

2024 Corporate Governance Statement

This corporate governance statement sets out Beforepay Group Limited's ACN 633 925 505 (Company) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition) (ASX Principles and Recommendations).

The ASX Principles and Recommendations are not mandatory. However, this corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations.

This corporate governance statement is current as at 24 June 2024 and has been approved by the board of the Company (Board).

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. Lay solid foundations for management and oversight		
1.1. A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of the board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	A Board Charter is available on the Company's website, which sets out: (a) the respective roles and responsibilities of the Board and management of the Company (Management); and (b) those matters expressly reserved to the Board and those delegated to Management.
1.2. A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in the company's possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	Appropriate checks have been undertaken prior to the appointment of all Directors and Senior Executives, including prior to putting someone forward for election as a director. The Company will provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director at future general meetings.
1.3. A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has a written agreement in place with each Director and Senior Executive setting out the terms of their appointment.
1.4. The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Company Secretary is accountable directly to the Board, through the chair of the Board (Chair), on all matters to do with the proper functioning of the Board.

1.5. A listed entity should:

- (a) have and disclose a diversity policy;
- (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- (c) disclose in relation to each reporting period:
 - (1) the measurable objectives set for that period to achieve gender diversity;
 - (2) the entity's progress towards achieving those objectives; and
 - (3) either : (i) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes) or, (ii) if the company is a relevant employer" under the Workplace Gender Equality Act 2012 (Cth), the company's most recent "Gender Equality Indicators", as defined in and published under that Act.

Yes

The Company has adopted a Diversity Policy, a copy of which is available on the Company's website.

The Diversity Policy sets out that the Board, in consultation with the Remuneration and Nomination Committee (RNC), has responsibility to set measurable objectives for achieving gender diversity in the composition of the Board, Senior Executives and the workforce generally.

The Company is committed to increasing gender diversity within the Company as a whole and striving to create a more diverse workforce. The following measurable objectives and targets have been set by the RNC and approved by the Board to achieve gender diversity:

- by the end of 2025 the Board will comprise of at least 30% women;
- by the end of 2025 the Company's people in leadership positions will comprise of at least 30% women; and
- by the end of 2025 women will make up at least 40% of all Company employees,

whilst acknowledging that gender is not binary.

As at 30June 2024, the gender diversity statistics for the Company were as follows:

	Female	Male	Female Proportion
Staff	19	24	45%
Leadership Positions	8	8	50%
Board Members	0	4	0%

1.6. A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Yes

The Company aims to create a more equitable culture by regularly assessing the gender base pay, supporting staff to develop as inclusive leaders.

The RNC has established processes for periodically evaluating the performance of the Board, its Committees and individual Directors. The RNC's obligations are further detailed in the RNC Charter, a copy of which is available on the Company's website.

The Company has undertaken a performance evaluation for the Board, its committees and individual Directors in

accordance with the adopted performance evaluation process during this reporting period.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>1.7. A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>The RNC has established processes for periodically evaluating (at least once every reporting period) the performance of the Company's Senior Executives.</p> <p>The RNC's obligations and processes in this regard are further detailed in the RNC Charter, a copy of which is available on the Company's website.</p> <p>The Company has undertaken a performance evaluation for the Senior Executives in accordance with the adopted performance evaluation process during this reporting period.</p>
2. Structure the Board to be effective and add value		
<p>2.1. The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence, and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Company has formed the RNC. A copy of the RNC Charter is available on the Company's website.</p> <p>The RNC is comprised of Brian Hartzler (Chair of RNC), Daniel Moss and Patrick Tuttle, all of whom are Non-Executive Directors. Two Directors (Brian Hartzler and Patrick Tuttle) are independent Directors.</p> <p>The RNC is chaired by Brian Hartzler who is an independent Director. Luke Bortoli was Chair of RNC and a Non-Executive Director until his directorship ceased on 22 November 2023.</p> <p>The RNC met on 3 occasions during the reporting period. Details of each member's attendance at RNC meetings is set out on page 28 of the Annual Report.</p>
<p>2.2. A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Yes	<p>The Board has had regard to the appropriate mix of skills and expertise required from Management and the Directors to achieve the objectives of the Company.</p> <p>The Company has a Board Skills Matrix setting out the mix of skills that the Board currently has. A copy of this is available on the Company's website.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>2.3. A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation, or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Yes	<p>The Board Charter sets out the Board's adopted criteria and policy for determining whether a Director is independent. The RNC is responsible for assessing the independence of each Non-Executive Director.</p> <p>The Board is comprised of four Directors:</p> <ul style="list-style-type: none"> • Brian Hartzler, appointed 5 July 2021 • Daniel Moss, appointed 5 June 2019 • Patrick Tuttle, appointed 16 November 2020 • Stefan Urosevic, appointed 5 June 2019 <p>During the reporting period, Luke Bortoli was also a director until his directorship ceased on 22 November 2023.</p> <p>The Board considers an independent Director to be a Non-Executive Director who is not a member of Management and who is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with the independent exercise of the person's judgement. Details of Director options have been set out in the Remuneration Report.</p> <p>The Board has determined that two Directors are independent: Brian Hartzler and Patrick Tuttle, which makes up half of the Board. The length of service of each Director is disclosed above.</p>
2.4. The majority of the board should be independent directors.	No	<p>There is no longer a majority of the board of independent directors since the departure of Luke Bortoli, who resigned on 23 November 2023. It was determined that a replacement will not be sought for this role due to the nature and the size of Beforepay, and that the current Board composition provides the necessary oversight.</p>
2.5. The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	<p>The Board has appointed Brian Hartzler, an independent Director, as Chair. Mr Hartzler does not hold the position of CEO, in compliance with corporate governance best practice.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
2.6. A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	<p>All new Directors undertake an induction program to ensure they have the skills and knowledge necessary to perform their role as Directors effectively.</p> <p>The Company periodically reviews the Directors' mix of skills and provides continuing education and professional development opportunities for Directors to maintain the skills and knowledge needed to perform their roles effectively.</p>
3. Instil a culture of acting lawfully, ethically and responsibly		
3.1. A listed entity should articulate and disclose its values.	Yes	The Company has articulated and disclosed its values in its Code of Conduct, a copy of which is available on the Company's website.
3.2. A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives, and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. 	Yes	<p>The Company has adopted a Code of Conduct which applies to its Directors, Senior Executives and employees. A copy of the Code of Conduct is available on the Company's website.</p> <p>Under the Code of Conduct, material breaches of the Code are reported to the Board in accordance with Beforepay's policies and procedures.</p>
3.3. A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a Whistleblower Policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	Yes	<p>The Company has adopted a Whistleblower Policy, a copy of which is available on the Company's website.</p> <p>Under the Whistleblower Policy, the Board is to be informed of any incidents reported in accordance with the Whistleblower Policy.</p>
3.4. A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy. 	Yes	<p>The Company has adopted an Anti-Bribery and Corruption Policy, a copy of which is available on the Company's website.</p> <p>Under the Anti-Bribery and Corruption Policy, material breaches of the policy are reported to the Board.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
4. Safeguard the integrity of corporate reports		
4.1. The board of a listed entity should:	Yes	The Company has formed an Audit and Risk Committee (ARC). A copy of the ARC Charter is available on the Company's website.
(a) have an audit committee which:		
(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and		The ARC is comprised of Patrick Tuttle (Chair of ARC), Brian Hartzler and Stefan Urosevic, all of whom are Non-Executive Directors and two of whom are independent (Patrick Tuttle & Brian Hartzler).
(2) is chaired by an independent director, who is not the chair of the board,		Luke Bortoli was also a member of ARC and Non-Executive Director until his directorship ceased on 23 November 2023.
and disclose:		
(3) the charter of the committee;		The ARC is chaired by Patrick Tuttle, who is an independent Director and is not the Chair of the Board.
(4) the relevant qualifications and experience of the members of the committee; and		The ARC met on 6 occasions during the reporting period. Details of each member's attendance at ARC meetings is set out on page 28 of the Annual Report.
(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2. The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Before the Board approves the Company's financial statements for the last financial period, the Board received a declaration that, in the opinion of the CEO and CFO, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
4.3. A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	<p>Where periodic corporate reports are not audited or reviewed by an external auditor, the Company ensures it employs processes which minimise the chance of error in the report.</p> <p>The processes employed involve a review and verification by the relevant internal stakeholder culminating in an internal sign-off that the portion of the report to which they have contributed is accurate prior to receiving approval by ARC or the Board.</p>
5. Make timely and balanced disclosure		
5.1. A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.	Yes	The Company has adopted a formal continuous disclosure policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1. A copy of the Disclosure and Communication Policy is available on the Company's website.
5.2. A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	<p>The Company ensures that the Board receives copies of all material market announcements promptly after they have been made.</p> <p>This process is detailed in the Disclosure and Communication Policy adopted by the Company, a copy of which is available on the Company's website.</p>
5.3. A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	<p>Where the Company gives a new and substantive investor or analyst presentation, it releases a copy of the presentation materials on the ASX Market.</p> <p>This process is detailed in the Disclosure and Communication Policy adopted by the Company, a copy of which is available on the Company's website.</p>
6. Respect the rights of security holders		
6.1. A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company maintains a website at https://www.beforepay.com.au/investor-hub/corporate-governance-1 which provides information about the Company and its governance to investors.
6.2. A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Company has an investor relations program that facilitates effective two-way communication with investors.
6.3. A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Company has adopted a Disclosure and Communication Policy which details that the Company will provide Shareholders with the opportunity to have their questions answered at general meetings or submit questions in advance of the general meeting where a Shareholder is unable to attend. A copy of the Disclosure and Communication Policy is available on the Company's website.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
6.4. A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	The Company will ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. This process is detailed in the Disclosure and Communication Policy adopted by the Company, a copy of which is available on the Company's website.
6.5. A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	All security holders have the option to receive communications from, and send communications to, the Company and its security registry electronically. The Company's approach to communicating with security holders is detailed in the Disclosure and Communication Policy adopted by the Company, a copy of which is available on the Company's website.
7. Recognise and manage risk		
7.1. The board of a listed entity should:	Yes	The Company has formed the ARC. A copy of the ARC Charter is available on the Company's website.
(a) have a committee or committees to oversee risk, each of which:		The ARC is comprised of Patrick Tuttle (Chair of ARC), Brian Hartzler and Stefan Urosevic, all of whom are Non-Executive Directors and two of whom are independent (Patrick Tuttle & Brian Hartzler).
(1) has at least three members, a majority of whom are independent directors; and		Luke Bortoli was also a member of ARC and Non-Executive Director until his directorship ceased on 23 November 2023.
(2) is chaired by an independent director, and disclose		The ARC is chaired by Patrick Tuttle, who is an independent Director and is not the Chair of the Board.
(3) the charter of the committee;		The ARC met on 6 occasions during the reporting period. Details of each member's attendance at ARC meetings is set out on page 28 of the Annual Report.
(4) the members of the committee; and		
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>7.2. The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>In this reporting period, the Board (as recommended by ARC) reviewed the Company's risk management framework (in line with its annual review cycle) and has made appropriate changes to satisfy itself that the framework continues to be sound (including to address evolving regulatory obligations) and that the Company is operating with due regard to the risk appetite set by the Board.</p>
<p>7.3. A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	Yes	<p>The Company has various quality assurance strategies throughout the business but has not established a discreet internal audit function. The Board (as recommended from ARC) considers that the current size and nature of the Company's operations does not necessitate the need for an internal audit function currently.</p> <p>The ARC is responsible for evaluating and continually improving the effectiveness of the Company's governance, risk management and internal control processes. This committee facilitates the oversight of risks and actions being undertaken by Management to mitigate risks to an acceptable level. The Board is satisfied that the processes in place to identify the Company's material business risks are appropriate and that these risks are being managed effectively.</p> <p>The Company's risk management processes continue to be monitored and reported against.</p> <p>During the reporting period, the Board and ARC undertook a review as to whether there is a need for an internal audit function and determined that there was no such need. The Board and ARC will continue to periodically review whether there is a need for an internal audit function and its scope if needed. The Board is prepared to adopt an internal audit function if deemed necessary in the future.</p>
<p>7.4. A listed entity should disclose whether it has any material exposure to environmental or social risks and if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company does not have material exposure to environmental or social risks.</p> <p>The Company intends that the ARC will be responsible for monitoring and receiving reports on environmental and social risks, and if they do arise, to manage them according to the ARC Charter, a copy of which is available on the Company's website.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
8. Remunerate fairly and responsibly		
8.1. The board of a listed entity should:	Yes	The Company has formed the RNC. A copy of the RNC Charter is available on the Company's website.
(a) have a remuneration committee which:		
(1) has at least three members, a majority of whom are independent directors; and		The RNC is comprised of Brian Hartzler (Chair of RNC), Daniel Moss and Patrick Tuttle, all of whom are
(2) is chaired by an independent director, and disclose:		Non-Executive Directors. Two Directors (Brian Hartzler and Patrick Tuttle) are independent Directors.
(3) the charter of the committee;		The RNC is chaired by Brian Hartzler who is an independent Director. Luke Bortoli was Chair of RNC and a Non-Executive Director until his directorship ceased on 22 November 2023.
(4) the members of the committee; and		The RNC met on 3 occasions during the reporting period. Details of each member's attendance at RNC meetings is set out on page 28 of the Annual Report.
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		
8.2. A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The Company has disclosed its policies and practices regarding the remuneration of Non-Executive Directors in the Company's Remuneration Report within the Annual Report.
8.3. A listed entity which has an equity-based remuneration scheme should:	Yes	The Company's Securities Trading Policy and remuneration policies prohibit participants of any equity-based remuneration scheme entering into transactions which limits the economic risk of a participant.
(a) have a policy on whether participants are permitted to enter into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and		A copy of the Securities Trading Policy is available on the Company's website.
(b) disclose that policy or a summary of it.		