

# CORPORATE GOVERNANCE STATEMENT

THIS STATEMENT WAS APPROVED BY THE BOARD OF INCENTIAPAY LTD ON 10 SEPTEMBER 2019

PRINCIPLE AND RECOMMENDATION	REQUIREMENT	COMPLY	EXPLANATION
<b>PRINCIPLE 1</b>	<b>LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<b>Recommendation 1.1</b>	A listed entity should disclose: <ul style="list-style-type: none"> <li>a. The respective roles and responsibilities of the board and management; and</li> <li>b. Those matters expressly reserved to the board and those delegated to management</li> </ul>	Yes	The Company has adopted a Board Charter which specifies the roles and responsibilities of management and the board. A copy of the charter is available on the Company's website.
<b>Recommendation 1.2</b>	A listed entity should: <ul style="list-style-type: none"> <li>a. Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</li> <li>b. Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director</li> </ul>	Yes	Up until 28 June 2019, the Company conducted appropriate checks via the Remuneration and Nomination Committee. This role has since been assumed by the board. The checks included, reference and background checks at the discretion of the Chair. Shareholders are provided all information on the Directors prior to election/re-election.
<b>Recommendation 1.3</b>	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 written agreements with all directors and senior executives.
<b>Recommendation 1.4</b>	A Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters	Yes	The Board Charter outlines the role of the Company Secretary who is accountable directly to the board through the chair.

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<b>PRINCIPLE 1</b>	<b>LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<b>Recommendation 1.5</b>	<p>A listed entity should:</p> <p>a. Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them</p> <p>b. Disclose that policy or a summary of it</p> <p>c. Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either</p> <p>i. The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>ii. If the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act</p>	Yes	<p>The board has recently approved a diversity policy a summary of which is on the Company's website.</p> <p>The Company discloses the following gender diversity statistics for the Company and its controlled entities as at the date of the annual report:</p> <p>i. 64% of the Company's employees are female;</p> <p>ii. 36% of the Company's senior executives are female; and</p> <p>iii. 0% of the Board is female.</p> <p>The Company's Gender Equality Indicators are published in its most recent report on the Workplace Gender Equality Agency website.</p>
<b>Recommendation 1.6</b>	<p>A listed entity should:</p> <p>a. Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>b. Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process</p>	<p>Yes</p> <p>No</p>	<p>The Remuneration and Nomination Committee Charter has a process for evaluating the performance of directors on an annual basis. A copy of the Remuneration and Nomination Committee Charter is on the Company's website.</p> <p>No evaluations have been undertaken over the past 12 months, given recent board changes. The board expects to undertake the evaluations in the next 12 months.</p>

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<b>PRINCIPLE 1</b>	<b>LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<b>Recommendation 1.7</b>	<p>A listed entity should:</p> <p>a. Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>b. Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process</p>	<p>Yes</p> <p>No</p>	<p>The Remuneration and Nomination Committee Charter has a process for evaluating the performance of senior executives. A copy of the Remuneration and Nomination Committee Charter is on the Company's website.</p> <p>No formal evaluations have been undertaken over the past 12 months, given recent board and executive changes. The board expects to undertake the evaluations in the next 12 months.</p>
<b>PRINCIPLE 2</b>	<b>STRUCTURE THE BOARD TO ADD VALUE</b>		
<b>Recommendation 2.1</b>	<p>The board of a listed entity should:</p> <p>a. Have a Nominations Committee which:</p> <p>i. Has at least three members, a majority of whom are independent directors; and</p> <p>ii. Is chaired by an independent director, and disclose:</p> <ul style="list-style-type: none"> <li>• The charter of the committee</li> <li>• The members of the committee; and</li> <li>• As at the end of each reporting period, the number of times the committee met through the period and the individual's attendances of the members at those meetings;</li> </ul> <p>or</p> <p>b. If it does not have a Nominations Committee, disclose the process it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively</p>	<p>Yes, until 28 June 2019</p>	<p>The Company had a Nominations Committee chaired by an Independent Director (Naseema Sparks). The Charter of the Committee is disclosed on the Company's website.</p> <p>From 28 June 2019, upon the resignation of Ms Sparks and Mr Berkefeld, the role of the committee has been assumed by the board.</p> <p>The board manages board succession issues and ensures that the board has an appropriate balance of skills, knowledge, experience, independence and diversity through an annual review of these issues.</p>
<b>Recommendation 2.2</b>	<p>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>	<p>No</p>	<p>The Company does not have a skills matrix. However, the full board undertakes an annual review of its size, composition and skills.</p>

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<b>PRINCIPLE 2</b>	<b>STRUCTURE THE BOARD TO ADD VALUE</b>		
<b>Recommendation 2.3</b>	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>a. The names of directors considered by the board to be independent directors</li> <li>b. If a director has an interest, position, association or relationship of the type described in Box 2.3 of the Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and the explanation of why the board is of that opinion; and</li> <li>c. The length of service of each director</li> </ul>	Yes	<p>(a) Independent directors During the period between 1 July 2018 and 28 June 2019, the board had a majority of directors (Naseema Sparks, Chris Berkefeld Murray d’Almeida and Gath Barret) who satisfied the test of independence as defined in the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition).</p> <p>(b) Non-independent director Stephen Harrison was appointed to the board on 15 February 2019 and is not considered independent due to his association with substantial shareholder, Sinetech Limited.</p> <p>Jeremy Thorpe was appointed to the board on 15 May 2019 and is not considered independent given his association with substantial shareholder, Suzerain Holdings Limited.</p> <p>Charles Romito was appointed to the board on 28 June 2019 and is not considered independent given his association with substantial shareholder, Mohammed Ikhlaq.</p> <p>Darius Coveney (who was appointed on 7 December 2018 and resigned as director on 16 May 2019) was not considered independent due to his position as Acting CEO of the Company.</p> <p>Iain Dunstan (who resigned as director and CEO on 6 December 2018) was not considered independent due to his position as CEO of the Company.</p> <p>The Board Charter requires directors to disclose their interest, positions, associations, associations and relationships.</p> <p>(c) The Company’s annual report discloses the length of service of each director, as at the end of the financial year.</p>

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<b>PRINCIPLE 2</b>	<b>STRUCTURE THE BOARD TO ADD VALUE</b>		
<b>Recommendation 2.4</b>	A majority of the board should be independent directors	Yes, until 15 May 2019	<p>During the period from 1 July 2019 to 15 May 2019, the board consisted of 3 directors, 2 of which were independent.</p> <p>Given the size of the Company, the board does not consider it practicable to hire a majority independent board.</p>
<b>Recommendation 2.5</b>	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, until 28 June 2019	<p>Naseema Sparks and Murray d'Almeida held the chair during the period and both satisfy the independence test as defined by the ASX guidelines. Neither was the CEO.</p> <p>From 28 June 2019, Stephen Harrison assumed the chair, and is not considered independent.</p>
<b>Recommendation 2.6</b>	A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively	No	<p>Due to the board's size, the Company has an informal program for inducting a new director. New directors are fully briefed about the nature of the business, current issues, the corporate strategy and expectations of the company concerning performance of directors.</p> <p>Directors, with the approval of the Chair, are given access to continuing education opportunities to enhance their skills and knowledge, including the opportunity to complete courses run by the Australian Institute of Company Directors (AICD). Generally, directors undertake their own continuing education.</p>

PRINCIPLE 3	ACT ETHICALLY AND RESPONSIBLY		
<b>Recommendation 3.1</b>	A listed entity should: a. Have a code of conduct for its directors, senior executives and employees; and b. Disclose that the code or a summary of it	Yes	The Company has a Code of Conduct which is disclosed on the Company's website.

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<b>PRINCIPLE 4</b>	<b>SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>		

<b>Recommendation 4.1</b>	The board of a listed entity should: a. Have an Audit Committee which: i. Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. Is chaired by an independent director, who is not the chair of the board And disclose: iii. The charter of the committee iv. The relevant qualifications and experience of the members of the committee; and v. In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances at those meetings; or a. 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	No	The Company has a Risk and Audit Committee comprising of three directors all of whom are non-executive directors.  Stephen Harrison chaired the committee until his election as chair of the board, at which point Charles Romito was appointed as chair of the committee.  Neither Mr Harrison nor Dr Romito satisfy the definition of independent under the ASX guidelines. The Company is not currently considered to be of a size to justify the appointment of additional non-executive independent directors for the purposes of satisfying this recommendation regarding the Audit Committee.  The charter of the committee is on the Company's website.  The qualifications and experience of the members of the committee are set out in the annual report. The number of times the committee met throughout the period and individual attendances at those meetings are also set out in the annual report.
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<b>PRINCIPLE 4</b>	<b>SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>		
<b>Recommendation 4.2</b>	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	<p>The Company's Risk and Audit Committee charter states that it is a responsibility of the Risk and Audit Committee that, before making a recommendation to the board in relation to approval of financial statements for a financial period, it will review representation letters from senior management (the CEO and CFO) where they have declared that in their opinion the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position 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.</p> <p>The Company currently does not have a CFO however the CEO is the person who is responsible for performing the functions of a CFO and has given the declaration referred to above in both capacities.</p>
<b>Recommendation 4.3</b>	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer any questions from security holders relevant to the audit	Yes	The Company requires its auditor to attend the AGM.
<b>PRINCIPLE 5</b>	<b>MAKE TIMELY AND BALANCED DISCLOSURE</b>		
<b>Recommendation 5.1</b>	A listed entity should: <ul style="list-style-type: none"> <li>a. Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>b. Disclose a policy or summary of it</li> </ul>	Yes	The Company has an External Communications Policy which is disclosed on its Company website. This policy contains guidelines for complying with Listing Rule 3.1.

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<b>PRINCIPLE 6</b>	<b>RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
<b>Recommendation 6.1</b>	A listed entity should provide information about itself and its governance to investors via its website	Yes	Information about the Company and its governance is on the Company's website.
<b>Recommendation 6.2</b>	A listed entity should design and implement an investor relations program to facilitate effective two-way communication to investors	Yes	The Company has adopted an External Communications Policy which includes a range of ways in which information is communicated to shareholders. The policy is on the Company's website.
<b>Recommendation 6.3</b>	A listed entity should disclose policies and processes it has in place to facilitate and encourage participation at meetings of security holders	Yes	The Company encourages shareholder participation at its meetings of security holders.  The policy is documented in the External Communications Policy on the Company's website.
<b>Recommendation 6.4</b>	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 shareholders have been given the option to receive information from the share registry electronically or by post.
<b>PRINCIPLE 7</b>	<b>RECOGNISE AND MANAGE RISK</b>		
<b>Recommendation 7.1</b>	The board of a listed entity should: <ul style="list-style-type: none"> <li>a. Have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>i. Has at least three members, a majority of whom are independent directors</li> <li>ii. Is chaired by an independent director</li> </ul> and disclose: <ul style="list-style-type: none"> <li>iii. The charter of the committee</li> <li>iv. The members of the committee; and</li> <li>v. As at the end of each reporting period, the number of times the committee has met throughout the period and the individual attendances of the members of those meetings; or</li> </ul> </li> <li>b. If it does not have a Risk Committee or committees that satisfy (a) above, disclose the fact and the processes it employs for overseeing the entity's risk management framework</li> </ul>	No	As the Risk and Audit Committee incorporates both audit and risk functions, see above discussion in recommendation 4.1 which is applicable for recommendation 7.1.



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<b>PRINCIPLE 7</b>	<b>RECOGNISE AND MANAGE RISK</b>		
<b>Recommendation 7.2</b>	<p>The board or a committee of the board should:</p> <p>a. Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>b. Disclose in relation to each reporting period, whether such a review has taken place</p>	<p>Yes</p> <p>No</p>	<p>The Company has a risk Management Policy which is disclosed on its website.</p> <p>The Company did not conduct a review of its Risk Management Framework in the period. This is because two of the Company's current three directors (Charles Romito and Jeremy Thorpe) were appointed within 2 months of the end of the period. The third director (Stephen Harrison) was only appointed in February 2019. As such the board was not in a position to review the entity's risk management framework as it needed to build knowledge in the Company's business and activities. The Company aims to conduct a review of its risk management framework in the next reporting period.</p>
<b>Recommendation 7.3</b>	<p>The 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 function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes</p>	<p>No</p> <p>Yes</p>	<p>Due to the size of the Company and magnitude of the Company's operations, the Company does not currently have an internal audit function.</p> <p>The Audit and Risk Committee Charter provides for a future internal audit function of the Company.</p>
<b>Recommendation 7.4</b>	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainably risks and, if it does, how it manages or intends to manage those risks	Yes	The Company is not exposed to material environmental or social sustainability risks.

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<b>PRINCIPLE 8</b>	<b>REMUNERATE FAIRLY AND RESPONSIBLY</b>		
<b>Recommendation 8.1</b>	<p>The board of a listed entity should:</p> <p>a. Have a Remuneration Committee:</p> <p>i. Has at least 3 members, a majority of whom are independent directors</p> <p>ii. Is chaired by an independent director</p> <p>and disclose:</p> <p>iii. The charter of the committee</p> <p>iv. The members of the committee; and</p> <p>v. As at the end of each reporting period, the number of times the committee has met throughout the period and the individual attendances of the members of those meetings; or</p> <p>b. If it does not have a Risk Committee or committees that satisfy (a) above, disclose the fact and the processes it employs for overseeing the entity's risk management framework</p>	Yes until 28 June 2019	<p>Until 28 June 2019, the Company had a Remuneration and Nominations Committee comprising of 3 directors.</p> <p>Naseema Sparks chaired the committee until her resignation as a Director at which point the committee was absorbed into the board.</p> <p>The charter of the committee is on the Company's website.</p> <p>After 28 June 2019, due to the board's size and magnitude of the Company's operations, the Company does not consider it appropriate to delegate these responsibilities to a sub-committee.</p> <p>For the period to 28 June 2019, the members of the committee, the number of times the committee has met and the individual attendances of the members of those meetings are set out in the annual report.</p>
<b>Recommendation 8.2</b>	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 and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration	Yes	An outline of the Company's remuneration policies in respect of non-executive directors and executives is set out in the remuneration report in the annual report.
<b>Recommendation 8.3</b>	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>a. Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>b. Disclose that policy or a summary of it</p>	Yes	<p>The Company has a performance rights equity plan (approved at a general meeting of shareholders on 5 April 2018).</p> <p>The Company has a Securities Trading Policy (a copy of which is on the Company's website) which generally restricts the trading of the Company's securities by all staff (including executive and non-executive directors, officers, employees, contractors, or entities controlled by them) during designated 'Black-out' periods.</p> <p>The use of derivatives or other hedging arrangements for vested or unvested securities the subject of a holding lock is not permitted.</p>