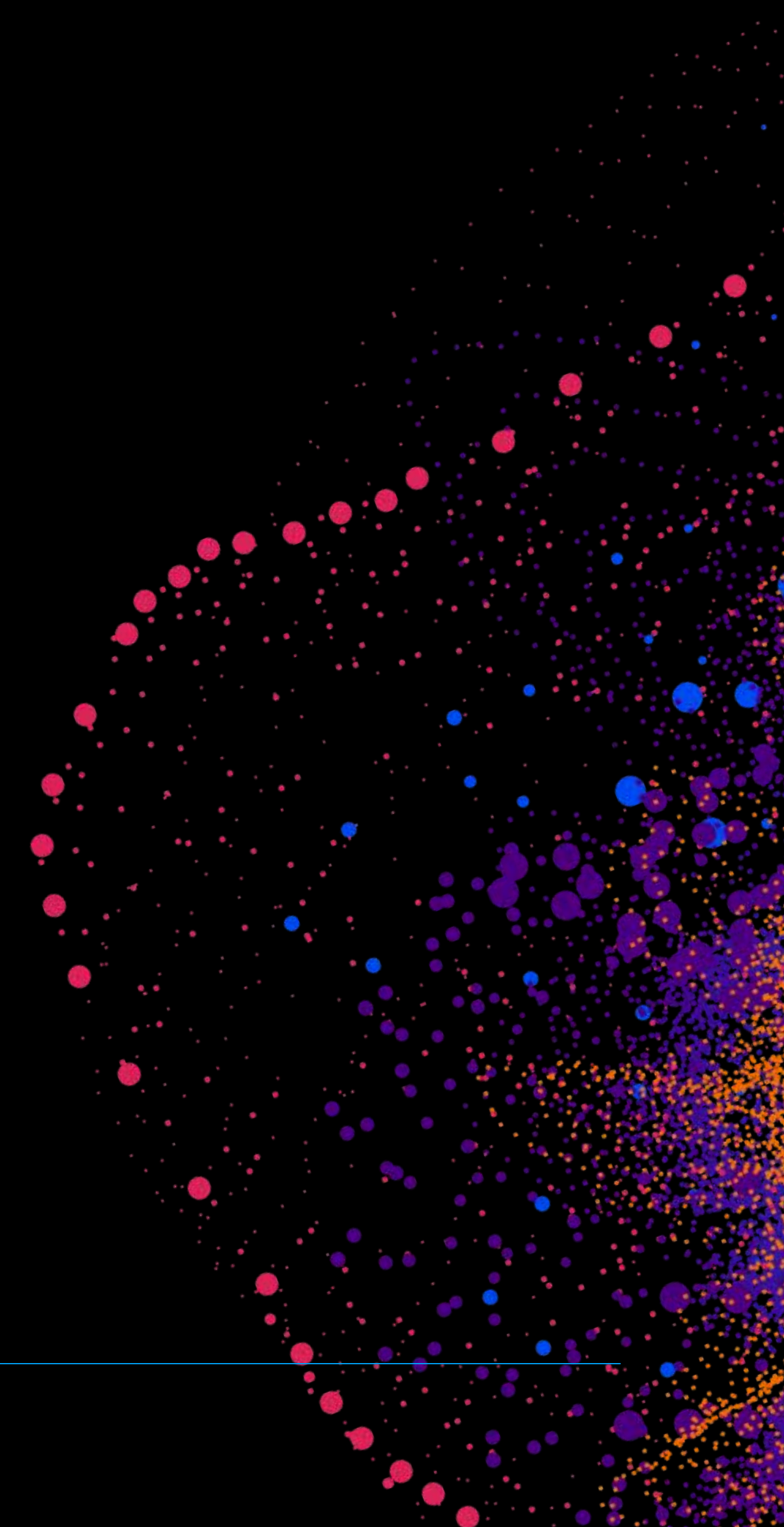
86%

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

89%

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 add Value.

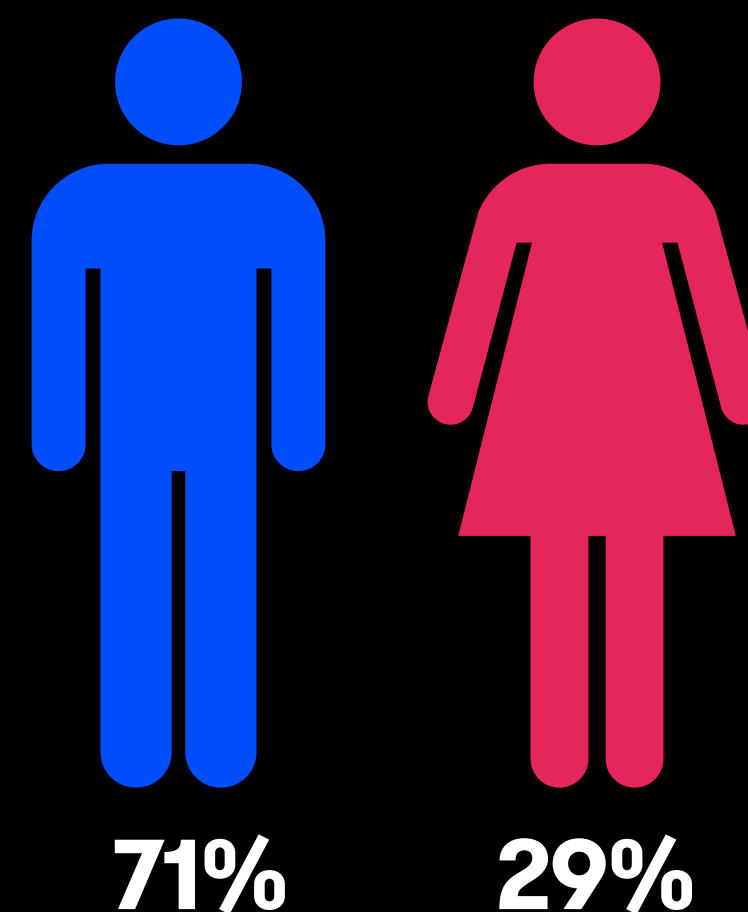
Personal Attributes

- 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

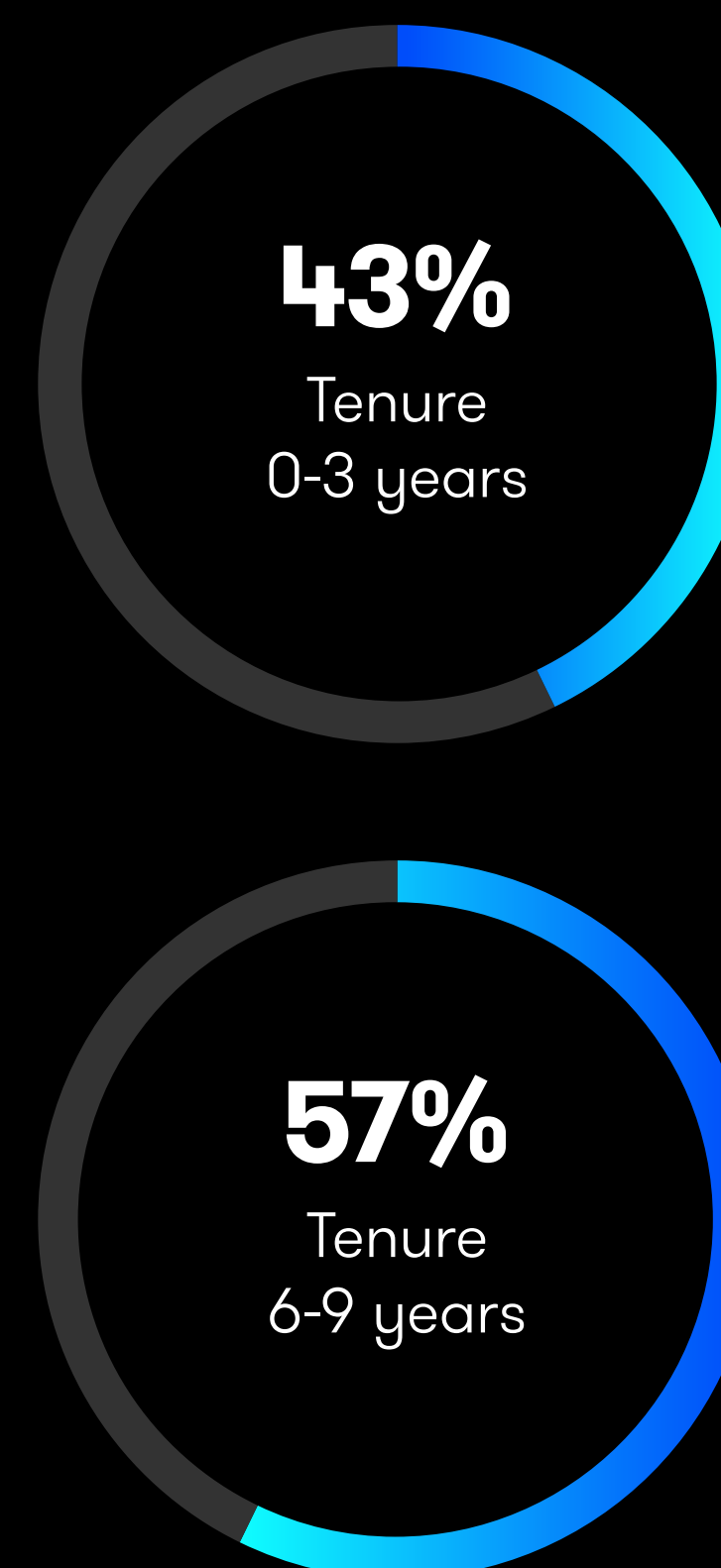
Board Diversity

The diversity of the Board as at the date of this document, in relation to gender, tenure and geographic location is as follows:

Gender



Tenure

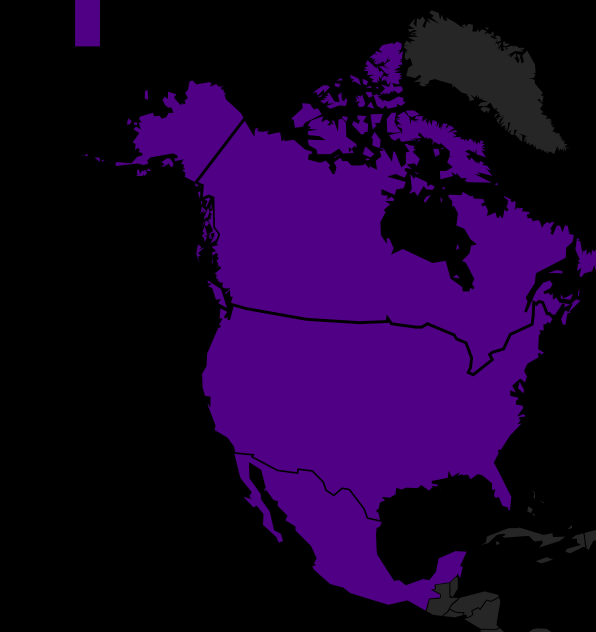


Geographic Location

Australia
6



Americas
1



Principle 2

Structure the Board to add Value.

2.3 Status of Independence

Throughout the year there were between six and seven Directors on the Board. The current size of the Board ensures it is not so large as to be unwieldy. The Board agrees that it is of sufficient size for the requirements of the business to be met and changes to the composition of the Board and Committees can be managed without undue disruption.

The below table sets out the details of the Directors who served on the Board during FY20, 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
Dr Kirstin Ferguson	Non-Executive Director	2018	Independent
Melanie Wilson	Non-Executive Director	2018	Independent
George Gresham	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 2020 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 Mr Peter Martin and Mr 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 People & Remuneration 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	Induction Pack 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	1:1 Meetings & Office Tours/Site Visits. 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

Act Ethically & Responsibly.

Relevant Governance Documents

- [Code of Conduct Policy](#)
- [Securities Trading Policy](#)
- [Anti-Bribery & Corruption Policy](#)
- [Whistleblower Policy](#)

3.1 Code of Conduct

The Board is committed to observing high standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct which sets out the way in which the Company seeks to conduct business.

Code of Conduct Policy

The EML Code of Conduct Policy (**The Code**) was substantially updated by the Board in FY20. It 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 of Conduct, 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.

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.

Whistleblower Policy

EML has established a Whistleblower Policy which provides a safe environment where information regarding potential misconduct or impropriety (including unethical, illegal or socially irresponsible conduct) within EML can be reported confidentially and without fear of reprisal or detriment to the person reporting it. The Whistleblower Policy was implemented in November 2019 and is in the process of being globalised and a third party whistleblower reporting service is being introduced to further promote a speak up culture.

Securities Trading Policy

Directors, like all EML employees, are subject to the *Corporations Act 2001* (Cth) which restricts their buying, selling or trading securities in EML if they are possession of unpublished inside information.

The Board has adopted a formal policy for share trading by Directors and employees, known as, The Securities Trading Policy (**Trading Policy**).

In summary, the Company's Securities Trading Policy provides:

- Directors and other Nominated Persons will not engage in short term trading of the Company's shares;
- Directors and other Nominated Persons will not buy or sell shares at a time when they possess information which, if disclosed publicly, would be likely to materially affect the market price of the Company's shares;
- Directors and other Nominated Persons will not buy or sell shares during Blackout Periods, being:
 - from the end of 31 December until the end of the trading day on which the Company's half-year financial results are released to the ASX;
 - from the end of 30 June until the end of the trading day on which the Company's full year financial results are released to the ASX; and
 - four weeks prior to the Company's AGM, ending at the end of the day on which the AGM is held.

The purchase and sale of EML shares by Directors and employees is only permitted in accordance with the Trading Policy.

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

- [Anti-Bribery & Corruption Policy](#)
- [Securities Trading Policy](#)
- [Whistleblower Policy](#)

Human Rights & Modern Slavery

Following the passing of Modern Slavery legislation in Australia, EML commenced risk assessments to prepare for the FY20 and future mandatory reporting requirements around modern slavery.

EML is committed to working with our suppliers to identify and eradicate any modern slavery from our supply chain and ensure our workplace, our supply chain and our community are safe, lawful and diverse. EML is not aware of any matters that breach Modern Slavery legislation

The Board are satisfied that all Directors and employees have complied with EML's policies on ethical standards during the reporting year.

Principle 4

Safeguard Integrity in Corporate Reporting.

Relevant Governance Documents

— [Audit & Risk Committee Charter](#)

4.1 Audit & Risk Committee

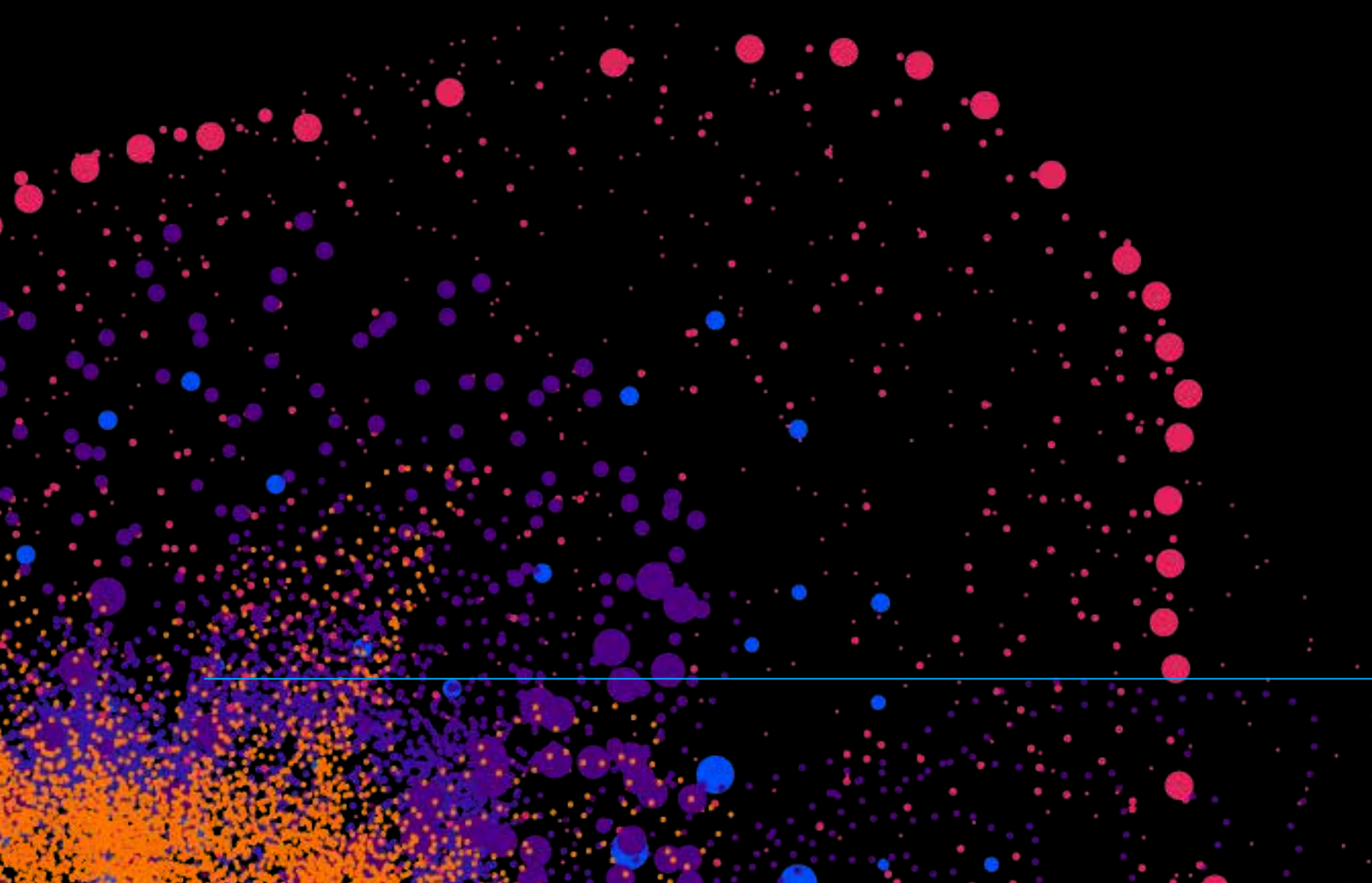
The Board has established an Audit & Risk Committee (**ARC**) as detailed in the table to the right. The ARC functions and powers are formalised in a Charter, which is available on our [website](#).

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>* George Gresham was appointed to the ARC effective 1 July 2020</small></p>	<p>Current members</p> <ol style="list-style-type: none">1. Tony Adcock (Chairman)2. Melanie Wilson3. David Liddy	<p>The purpose of the Committee is to oversee financial risk management and internal controls across EML. Responsibilities include:</p> <ul style="list-style-type: none">— Financial reporting: to ensure the balance, transparency and integrity of published financial information;— Internal controls: to confirm the effectiveness of EML’s internal controls;— 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);— External audit: to ensure an independent audit process, recommended by the appointment of the external auditor;— Risk: oversee and assess the effectiveness of EML’s Risk Management Framework; and— Review and monitor EML’s compliance with legal and regulatory obligations, internal policies and industry standards.

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 2020 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.



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, reviews 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 FY20 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 External Auditors to Attend the AGM

In accordance with EML's Disclosure & Communications Policy, shareholders are encouraged to attend the Company's Annual General Meeting (**AGM**).

EML's auditor's attend the AGM and shareholders will be 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 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 and Joint Company Secretaries 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 Joint Company Secretaries are 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 2020 and is available on our [website](#).

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, media briefings, press releases, 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.

Principle 6

Respect the Rights of Security Holders.

6.3 Shareholder Communication Policies

Shareholders are encouraged to attend the Company's AGM. Notice of the 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 date, time and location of the AGM will be provided in the notice of meeting and on our [website](#). Whilst shareholders are encouraged 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.

In light of the escalating COVID-19 pandemic, the 2020 EML AGM will be held virtually.

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

6.4 Electronic Communication with Shareholders

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
Comprises at least three members, all of whom are Non-Executive Directors and the majority of whom are Independent. Chaired by an Independent Non-Executive Director who was not the Chairman of the Board.	Current members 1. Tony Adcock (Chairman) 2. Melanie Wilson 3. David Liddy	The purpose of the Committee is to oversee financial risk management and internal controls across EML and to assess the effectiveness of EML’s Risk and Compliance management framework. Risk related responsibilities include: — 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; — Assist the Board with the monitoring and review of EML’s risk culture; — 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 — Review and monitor EML’s compliance with legal and regulatory obligations, internal policies and industry standards.

* George Gresham was appointed to the ARC effective 1 July 2020

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.

7.3 Internal Audit Function

The Group Chief Risk Officer (**Group CRO**) provides ongoing reports to the Audit & Risk Committee, as well as bi-annual assessments of the adequacy and effectiveness of the Company's control processes and risk management procedures. Any internal audit reviews that are undertaken are done so in coordination with the Audit & Risk Committee, with external audit assistance provided if needed.

The role of the Group CRO is to:

- coordinate the implementation of risk management processes, risk profile and mitigation strategies;
- facilitate, challenge and drive risk management and risk mitigation strategies in the Group;
- review the sufficiency and effectiveness of the internal control framework;
- review systems and operations and the adequacy of controls; and
- report to Senior Management and the Audit & Risk Committee at regular intervals on the risk management process, risk mitigation strategies, material business risks and internal control framework.

7.4 Sustainability Risks

We continue to review if we have any material exposure to economic, environmental and social sustainability risks. We recognise we have some economic exposure through the fact that we earn revenues in numerous currencies and in turn have exposure to exchange rate variations across those currencies.

We are committed to positive environmental and sustainability outcomes and compliance with applicable legal and regulatory requirements. 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 and have just launched an environmental initiative as part of EML's **change for good program** which aim to remove 25 million pieces of plastic from our business, thus helping to protect the global communities we embrace.

Information regarding our awesome social and environmental commitments, strategies and initiatives are available in the 2020 Annual Report.

#EMLChangeForGood
#DemandToBePlasticFree
#EcoWayToPay

EML.

CHANGE FOR GOOD

x10

EML will eliminate 25 million plastic cards by 2023.
That's 250 ton or the weight of 10 Humpback Whales.



1 Humpback Whale
25 ton

10 Humpback Whales
250 ton

EML.
change
for good.

Principle 8

Remunerate Fairly & Responsibly.

Relevant Governance Documents

- [People & Remuneration Committee Charter](#)
- [Remuneration Report / Annual Report](#)
- [Securities Trading Policy](#)

8.1 Remuneration Committee

The Board has established a People & Remuneration Committee (**PRC**) that manages Remuneration (formerly known as the Remuneration & Nomination Committee). Details of the PRC composition, membership and responsibilities in relation to remuneration are set out below.

Composition	Membership in FY20	Purpose & Responsibilities
Comprises at least three members, all of whom are Non-Executive Directors and the majority of whom are Independent.	Current members <ol style="list-style-type: none"> 1. David Liddy (Chairman)* 2. Kirstin Ferguson* 3. Peter Martin 	<p>The purpose of the PRC is to review and recommend to the Board matters relating to remuneration including:</p> <ul style="list-style-type: none"> — Remuneration policies, including developing and maintaining the policies and frameworks that guide and govern Senior Management remuneration decisions, practices and outcomes; — Evaluation of performance and remuneration packages for the Group CEO and other members of Senior Management; — The review of short and long-term incentive plans, including plan terms and conditions, performance hurdles and invitations to participate; — 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.

* As part of a Committee Chair rotation, Mr David Liddy was appointed to the Chair of the PRC on the 20th May 2020. Dr Kirstin Ferguson remains a member of the PRC.

The powers and responsibilities of the PRC are set out in a Board-approved Charter which is available on our [website](#).

Following each meeting, the PRC will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the PRC 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 2020 Annual Report.

8.2 Remuneration Policies & Practises

In accordance with the terms of the PRC 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:

- 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. They 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 practices 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 2020 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](#).

