

Splitit Payments Ltd
ARBN 629 557 982
(Company)

**A foreign company registered
in its original jurisdiction of
Israel as Splitit Ltd**

Corporate Governance Statement

This Corporate Governance Statement details the extent to which the Company will follow, as at the date of its admission to the official list of ASX (**Official List**), the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory. However, the Recommendations that the Company will not follow have been identified and the Company provides the following reasons for not following them, along with details of what (if any) alternate governance practices the Company intends to adopt instead of those Recommendations.

The Board of the Company currently has in place corporate governance policies and charters which have been posted in a dedicated corporate governance information section on the Company's website at www.splitit.com.

Note on External Directors

The Company is incorporated in Israel and is governed by the Israeli Companies Law. Under the Companies Law, the Company is required to have at least two directors who qualify as external directors under the Companies Law (**External Directors**). The definition of an External Director under the Companies Law includes a set of statutory criteria that must be satisfied, including criteria whose aim is to ensure that there is no factor that would impair the ability of the External Director to exercise independent judgment.

The External Directors of the Company do not have to be Israeli residents (since the securities of the Company have been offered outside of Israel). Section 10.1(c) of the Company's prospectus contains further information in relation to the Companies Law provisions relating to External Directors. Although there is no binding legal definition of an "independent director" for the purposes of the Corporations Act and the Listing Rules, it is generally expected that directors who are classified as External Directors under the Companies Law would be considered "independent" for the purposes of ASX Recommendations. It is proposed that Ms Dawn Robertson and Mr Thierry Denis will be the External Directors of the Company for the purposes of the Companies Law.

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
1.	Lay solid foundations for management and oversight		
1.1	<p>Companies should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	The respective roles and responsibilities of the board of directors (Board) and management are defined under the Board Charter, a copy of which is available on the Company's website at www.splitit.com . There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon officers of the Company.
1.2	<p>Companies should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	Yes	The process for selection, appointment, and re-appointment of directors is detailed in the Remuneration and Nomination Committee Charter, a copy of which is available on the Company's website at www.splitit.com . Under the Remuneration and Nomination Committee Charter, shareholders are required to be provided with all material information in the Committee's possession relevant to a decision on whether or not to elect or re-elect a director including biographical details, qualifications, a statement as to whether the Board supports the nomination of the director, the degree of independence of the director, and details of any existing directorships held.
1.3	Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company requires each director and senior executive to execute a written agreement setting out the terms of their appointment.
1.4	The company secretary 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 cdPlus Corporate Services Pty Ltd, who (through one or more representatives) will report directly to the chair of the Board, Spiro Pappas. The role of the company secretary is outlined in the Board Charter, a copy of which is available on the Company's website at www.splitit.com .

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
1.5	<p>Companies 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; and</p> <p>(c) 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:</p> <p>(1) 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>(2) 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.</p>	Yes	<p>The Company has adopted a Diversity Policy, a copy of which is available on the Company's website at www.splitit.com.</p> <p>The Diversity Policy requires the Board to establish measurable objectives to assist the Company to achieve gender diversity and to assess the Company's progress in achieving these objectives.</p> <p>The Remuneration and Nomination Committee will report to the Board on the Company's progress towards achieving its measurable objectives each year.</p> <p>The Company has not yet adopted measurable objectives.</p> <p>The Company will provide updates on its progress towards achieving its diversity objectives including 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") in its future annual reports.</p>
1.6	<p>Companies 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>	Yes	<p>Under the Board Charter, the Board is required, at least once per year, with the advice and assistance of the Remuneration and Nomination Committee, to review and evaluate the performance of the Board, its Committees and individual directors against the relevant charters, corporate governance policies, and agreed goals and objectives (as applicable).</p> <p>The Board will ensure that an evaluation of the Board, its committees and individual directors is undertaken in accordance with the Board</p>

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			Charter in future years. The Company will provide details as to its compliance with these recommendations in its future annual reports.
1.7	<p>Companies 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>Under the Board Charter, the Board (with the advice and assistance of the Remuneration and Nomination Committee) is responsible for reviewing and approving the performance of the members of the executive leadership team.</p> <p>The Board will ensure that an evaluation of the members of its executive leadership team is undertaken in accordance with the Board Charter in future years.</p>
2.	Structure the board to add value		
2.1	<p>The board 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</p>	Yes	<p>The Board has established a Remuneration and Nomination Committee to oversee the selection and appointment practices of the Company.</p> <p>The Remuneration and Nomination Committee is governed by a Remuneration and Nomination Committee Charter, which is available on the Company's website at www.splitit.com.</p> <p>With effect from the date of admission to the Official List (Admission), the Company's Remuneration and Nomination Committee will comprise Ms Dawn Robertson, who will also serve as the Remuneration and Nomination Committee's chair, Mr Michael DeFranco and Mr Thierry Denis.</p> <p>The Board considers each of these persons to be independent for the purposes of the Recommendations.</p> <p>The Remuneration and Nomination Committee Charter prohibits a member of the Committee from being present for discussions at a</p>

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	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>Committee meeting on, or to vote on a matter regarding, his or her election, re-election, or removal.</p> <p>The Company will provide details as to the number of times the Committee met and the individual attendances of the members at those meetings in its future annual reports.</p>
2.2	Companies 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.	Yes	<p>The Company's Remuneration and Nomination Committee is responsible for regularly reviewing the size, composition and skills of the Board to ensure that the Board is able to discharge its duties and responsibilities effectively and to identify any gaps in the skills or experience of the Board.</p> <p>The Company will disclose details of any board skills matrix it adopts (if any) in the future.</p>
2.3	<p>Companies 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 assesses the independence of its directors against the requirements for independence in the Board Charter which reflect the independence criteria detailed in the ASX Corporate Governance Principles.</p> <p>Director independence is initially assessed upon each director's appointment and reviewed each year, or as required when a new personal interest or conflict of interest is disclosed. Directors are required to disclose all actual or potential conflicts of interest on an ongoing basis.</p> <p>The Board considers that each of Mr Spiro Pappas, Mr Thierry Denis, Ms Dawn Robertson, Mr Michael DeFranco and Mr Mark Antipof are free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to</p>

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			<p>fulfil the role of independent Director for the purposes of the Recommendations.</p> <p>The length of service of each director on the Board is as follows:</p> <ul style="list-style-type: none"> • Gil Don - Appointed on 1 January 2013 (6 years, 1 month to the proposed date of Admission) • Alon Feit - Appointed on 6 October 2008 (10 years, 4 months to the proposed date of Admission) • Spiro Pappas, Thierry Denis, Dawn Robertson, Michael DeFranco, Mark Antipof - Appointed to the Board with effect from Admission
2.4	A majority of the board should be independent directors.	Yes	As at the time of the Company's listing, the Board will consist of a majority of independent Directors consistent with Recommendation 2.4.
2.5	The chair of the board should be an independent director and, in particular, should not be the same person as the CEO.	Yes	The chair of the Board is Spiro Pappas, who is an independent director for ASX purposes.
2.6	Companies 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.	No	<p>Upon appointment, new directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.</p> <p>The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.</p>

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS		COMPLY (Yes/No)	EXPLANATION
3	Act ethically and responsibly		
3.1	<p>Companies 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 adopted a Code of Conduct which applies to all directors, officers and employees of the Company as well as a Securities Trading Policy. Each of these has been prepared having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Company's website at www.splitit.com.</p>
4	Safeguard integrity in corporate reporting		
4.1	<p>The board should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ol style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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>(b) if it does not have an audit committee, disclose that fact and the</p>	Yes	<p>As the Company is incorporated in Israel, it is governed by the Israeli Companies Law. Under the Companies Law, the Company must establish an audit committee comprising at least three directors and including all External Directors then serving on the Board. The External Directors must also comprise a majority of the committee and an External Director must serve as the chair. The Company has established a Risk and Audit Committee satisfies the requirements under the Companies Law.</p> <p>The Risk and Audit Committee is also governed by a Risk and Audit Committee Charter, which is available on the Company's website at www.splitit.com.</p> <p>With effect from the date of Admission, the Company's Risk and Audit Committee will comprise Ms Dawn Robertson, who will also serve as the Risk and Audit Committee Committee's chair, Mr Michael DeFranco and Mr Thierry Denis.</p> <p>The Board considers each of these persons to be independent for the purposes of the Recommendations.</p>

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	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>The Company's prospectus details the relevant qualifications and experience of the members of the Risk and Audit Committee.</p> <p>The Company will provide details as to the number of times the Committee met and the individual attendances of the members at those meetings in its future annual reports.</p>
4.2	The board 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	Prior to the Board approving the Company's financial statements, the Risk and Audit Committee is required to receive from the CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained, 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.
4.3	Companies should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company will arrange for its external auditor to attend its AGM to answer any questions from shareholders relevant to the audit and this is specifically detailed in the Company's Shareholder Communication Policy.
5	Make timely and balanced disclosure		
5.1	<p>Companies 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	<p>The Company is committed to taking a proactive approach to continuous disclosure and creating a culture within the Company that promotes and facilitates compliance with the Company's continuous disclosure obligations.</p> <p>The Company has adopted a written policy to ensure compliance with their ASX Listing Rule disclosure obligations. A copy of the Company's Continuous Disclosure Policy is available on its website at</p>

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			www.splitit.com. The Company has appointed the Company Secretary as the reporting officer and the ASX liaison officer. However, the Board retains ultimate responsibility for compliance with the Company's continuous disclosure obligations.
6	Respect the rights of security holders		
6.1	Companies should provide information about itself and its governance to investors via its website.	Yes	The Company provides investors with comprehensive and timely access to information about itself and its governance on its website at www.splitit.com, including copies of the Company's Constitution, Board and committee charters and key corporate governance policies, copies of all material information lodged with ASX, copies of all announcements, briefings and speeches made to the market, analysts or the media, press releases or announcements made by the Company, financial data for the Company, the Company's annual reports and notices of shareholder meetings. Further details are detailed in the Company's Shareholder Communication Policy.
6.2	Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	The Company has not adopted a formal investor relations program, however it does seek to inform investors of developments regularly by communication through ASX announcements and by providing information on its website. Investors are encouraged to attend the Company's security holder meetings, and are able to contact management by email info@splitit.com.
6.3	Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	All shareholders are invited to attend the Company's annual meetings either in person or by representative. Shareholders have an opportunity to submit questions to the Board or the Company's external auditor.

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6.4	Companies should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company encourages shareholders to submit questions or requests for information directly to the Company via the Company's website at www.splitit.com . The Company also encourages shareholders to submit any questions related to their shareholdings in the Company to the Company's share registry with the share registry's contact details included in the Shareholder Communication Policy, including details for electronic communication.
7	Recognise and manage risk		
7.1	<p>Companies should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (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 <p>(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.</p>	Yes	<p>In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy which is designed to assist the Company to identify, assess, monitor and manage its business risk, including any material changes to its risk profile.</p> <p>The Board has delegated responsibility for the day-to day oversight and management of the Company's risk profile to the Risk and Audit Committee.</p> <p>The Risk and Audit Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes and provides regular reports to the Board on these matters.</p> <p>With effect from the date of Admission, the Company's Risk and Audit Committee will comprise Ms Dawn Robertson, who will also serve as the Risk and Audit Committee Committee's chair, Mr Michael DeFranco and Mr Thierry Denis.</p> <p>The Board has conferred responsibility on the Company's</p>

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			<p>management to develop and maintain a risk management program and internal control systems which identify material risks in light of the day to day needs of the Company.</p> <p>The Board is responsible for the overall system of internal control and provides final consideration and direction on any risk management issues.</p> <p>The Company will provide details as to the number of times the committee met and the individual attendances of the members at those meetings in its future annual reports.</p> <p>A copy of the Company's Risk Management Policy is available on the Company's website at www.splitit.com.</p>
7.2	<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>	Yes	<p>The Company regularly evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis.</p> <p>The division of responsibility between the Board, Risk and Audit Committee and management aims to ensure that specific responsibilities for risk management are clearly communicated and understood.</p> <p>The Risk Management Policy provides for regular reporting to the Board which supplements the Company's quality system, complaint handling processes and standard operating procedures which are all designed to address various forms of risks.</p> <p>The Company will provide details on whether such a review has taken place in its future annual reports.</p>
7.3	Companies should disclose:	Yes	As the Company is incorporated in Israel, it is governed by the Israeli

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	<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 risk management and internal control processes</p>		<p>Companies Law. Under the Companies Law, the Company must appoint an internal auditor based on the recommendation of the audit committee, meeting certain independence requirements. The internal auditor's duty is to assist the Board, the Company's CEO and the audit committee. Specifically, the internal auditor will be responsible for reviewing the Company's compliance with applicable law and the appropriateness of its business management. The Companies Law requires that the internal auditor submits an annual or periodic working plan proposal to either the Board or the audit committee for their approval. With effect from the date of Admission, the Company will appoint an internal auditor.</p> <p>The Risk and Audit Committee is responsible for monitoring the internal audit function in accordance with the Company's Risk Management Policy. A copy of the Company's Risk Management Policy is available on the Company's website at www.splitit.com.</p> <p>The Risk and Audit Committee is responsible for reviewing the effectiveness of the Company's internal control regarding all matters affecting the company's financial performance and financial reporting, including information technology security and control.</p>
7.4	Companies 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.	Yes	<p>The Risk and Audit Committee is responsible for reviewing whether the Company has any material exposure to any economic, environmental and social sustainability risks, and if so, to develop strategies to manage such risks, and present such strategies to the Board.</p> <p>The Company will provide details as to its compliance with this recommendation in its future annual reports.</p>

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8	Remunerate fairly and responsibly		
8.1	<p>Companies should:</p> <p>(a) have a remuneration 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 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.</p>	Yes	<p>As the Company is incorporated in Israeli, it is governed by the Israeli Companies Law. Under the Companies Law, the Company must establish a remuneration committee, which must include all External Directors then serving on the Board. The External Directors must also comprise a majority of the remuneration committee and an External Director must serve as the chair.</p> <p>The Company has established a Remuneration and Nomination Committee, which complies with the Companies Law and is also governed by a Remuneration and Nomination Committee Charter. A copy of the Remuneration and Nomination Committee Charter is available on the website at www.splitit.com.</p> <p>With effect from the date of Admission, the Company's Remuneration and Nomination Committee will comprise Ms Dawn Robertson, who will also serve as the Remuneration and Nomination Committee's chair, Mr Michael DeFranco and Mr Thierry Denis.</p> <p>The Board considers each of these persons to be independent for the purposes of the Recommendations.</p> <p>Further, the Remuneration and Nomination Committee Charter prohibits a member of the Committee from being present for discussions at a Committee meeting on, or vote on a matter regarding, his or her remuneration.</p> <p>The Company will provide details as to the number of times the committee met and the individual attendances of the members at those meetings in its future annual reports.</p>

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8.2	Companies 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	<p>The Remuneration and Nomination Committee is responsible for setting and reviewing the policies and practices of the Company regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives, separately.</p> <p>Policies and practices regarding remuneration of non-executive directors, executive directors and senior executives will be disclosed in the annual report of the Company.</p>
8.3	<p>A company 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 adopted a Securities Trading Policy which provides that participants must not, without prior written approval by the relevant person specified in the Policy, engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities.</p> <p>A copy of the Securities Trading Policy is available on the Company's website at www.splitit.com.</p>