



# 2020 CORPORATE GOVERNANCE STATEMENT

This corporate governance statement sets out Opyl Limited's (**Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**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 28 October 2020 and has been approved by the board of the Company (**Board**).

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<b>1. Lay solid foundations for management and oversight</b>		
<p>1.1. <i>A listed entity should disclose:</i></p> <p>(a) <i>the respective roles and responsibilities of its board and management; and</i></p> <p>(b) <i>those matters expressly reserved to the board and those delegated to management.</i></p>	Yes	<p>The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> <li>a) maintain and increase Shareholder value;</li> <li>b) ensure a prudential and ethical basis for the Company's conduct and activities; and</li> <li>c) ensure compliance with the Company's legal and regulatory objectives.</li> </ul> <p>Consistent with these goals, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> <li>a) developing initiatives for profit and asset growth;</li> <li>b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;</li> <li>c) acting on behalf of, and being accountable to, the Shareholders; and</li> <li>d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.</li> </ul> <p>The Company is committed to the circulation of relevant materials to directors in a timely manner to facilitate directors' participation in Board discussions on a fully-informed basis.</p> <p>In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.</p>
<p>1.2. <i>A listed entity should:</i></p> <p>(a) <i>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</i></p> <p>(b) <i>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.</i></p>	Yes	<p>The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.</p> <p>All security holder releases will contain material information following the guidance contained in the ASX Corporate Governance Principles and Recommendations (3rd Edition) about any candidate to be elected for the first time or re-elected to enable an informed decision to be made.</p>

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<p>1.3. <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i></p>	Yes	<p>Each senior executive and executive director has a formal employment contract and the non-executive directors have a letter of appointment (including a director's interest agreement with respect to disclosure of security interests). These contracts/letters set out the relevant terms by which they will be involved in the Company.</p>																				
<p>1.4. <i>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.</i></p>	Yes	<p>The Company Secretary position is directly accountable to the Board on all matters to do with the proper functioning of the Board.</p>																				
<p>1.5. <i>A listed entity should:</i></p> <p>(a) <i>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;</i></p> <p>(b) <i>disclose that policy or a summary of it; and</i></p> <p>(c) <i>disclose as 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:</i></p> <p>(1) <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</i></p> <p>(2) <i>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</i></p>	No	<p>The Board supports diversity and has developed a policy.</p> <p>Copy of the Diversity Policy is available from the company's website.</p> <table border="1" data-bbox="837 840 1554 1265"> <thead> <tr> <th>Description</th> <th>No. of Women 2020</th> <th>Proportion of Women 2020</th> <th>No. of Women 2019</th> <th>Proportion of Women 2019</th> </tr> </thead> <tbody> <tr> <td>Whole Group</td> <td>8</td> <td>57%</td> <td>6</td> <td>45%</td> </tr> <tr> <td>Management positions</td> <td>1</td> <td>25%</td> <td>1</td> <td>25%</td> </tr> <tr> <td>Board members</td> <td>0</td> <td>0%</td> <td>0</td> <td>0%</td> </tr> </tbody> </table>	Description	No. of Women 2020	Proportion of Women 2020	No. of Women 2019	Proportion of Women 2019	Whole Group	8	57%	6	45%	Management positions	1	25%	1	25%	Board members	0	0%	0	0%
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<p>1.6. <i>A listed entity should:</i></p> <p>(a) <i>have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</i></p> <p>(b) <i>disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i></p>	Yes	<p>The Chairman is responsible for evaluating the performance of the Board, its committees and individual directors. This is generally done through a meeting with the Chair.</p> <p>The review is currently informal but is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance. Informal performance evaluation was undertaken during the financial year.</p>																				

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<p>1.7. 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>	Yes	<p>The Board is responsible for evaluating the senior executives. Induction procedures are in place and senior executives have formal job descriptions which includes the process for evaluating their performance.</p> <p>Informal performance evaluations were undertaken during the financial year.</p>
<p><b>2. Structure the board to add value</b></p>		
<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,</p> <p>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>	<p>Yes</p> <p>N/A</p>	<p>A Remuneration and Nomination Committee has been established with its own Charter.</p> <p>The Committee comprises of three members, being Marat Basyrov (Chair), Mark Ziirsen and Julian Chick. Each member is considered independent.</p> <p>Copy of the Remuneration and Nomination Committee Charter is available from the company's website.</p> <p>Details of Board committee meetings held and meeting attendance of each member is set out in the Directors 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>	No	<p>The Company's Corporate Governance Charter sets out the procedures for selecting and appointing Directors which includes a commitment to ensuring a balance of skill and experience necessary for the conduct of the Company's activities.</p> <p>During the year, the Board will continue to assess its mix of skills and diversity through implementation of a board skills matrix. The Board achieved its assessed skills rating for all criteria, being for skills in Finance/accounting, Capital markets and Dealings, Legal/Governance, Investor Relations, Risk Management, Human Resources/Remuneration, IT/Technology, Marketing/Social Media, Strategic Planning, Executive Management experience, International Experience, Strategy, PR, Communications, marketing, business and political networks.</p>

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<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, association 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, association 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 Company considers the following Directors to be independent:</p> <ul style="list-style-type: none"> <li>Julian Chick</li> <li>Marat Basyrov</li> <li>Mark Ziirsen (appointed 21 September 2020)</li> </ul> <p>The length of service of each director is set out in the Company's annual report.</p>
<p>2.4. A majority of the board of a listed entity should be independent directors.</p>	Yes	<p>The Board has a majority of independent directors.</p> <p>Consistent with the size of the Group and its activities, the Board is currently comprised of four (4) directors, of which three are currently considered to be independent directors.</p> <p>The Board's policy is that the majority of directors shall be independent, non-executive directors.</p>
<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.</p>	Yes	<p>Dr Julian Chick as Chairman of the Board, is considered to be an independent director.</p>
<p>2.6. A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	Yes	<p>The Company takes care in ensuring that Directors will be able to effectively manage and govern the Company before their nomination as potential Directors. It has not been deemed necessary to devote resources towards ensuring that Directors have the sufficient skills to fulfil their role appropriately.</p>
<b>3. Promote ethical and responsible decision-making</b>		
<p>3.1. A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	Yes	<p>The Company has a Code of Conduct that applies to all Directors, senior executives, employees and contractors. A copy of the Code is available on the Company's website.</p>
<b>4. Safeguard integrity in financial reporting</b>		
<p>4.1. The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p>	Yes	<p>The Company has established an Audit and Risk Management Committee to assist and report to the Board.</p> <p>The Committee comprises three members, being Mark Ziirsen (Chair), Julian Chick and Marat Basyrov. Each member is considered independent Directors.</p> <p>Copy of the Audit and Risk Committee Charter can be obtained from the company's website.</p> <p>Details of Board committee meetings held and meeting attendance of each member is set out in the Directors Report.</p>

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<p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	N/A	
<p>4.2. The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	The Board received a declaration from its CEO and CFO before it approved the Company's financial statements for all financial periods in the reporting period.
<p>4.3. A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	Opyl's auditor attends the AGM and shareholders are entitled to ask questions in accordance with the Corporations Act and these Guidelines.
<p><b>5. Make timely and balanced disclosure</b></p>		
<p>5.1. A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	The Company has a written policy for complying with its continuous disclosure obligations under the Listing Rules which is disclosed on its website.
<p><b>6. Respect the rights of shareholders</b></p>		
<p>6.1. A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	The Company provides information about itself and its governance to investors via its corporate website, <a href="https://opyl.ai/">https://opyl.ai/</a>
<p>6.2. A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	The Company encourages shareholders to attend and participate in general meetings and makes itself available to meet shareholders and regularly responds to enquiries made via telephone and in writing. In addition, the Company regularly disseminates news and information to investors via emails and social media.
<p>6.3. A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	No	The Company encourages shareholders to attend and participate in general meetings. As a small company the shareholder attendance numbers are low however, if a shareholder wishes to provide a comment or question and is not able to attend the meeting, the Company will address this as part of the meeting.

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6.4. <i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i>	Yes	The Company encourages security holders to register for receipt of communications from the Company electronically.
<b>7. Recognise and manage risk</b>		
7.1. <i>The Board of a listed entity should:</i> (a) <i>have a committee or committees to oversee risk, each of which:</i> (1) <i>has at least three members, a majority of whom are independent directors; and</i> (2) <i>is chaired by an independent director, and disclose:</i> (3) <i>the charter of the committee;</i> (4) <i>the members of the committee; and</i> (5) <i>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</i> (b) <i>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.</i>	Yes	<p>The Company has established an Audit and Risk Management Committee to assist and report to the Board.</p> <p>The Committee comprises three members, being Mark Ziirsen (Chair), Julian Chick and Marat Basyrov. Each member is considered independent Directors.</p> <p>Copy of the Audit and Risk Committee Charter can be obtained from the company's website.</p> <p>Details of Board committee meetings held and meeting attendance of each member is set out in the Directors Report.</p>
	N/A	
7.2. <i>The board or a committee of the board should:</i> (a) <i>review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</i> (b) <i>disclose in relation to each reporting period, whether such a review has taken place.</i>	Yes	The Board meets on a regular basis to discuss the operating activities. As part of this all risks are considered including but not limited to strategic, operational, legal, reputation and financial risks. This is an on-going process rather than an annual formal review.
7.3. <i>A listed entity should disclose:</i> (a) <i>if it has an internal audit function, how the function is structured and what role it performs; or</i> (b) <i>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 risk management and internal control processes.</i>	Yes	<p>The Company did not have an internal audit function during the reporting period.</p> <p>The Company remains committed to effective management and control of these factors. The Board considers the risk management on an annual basis and the Company uses external services providers in the processing of financial transactions and preparation of financial reports, providing safeguards over the internal control processes.</p>
7.4. <i>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</i>	Yes	All material risks were announced to the market, in accordance with its continuous and other disclosure obligations pursuant to the ASX Listing Rules and the Corporations Act 2001 (Cth).
<b>8. Remunerate fairly and responsibly</b>		
8.1. <i>The Board of a listed entity should:</i> (a) <i>have a remuneration committee which:</i>	Yes	A Remuneration and Nomination Committee has been established with its own Charter.

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<p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director, and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(5) <i>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</i></p> <p>(b) <i>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.</i></p>		<p>The Committee comprises of three members, being Marat Basyrov (Chair), Mark Ziirsen and Julian Chick. Each member is considered independent.</p> <p>Copy of the Remuneration and Nomination Committee Charter is available from the company's website.</p> <p>Details of Board committee meetings held and meeting attendance of each member is set out in the Directors Report.</p>
<p>8.2. <i>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.</i></p>	Yes	<p>The Company provides disclosure of all Directors remuneration in its annual report.</p> <p>Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Group. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).</p> <p>Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares and / or options granted at the discretion of the Board and subject to obtaining the relevant approvals.</p>
<p>8.3. <i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p>(a) <i>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</i></p> <p>(b) <i>disclose that policy or a summary of it.</i></p>	Yes	<p>The Company has a Securities Trading Policy that prohibits employees (including directors and the Company Secretary) from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements (or vested entitlements that remain subject to a holding lock) relating to any element of their remuneration.</p> <p>A copy of the Securities Trading Policy is available on the Company's website.</p>