

## Board Charter

This charter provides a framework for the operations of the Board setting out the Board's composition, role, responsibilities and the rights of the Board and individual directors as well as relevant administrative matters.

### Role

The Board's role is to represent the shareholders and is accountable to them for the performance, operations and affairs of the Credit Corp Group Ltd. The Board brings an independent and objective view to the company's operations that ensures the company's long-term viability and enhances and protects its financial position.

### Powers of the Board

The Board is constituted and is empowered to govern the company in accordance with the Constitution of the company, the Corporations Act and the Listing Rules.

### Nomination, Selection and Appointment of Non-Executive Directors

The Board maintains the responsibility for the nomination, selection and appointment of non-executive directors and has put in place a policy and procedure for both the nomination of new directors and the re-appointment of existing non-executive directors.

Specifically the Board's responsibility includes:

1. Regular assessment of the necessary and desirable competencies of Board members
2. Review of Board succession plans
3. Regular evaluation of the Board's performance
4. Recommendations for the appointment and removal of directors
5. Identification and recommendation of appropriate candidates to fill vacancies within the Board
6. Reviewing induction processes for new board members to ensure they can effectively discharge their duties
7. Assessment of processes for ensuring directors are up to date with the company's activities and the industry
8. Regularly review the time requirement for non-executive directors and whether directors are meeting these requirements
9. Regularly review of the content and form of the letter of appointment for non-executive directors to ensure the document is up to-date with the company's policies and legal obligations

## Composition

The composition of the Board must be determined with reference to the following criteria:

- The number of directors must comply with the company's constitution, which is a minimum of 3 of directors with no maximum number having been set by shareholders. At least 2 of the directors must be ordinarily resident of Australia.
- A majority of the Board must be independent directors as defined in this charter.
- The Chairperson must be an independent director who is elected in accordance with the constitution and who is not the Managing Director or Chief Executive Officer.
- The Board should possess a range of skills, knowledge, experience and attributes that ensures:
  - a proper understanding of and competence to deal with the current and emerging issues of the business, and
  - that it effectively reviews, supports and challenges the performance of management and exercises independent judgement

The Board will annually review its composition against these criteria and make necessary changes to ensure to meet the requirements.

## Independence

The Board is committed to always having a majority of its members who are judged to be independent in accordance with this charter.

The Board will regularly review the independence of each director and requires directors to immediately advise any change in circumstance that may change their independent status.

An independent director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.

More specifically an independent director is a non-executive director and:

1. Is not a substantial shareholder of the company as defined by the Corporations Act or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
2. Within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment.
3. Within the last three years has not been a principal of a material professional advisor or material consultant to the company or another group member, or an employee materially associated with the service provider.
4. Is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
5. Has no material contractual relationship with the company or another group member other than as a director of the company.
6. Has not served on the board for a period, which could or could be perceived to, materially interfere with the director's ability to act in the best interest of the company.

7. Is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

In assessing materiality in the matter of independence the Board will make its assessment in accordance with the company's materiality policy.

## Chairperson

The office of Chairperson shall be elected by the Board which shall by resolution determine the period for which the chair is to hold office.

The role of the Chairperson is to:

- Represent the Board to shareholders.
- Provide leadership to the directors creating a culture that provides an efficient and effective Board.
- Ensure the Board receives accurate, timely and clear information on the operations of the company.
- Facilitate an effective contribution from each director.
- Promote and monitor the adherence to the company's constitution and its corporate governance framework by the directors and Board committees.
- Brief all directors on matters arising at Board meetings.
- Develop a constructive and trusted relationship between directors and between the Board and management.
- Induct new Board members and new Chief Executive Officer in accordance with the company's induction process.
- Ensure the performance of the Board, its committees and individual directors are evaluated on annual basis in accordance with the company's performance appraisal process.
- Facilitate directors regularly being updated on the nature of the business, current issues and the corporate strategy.

## Company Secretary

The Board approves the appointment and removal of the Company Secretary.

The company secretary must be ordinarily resident of Australia.

The remuneration committee evaluates the performance of the Company Secretary and annually recommends to the Board the remuneration of that office.

All directors have direct access to the Company Secretary for advice and information on company matters.

The Company Secretary is responsible to the Board for ensuring that Board procedures are complied with and advises the Board on governance matters.

The Company Secretary is required to monitor and ensure the Company complies with its continuous disclosure policies and the requirements of the Corporations Act and the ASX Listing rules.

## Board Responsibilities

To fulfil its role, the Board has responsibility to bring an independent and objective oversight to the company's decisions and operations and to oversee the performance and activities of management.

Specifically the responsibilities of the board encompass:

### Performance Issues:

- Ensuring the long-term viability and growth of the company's financial position.
- Formulating with management the corporate strategy and overseeing the implementation and ensuring appropriate resources are available.
- Reviewing, challenging and approving the annual business plan, budget, key performance indicators and corporate policies.
- Regularly, monitoring and assessing the performance of the company, the Board itself, its committees, management and material projects including acquisitions and divestments.
- Mentoring and advising senior management.
- Overseeing the risk management framework and monitoring business risks and the company's management of those risks.
- Monitoring industry developments and the economic environment.

### Compliance and legal conformance:

- Requiring and monitoring all applicable legal and regulatory compliance by the company, its directors and staff.
- Approving financial and other reports issued to shareholders, regulatory authorities and the market generally.
- Approving and monitoring the corporate governance of the company.
- Ensuring an effective system of risk management and internal compliance and control exists and is operating efficiently and effectively.

### Operational matters:

- Delegating an appropriate level of authority to management in a clear unambiguous manner.
- In respect of the Managing Director his or her appointment, performance assessment, remuneration review, succession or removal.
- Ratification of the appointment or removal of the Chief Financial Officer and the Company Secretary.
- Overseeing employment, remuneration and performance review policies.
- Recommending key appointments to shareholders including directors and auditors.
- Ensuring effective and timely communication with shareholders and other stakeholders.

## Delegations to Management

All matters not specifically reserved to the Board and necessary for the daily operations of the company are delegated to management.

The Board has provided management with comprehensive guidelines under its policy of delegated authority.

The Board requires management to report monthly on a range of matters, including financial performance, litigation activity, matters of risk and internal compliance.

## Board's Rights

### **Independent Professional Advice**

Non-executive directors may obtain independent professional advice in the furtherance of their duties as directors, at the company's expense.

The Board approved procedure for obtaining independent advice is to obtain prior approval of the Chairman before seeking such advice.

### **Access to information, management and staff**

Board members shall have direct and unfettered access to all relevant information, advisers and staff within the Credit Corp Group Limited.

Directors should request the information or access to staff from the Chief Executive Officer or the Chief Financial Officer.

## Board Committees

The Board may establish a committee to examine in more detail important issues facing the company and to prepare concise reports and recommendations to the Board on those matters.

The formation of a committee does not imply a fragmentation or a diminution of the responsibilities of the Board as a whole.

The Board has established two committees as follows:

- Remuneration Committee
- Audit Committee

The Board has established a charter for each committee, which detail their role, responsibilities and composition.

The Board will determine the membership of a committee

Each committee will meet regularly and provide a report to the next full meeting of the Board.

The Board will review the performance of each committee and its members at least annually.

## Board Meetings

The Board currently holds 11 scheduled meetings each year and all directors are required to attend all meetings including shareholder meetings except in exceptional circumstances.

A quorum requires a minimum of two directors to be in attendance in person or by telephone if appropriate.

The Chief Financial Officer in conjunction with the Chairman and Managing Director will prepare the agenda for meetings.

Standing Board Meeting agenda items are to include Managing Director's Report, Chief Financial Officer's Report, Other Business including strategic matters and governance and compliance issues.

Board papers are circulated in advance and executives and senior management regularly provide input to Board discussion.

Proceedings of all meetings are minuted and signed by the Chairman or the chairman of the meeting at the subsequent Board Meeting.

Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

## Review of Charter

The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

## Publication of Charter

A summary of the charter will be included in the annual report to shareholders.

A copy of the charter is available on our website at [www.creditcorp.com.au](http://www.creditcorp.com.au).

A copy of the charter is available to Credit Corp Group Limited shareholders upon request.