

Board Charter

1. Introduction

This Charter sets out the role, responsibilities, composition, structure and processes of the board of directors (Board) of Credit Corp Group Limited (Company). It reflects the Board's commitment to conducting the business of the Company and its subsidiaries (Group) in accordance with high standards of corporate governance.

2. Role and responsibilities of the Board

2.1 Role

- (a) The Board is responsible for the overall operation and stewardship of the Group to ensure the long-term growth and profitability of the Group and build sustainable value for shareholders. The Board discharges its responsibilities by setting strategic objectives and approving the strategies, key policies and financial objectives of the Group and monitoring the implementation of these strategies, policies and financial objectives.
- (b) In performing its responsibilities, the Board will act in accordance with the duties and obligations imposed on directors by the Company's constitution (Constitution), from which it derives its authority to act, and by law.

2.2 Strategy

The responsibilities of the Board in respect of strategy include:

- (a) demonstrating leadership and defining the Group's purpose;
- (b) providing input into and approving the Group's core values, strategy, business plans, budgets and key policies;
- (c) directing, monitoring and assessing management in its implementation of the approved strategy, core values and business plans, together with monitoring performance generally; and
- (d) approving and monitoring capital management and major capital expenditures, acquisitions and divestments.

2.3 Risk management

The responsibilities of the Board in respect of risk management include reviewing, approving and monitoring the Group's risk management framework (for both financial and non-financial risks) to ensure it remains appropriate, and setting the risk appetite within which the Board expects management to operate.

2.4 Financial and other reporting

The responsibilities of the Board in respect of financial and other reporting include:

- (a) overseeing the integrity and effectiveness of the Company's accounting and corporate reporting systems, including the external audit and internal compliance and control, risk management and legal compliance systems, having regard to the Group's obligations in all jurisdictions in which it operates; and

- (b) approving material financial and other reporting, including periodic reporting to shareholders, the ASX and other stakeholders and overseeing the Company's processes for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

2.5 Management, remuneration and succession

The responsibilities of the Board in relation to management, remuneration and succession include:

- (a) appointing and removing the CEO (or equivalent);
- (b) approving the appointment and removal of the Company Secretary and all executive direct reports of the CEO;
- (c) approving the Company's remuneration policy and framework and the remuneration of the non-executive directors, CEO and the CEO's executive direct reports, including any short-term or long-term incentive plans to ensure that the remuneration policy is aligned with the Group's purpose, values, strategic objectives and risk appetite;
- (d) ensuring that an appropriate framework exists for relevant information to be reported by management to the Board;
- (e) where required, challenging management and holding it to account;
- (f) setting specific limits of authority for management;
- (g) overseeing the annual review of the performance of the CEO and the CEO's executive direct reports;
- (h) undertaking an annual evaluation of the performance of the Board, each Board Committee, individual directors and the Chair, comparing their performance with the requirements of this Charter, relevant Board Committee Charters and the reasonable expectations of individual directors. The Board may, as it considers appropriate, engage an external facilitator to assist with conducting the evaluation; and
- (i) approving and reviewing succession plans for non-executive directors, the CEO and the CEO's executive direct reports.

2.6 Corporate governance

The responsibilities of the Board in respect of corporate governance include:

- (a) selecting and appointing the Chair of the Board, and if the Company has one, the deputy chair or senior independent director;
- (b) approving the Company's statement of values and Code of Conduct;
- (c) monitoring and guiding the culture, reputation and standards of conduct of the Group with a view to promoting sustainable and responsible behaviour in accordance with the core values and the Code of Conduct; and
- (d) monitoring the effectiveness of the Group's governance practices, having regard to existing and emerging issues relevant to the Group.

2.7 Other

The role of the Board also includes performing such other functions as prescribed by law.

3. Role of management

3.1 Authority

- (a) The CEO (or equivalent), supported by the CEO's executive direct reports, are responsible for the day to day management of the Group under delegated authority from the Board.
- (b) The Board may impose further specific limits on the CEO delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board from time to time.
- (c) The CEO has authority to sub-delegate to senior management.
- (d) The CEO and management are ultimately accountable to the Board.

3.2 Responsibilities

The CEO has the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to the Board in this Charter, or to Board committees in their respective Charters. The authority delegated to the CEO includes responsibility for:

- (a) managing the day to day operations of the Group in accordance with the core values, strategic objectives, business plans, budgets and key policies approved by the Board;
- (b) developing strategies, business plans, budgets and key policies for the Group for consideration by the Board and, to the extent approved by the Board, implementing such strategies, business plans, budgets and key policies;
- (c) maintaining a culture within the Group that promotes sustainable and responsible behaviour in accordance with the core values and the Code of Conduct;
- (d) developing and maintaining the Group's risk management framework and systems, including internal compliance and control mechanisms;
- (e) managing the Group's financial and other reporting mechanisms, control systems and monitoring systems to ensure that these mechanisms and systems function effectively and capture all relevant material information on a timely basis;
- (f) ensuring compliance with the Group's continuous disclosure obligations in accordance with the requirements of the Continuous Disclosure Policy;
- (g) recommending to the Board significant operational changes, and major capital expenditure, acquisitions and divestments, which are beyond delegated thresholds; and
- (h) reporting to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively.

4. Board composition, committees and meetings

4.1 Board composition

- (a) The Board shall comprise of:
 - (i) a majority of non-executive directors who are determined by the Board to be independent directors; and

- (ii) individuals with an appropriate mix of skills, knowledge, experience and diversity to enable the Board to discharge its duties and responsibilities effectively.
- (b) The number of Directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.
- (c) The Board will periodically review its mix of skills to ensure it covers the skills needed to address existing and emerging business and governance issues relevant to the Group.
- (d) The process of selection and appointment of new Directors to the Board is set out in the Company's Appointment of Directors Policy.

4.2 Board size

The number of directors on the Board shall be determined by the Directors in accordance with the Constitution and the requirements of the Corporations Act.

4.3 Chair

The Board shall appoint the Chair of the Board. The Chair of the Board shall be an independent non-executive director (who does not hold the role of CEO or Managing Director), with responsibility for:

- (a) leading the Board;
- (b) chairing Board meetings and shareholder meetings, including, approving the agenda for Board meetings (in consultation with the other directors and the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items, including strategic issues;
- (c) promoting constructive and respectful relations between the Board and management;
- (d) conducting the annual performance review of the CEO;
- (e) conducting the Board's functions efficiently;
- (f) briefing directors on key issues;
- (g) facilitating the effective contribution of all directors and guiding Board deliberations, free of undue bias; and
- (h) representing the Board in communications with shareholders and other stakeholders.

4.4 Company Secretary

- (a) The Company Secretary will:
 - (i) be appointed and removed by the Board; and
 - (ii) report and be accountable to the Board, through the Chair of the Board, on all matters to do with the proper functioning of the Board and Board Committees.
- (b) The Company Secretary is responsible for:
 - (i) advising the Board and its Board Committees on governance matters;
 - (ii) monitoring that Board and Board Committee policies and procedures are followed;
 - (iii) coordinating the timely completion and despatch of Board and Board Committee papers; and

- (iv) ensuring that the business at Board and Board Committee meetings is accurately captured in the minutes.

4.5 Board Committees

- (a) The Board may from time to time establish and delegate responsibility to advise the Board and make recommendations to a committee of the Board in accordance with the Constitution. The Board is responsible for approving and reviewing the Charters and membership of each committee established by the Board.
- (b) The Board has established the following standing Board Committees:
 - (i) the Audit and Risk Committee;
 - (ii) the Remuneration and Human Resources (HR) Committee; and
 - (iii) the Nomination Committee.
- (c) Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.
- (d) Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

4.6 Board meetings

The Board will meet regularly, in accordance with a schedule agreed prior to the commencement of each calendar year. Additional meetings may be held as required to enable the directors and the Board to fulfil their duties and responsibilities to the Group.

Board meetings and proceedings of directors are governed by the Constitution and the Corporations Act.

In respect of each Board meeting:

- (a) the Chair is responsible for the conduct of the meeting, with proceedings governed by the Constitution; and
- (b) the Company Secretary (or his or her delegate) is responsible for:
 - (i) in conjunction with the Chair of the Board, preparing an agenda for each meeting;
 - (ii) distributing the agenda, together with any Board materials, to directors prior to the meeting; and
 - (iii) preparing draft minutes promptly after the meeting for review by the Chair.
- (c) All directors are expected to diligently prepare for, attend and participate in all Board meetings.
- (d) The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.
- (e) Non-executive directors will periodically meet without executive directors or management present.
- (f) The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

5. Independence of directors

- (a) All directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.
- (b) A director will be considered independent from the Company if they are a non-executive director who is free of any interest, position or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Group as a whole and its shareholders generally, rather than in the interests of any individual shareholder or other party.
- (c) Examples of such interests, positions and relationships that might cause doubts about the independence of a director include if the director:
 - (i) is, or has been, employed in an executive capacity by the Group and there has not been a period of at least three years between ceasing such employment and serving on the Board;
 - (ii) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Group;
 - (iii) is, or has been within the last three years, in a material business relationship (such as a supplier, professional adviser, consultant or customer) with the Group, or is an officer of, or otherwise associated with, someone with such a relationship;
 - (iv) is, represents, or has been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder of the Company;
 - (v) has close personal ties with any person who falls within any of the above categories; or
 - (vi) has been a director of the Company for such a period and acts in such a way that his or her independence may have been compromised.

Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence and should be disclosed by directors to the Board.

- (d) If a director is or becomes aware of any information, facts or circumstances which may affect that director's independence, he or she must immediately disclose all relevant details in writing to the Company Secretary and the Chair.
- (e) The Board may consider a director to be independent notwithstanding that the director has an interest or relationship set out in section 5(c). In these circumstances, the Board will take into account:
 - (i) the nature and extent of the interest or relationship;
 - (ii) the type of transactions that are normally entered into between the Group member and the other party, the nature of the transactions and whether the director has been personally involved in negotiating the terms and conditions of any of the transactions; and
 - (iii) any other matters the Board considers relevant to its assessment.

If the Board determines that, notwithstanding the interest or relationship, the director is independent, the Board will disclose its reasons for this assessment and the interest or relationship of the director in the annual corporate governance statement.

- (f) The Board will:
 - (i) regularly review the independence of each director in light of interests disclosed and will disclose any change to the market, as required by the ASX Listing Rules; and

- (ii) review the independence of any director who has served in that position for more than 10 years to confirm that their independent status can be maintained.

6. Specific obligations of directors

6.1 Term of appointment of directors

- (a) The continued tenure of each individual Director is subject to re-election from time to time, in accordance with the Constitution.
- (b) In accordance with the Constitution of the Company, no director will hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.
- (c) Directors must retire from office in accordance with the Constitution. Retiring directors may be eligible for re-election.
- (d) The Company will have a written agreement with each person appointed as a director setting out the terms of their appointment.
- (e) Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them, that are tailored to their existing skills, knowledge and experience, to position them to discharge their responsibilities effectively and to add value.

6.2 Conflicts of interest

Directors are required to take all reasonable steps to avoid actual or perceived conflicts of interest with the Group. Protocols are in place requiring each director to disclose any matters that may involve or give rise to a potential conflict. Where the possibility of a conflict arises, relevant information will not be provided to the director and he or she will not participate in discussions or vote on any matter that is the subject of an actual or potential conflict unless otherwise resolved by the other directors.

6.3 New Board appointments

Directors are to inform the Chairman of the Board and the Chairman of the Nomination Committee before accepting new appointments.

6.4 Compliance with policies

All directors are expected to comply with the Company's key governance policies, including without limitation the Code of Conduct and Securities Trading Policy, and maintain the highest standards of sustainable and responsible behaviour in discharging their duties as a director of the Company.

6.5 Confidentiality

The directors acknowledge that all proceedings of the Board and its committees are strictly confidential and must not be disclosed to any person other than directors of the Company, except as agreed by the Board or required by law.

7. Independent professional advice

- (a) The Board, and each director may, with the consent of the Board or Chair (or in the case of a request by the Chair, the consent of the Chair of the Audit and Risk Committee), obtain independent professional advice at the Company's expense, as considered necessary to assist in fulfilling their duties and responsibilities.
- (b) Except in circumstances of competing interests between the directors or a director and the Company, a copy of the advice must be provided to the Board.

8. Inconsistency with Constitution

To the extent that there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.

9. Review

- (a) The Board will review this Charter periodically to ensure that it reflects a high standard of corporate governance and meets the needs of the Group and the Board. The Company Secretary will communicate any amendments to employees as appropriate.
- (b) This Charter may be amended by resolution of the Board.