

## 1. Introduction

### 1.1 Purpose of the OFX Remuneration Policy

The OFX Remuneration Policy (Policy) applies to OFX Group Limited and each of its subsidiaries (OFX) and sets out:

- OFX's remuneration strategy;
- the remuneration principles that guide the design of our remuneration framework;
- the remuneration framework that delivers on our remuneration principles; and
- the policies used to manage remuneration within the remuneration framework, OFX's performance management framework, OFX's values and OFX's risk appetite and legal and regulatory obligations.

This Policy is subject to change from time to time and does not form part of an employee's contract of employment or any industrial instrument that applies to an employee.

### 1.2 Remuneration strategy

OFX's remuneration strategy is designed to attract, retain and motivate talented people to drive a great culture that delivers on our business strategy and contributes to sustainable long-term returns.

### 1.3 Remuneration principles

The remuneration strategy is underpinned by the following remuneration principles:

- **Culture** - Align reward practices to effective risk management, high performance and a diverse and inclusive culture;
- **Alignment to performance** - Reward performance that supports execution of our business strategy and aligns employee and shareholder interests;
- **Competitive** - Attract, retain and motivate appropriately qualified and experienced people who will contribute positively to OFX's financial and operational performance;
- **Simple and transparent** - Simple structures with clear expectations; and
- **Sustainable** - Motivate employees and directors to deliver results with both short-term and long-term horizons at the same time demonstrating OFX's values through their behaviours and actions.

### 1.4 Coverage

The OFX Remuneration Policy applies to all employees (except temporary and casual employees) and Directors of OFX.

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## 2. Roles and responsibilities

The OFX Group Limited Board (Board) with the assistance of the People, Culture and Remuneration Committee (PCRC), is responsible for ensuring that OFX's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite.

As set out in detail in its Charter, the PCRC is responsible for:

- regularly reviewing and making recommendations to the Board with respect to:
    - this Policy;
    - the remuneration packages of senior executives and Executive Directors;
  - the remuneration of Non-Executive Directors;
  - the implementation and operation of equity-based incentive plans and other employee benefit programs;
  - the Company's recruitment, retention and termination policies and/or practices; and
  - those aspects of OFX's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval.
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To assist in performing its duties, the PCRC may seek independent advice from external consultants on various remuneration related matters. The PCRC will ensure that the engagement and use of external remuneration consultants complies with relevant legislation as it relates to Executive remuneration.

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### 3. Remuneration framework

#### 3.1 Remuneration overview

Remuneration for OFX's employees is made up of the following components:

1. Base salary;
2. Employer superannuation or equivalent in accordance with local legislation for employees in jurisdictions outside of Australia; and
3. Variable, performance-based remuneration which may be awarded as one or more of the following:
  - a) short term incentive (**STI**) delivered as upfront cash and/or deferred equity;
  - b) long term incentive (**LTI**) delivered as deferred equity;
  - c) sales incentives or commissions; or
  - d) one-off grants of equity or cash.

The remuneration mix for executives and senior leaders is structured so that a substantial portion of remuneration is delivered as OFX securities through deferred STI and, in the case of executives only, LTI.

#### 3.2 Base salary

Base salary should be reasonable and fair, taking into account roles and responsibilities, individual experience and skills, OFX's obligations at law and market competitiveness. Base salary is relative to the scale of OFX's business and reflects core performance requirements and expectations. Base salary is generally reviewed annually and changes in base salary are approved consistent with the Company's Delegated Authority Policy. Changes to base salary of Executives requires Board approval.

#### 3.3 Superannuation and pension contributions

All Australian-based OFX employees are eligible to receive superannuation contributions. OFX employees outside of Australia may receive contributions to retirement plans in line with relevant legislation in those jurisdictions.

#### 3.4 Performance based remuneration

##### *a) STI*

STI is principally used to recognise an employee's performance throughout the performance period. STI Plans are governed by the STI Plan Rules which may be amended from time to time.

##### Annual STI Plan

When recommending a STI outcome for an employee under the Annual STI Plan for a given performance period, considerations include:

- the STI pool funding for that performance period (determined by OFX's performance against financial and non-financial objectives that are set and reviewed by the Board annually with threshold/target/maximum levels set for each objective);
- the performance of the employee against individual performance objectives; and
- the behaviour demonstrated by the employee in their role consistent with OFX's values.

All performance outcomes may be subject to a calibration process to ensure alignment of outcomes across the Group. An employee's annual STI opportunity is calculated based on a target percentage of Total Fixed Remuneration (for employees in Australia) or base salary (for employees outside Australia).

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#### Quarterly STI

Quarterly STI opportunity is calculated as a percentage of base salary having regard to performance against the employee's individual performance objectives.

Where an employee's employment terminates or they are under notice of termination of their employment prior to the STI grant, the employee forfeits their entitlement to any unpaid STI award unless relevant legislation prevents the forfeiture of the STI award or the Board determines otherwise.

The Board has discretion to claw back any unpaid cash awards or any unvested STI deferral in circumstances of breach, fraud, dishonesty, conviction or if they bring OFX into disrepute as provided for in the STI Plan rules in place at the time.

#### ***b) LTI for the CEO and Managing Director and Global Executive Team (GET)***

The CEO and Managing Director and other GET members are eligible to participate in a LTI plan that is governed by the OFX Group Limited Global Equity Plan Rules. LTI awards are subject to a minimum vesting period and performance criteria. These grants are subject to forfeiture and vesting conditions as set out in the plan rules and associated documentation.

#### ***c) Sales commissions***

Sales incentive and commission plans are governed by a formal set of plan rules and may be paid on a monthly, quarterly or annual basis.

#### ***d) One-off grants of equity or cash***

One-off grants of equity or cash may be made on a case by case, discretionary basis and these may include make-whole buy-outs for new hires.

Any equity grants must be approved by the Board. The Board may authorise the grant of a maximum number of performance rights and delegate to the CEO and Managing Director the authority to grant of those performance to individual employees other than GET members.

#### ***Termination***

On termination of employment, an individual will be entitled to their accrued salary, payment in lieu of any accrued but unused annual leave and any other statutory entitlements that may be owing to them as at the date of termination of employment.

An individual's variable reward entitlement on termination will be assessed in accordance with both the reason for their termination and the incentive plan rules in place at the time.

#### ***Restrictions on Securities Trading***

Employees who participate in the OFX equity-based incentive schemes are subject to the OFX Securities Trading Policy. The OFX Securities Trading Policy prohibits Directors and employees from hedging their exposure to OFX securities or otherwise limiting the economic risk of OFX securities.

### **3.5 Malus and clawback**

The Board retains wide discretion to adjust formulaic incentive outcomes up or down (including to zero) prior to their finalisation. Malus refers to the exercise of downward discretion. Clawback refers to the Board's power to recover awards or payments that have been made, granted or vested (including the forfeiture of vested equity awards, or the demand of the return of shares or the realised cash value of those shares) where the Board determines that the benefit obtained was inappropriate (for example, as a result of fraud, dishonesty or breach of employment obligations by the recipient or any employee of the Group).

### 3.6 Remuneration of Non-Executive Directors

The Board seeks to set fees for the Non-Executive Directors that reflect both the demands on and the responsibilities of the Directors, and at a level which will attract and retain high quality Directors with the requisite skills and experience. Non-Executive Directors are remunerated by way of fixed cash fees and superannuation contributions for their role as Directors, with additional amounts paid to Directors who assume the role as committee members or as Chair of the Board or Committees.

Non-Executive Director fees are reviewed annually and Directors may seek advice from external remuneration advisers for this purpose.

Non-Executive Directors do not receive performance-based remuneration and do not participate in the OFX equity incentive plans. This ensures that there is no conflict with the obligation of Directors to bring independent judgement to matters before the Board.

The Service Agreements that are entered into with Non-Executive Directors do not provide for retirement benefits upon termination other than superannuation.

### 3.7 Minimum shareholding requirements

A minimum shareholding requirement for Non-Executive Directors was introduced in FY19. The minimum shareholding requirement seeks to align the interests of the Directors and shareholders with a minimum shareholding requirement for Non-Executive Directors. Each Non-Executive Director must establish and maintain a level of share ownership equal to one times' the Non-Executive Director annual base fee. For the purposes of calculating the minimum holding, this does not include any higher fee for acting as Chair or for membership of any Board Committees. The minimum holding must be reached within three years of appointment.

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## 4. Performance management

Actively managing the performance of employees is a vital part of OFX's performance and remuneration framework. It ensures a robust link between remuneration outcomes and the achievement of OFX's strategy. Performance expectations are documented and agreed with employees around the beginning of each performance period. Where necessary the performance expectations may be amended during the performance period.

Employee performance is assessed against a set of key performance indicators or performance objectives that are role specific and aligned to OFX's strategy. OFX assesses an employee's performance in terms of what they have delivered and the way in which they have demonstrated our values when carrying out their work. Formal assessments occur at the end of the performance period.

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## 5. Policy review and maintenance

The Policy will be reviewed for ongoing appropriateness and relevance to requirements within each of the jurisdictions in which OFX operates. The review, including an assessment of effectiveness and compliance, will be completed by the PCRC at least once in every two years and more regularly as legislative requirements change and best practice evolves.