



## Cash Converters International Limited

### Board Charter

#### 1. ROLE AND RESPONSIBILITIES OF THE BOARD

The Board of Cash Converters International Limited (the Company) is responsible for setting the Company's strategic direction and it strives to create shareholder value and to ensure shareholders' funds are adequately protected. Its functions include:

- approving corporate strategies, financial budgets and Company policies;
- assessing actual performance against budgets in order to monitor the suitability of corporate strategy and to assess the performance of the management team;
- reviewing operational performance to ensure a clear understanding of the financial health of the Company;
- ensuring the Company always acts with a high level of ethical standards and in a legal and responsible way;
- appointing Directors and approving succession plans;
- appointing and evaluating the Senior Executives (defined as the Chief Executive Officer (CEO), other key management personnel (KMP) as defined under the Corporations Act, direct reports to the CEO who are not KMP, and others selected by the Board);
- approving the Company's remuneration framework including remuneration of the Board and Senior Executives;
- approving and reviewing succession plans for the Board and Senior Executives;
- establishing corporate governance standards and monitoring their effectiveness;
- overseeing the Committees established to assist the Board in the discharge of its responsibilities;
- reviewing progress of major capital expenditures and other significant corporate projects;
- overseeing the Company's control and accountability systems;
- enhancing and protecting the Company's reputation;
- reviewing and ratifying systems of compliance, including internal compliance and control, codes of conduct and legal compliance
- ensuring that the Company has an appropriate risk management framework in place and setting the risk appetite within which the Board expects management to operate
- overseeing the operation of the system for compliance and risk management reporting to Shareholders and major stakeholders; and
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company.

#### 2. ROLE AND RESPONSIBILITIES OF MANAGEMENT

The day-to-day management of the Company and its subsidiaries (the Group) and its businesses is the responsibility of the CEO, supported by the Executive Leadership Team. The Board delegates to the CEO all powers to manage the day-to-day business of the Group, subject to those roles and

responsibilities reserved to the Board in section 1 and any specific delegations of authority approved by the Board.

The key responsibilities of management include:

- managing and administering the day-to-day operations of the Company and its businesses in accordance with the strategy, business plans and policies approved by the Board;
- developing the Group's annual budget and conducting the Group's activities within the approved annual budget;
- developing and maintaining the Group's risk management systems, including internal compliance and control mechanisms;
- assigning responsibilities clearly to the Senior Executives, and supervising and reporting on their performance to the Board;
- recommending to the Board significant operational changes, and major capital expenditure, acquisitions or divestments, which are beyond delegated thresholds;
- reporting regularly to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively; and
- supporting a culture within the Company that promotes ethical and responsible behaviour.

### **3. COMPOSITION AND STRUCTURE OF THE BOARD**

The Board is responsible for determining an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to review and approve the strategic direction of the Company. The Company should be headed by an effective Board, which should lead and control the Company. The Board may also delegate functions to Board Committees such as Audit and Risk Committee and Remuneration and Nomination Committee since they play an important part in corporate governance.

#### ***Board Composition***

The Board will consist of a maximum of six (6) Directors with a majority of Non-Executive Directors. The Chairman of the Board should be a Non-Executive Director.

#### ***New Directors***

The Remuneration and Nomination Committee is responsible for reviewing Board composition, skills and experience, and making recommendations in relation to Board appointments and re-elections. A potential candidate is considered with reference to their skills and expertise in relation to other Board members.

If relevant, the Remuneration and Nomination Committee recommends an appropriate candidate for appointment to the Board. The Remuneration and Nomination Committee must undertake appropriate checks before recommending an appropriate candidate for appointment to the Board. These should include checks as to the person's character, experience, education, criminal record and bankruptcy history.

Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

### ***Board Meetings***

The Board shall meet at least eight times per year, and otherwise as often as the directors determine necessary to enable the directors and the Board to fulfil their duties and responsibilities to the Company.

### ***Performance Review***

The Board is responsible for undertaking a formal annual evaluation process to review the performance of the Board, its committees and individual directors.

## **4. COMMITTEES OF THE BOARD**

The Board may from time to time establish and delegate any powers to a committee of the Board in accordance with the Constitution. The Board is responsible for approving and reviewing the charter of each committee established by the Board.

The Board has established the following committees:

- Audit and Risk Committee; and
- Remuneration and Nomination Committee

## **5. RESPONSIBILITIES OF THE CHAIRMAN**

The Chairman is primarily responsible for the working of the Board, for the balance of its membership subject to Board and Shareholders' approval, and for ensuring that all Directors, Executive and Non-executive alike are able to play their full part in its activities. The Chair is also responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.

## **6. COMPANY SECRETARY**

The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each director has a right of access to the Company Secretary at all times.

The responsibilities of the Company Secretary include:

- assisting the Board and Board committees on governance matters;
- monitoring Board and committee policy and procedures;
- co-ordinating the timely completion and dispatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes;
- ensuring compliance with Corporations Act, ASX Listing Rules and other appropriate regulatory requirements; and
- helping to organise and facilitate the induction and professional development of directors.

## 7. ETHICAL STANDARDS AND LEGAL DUTIES

**Code of Conduct** Each director shall abide by the terms of the Company's *Code of Conduct*, and are expected to uphold the ethical standards and corporate behaviour described in the Code.

**Duties** The Board will operate in a manner reflecting the values of the Company and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations.

**Conflicts of interest** Each director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. In accordance with the Company's Conflicts of Interest Policy, each director is required:

- a) to ensure that the Board is notified (whether by formal standing notice or notification to the Company Secretary or Board immediately on becoming aware) of any such conflicts of interest; and
- b) if any matter is or likely to be brought before the Board which could give rise to such a conflict of interest, then the director:
  - shall disclose this to the Board;
  - shall continue to receive Board papers or other information which relates to the matter which is the subject of the conflict of interest, unless the director requests, or the Chairman determines, that he or she shall not receive any or all of those documents;
  - shall withdraw from any part of a Board or Board Committee meeting for the duration of any discussion; and
  - not vote on the matter,

unless a majority of directors who do not have an interest in the matter resolve that the disclosed interest should not disqualify the director.

**Dealing in shares** Directors must ensure any dealings in shares are in strict compliance with the Company's *Securities Trading Policy* and otherwise in accordance with the values of honesty and integrity

## 8. INDEPENDENCE OF DIRECTORS

If a director is or becomes aware of any information, facts or circumstances which will or may affect that director's independence, the director must immediately disclose all relevant details in writing to the Company Secretary and the Chairman.

The Board will regularly assess the independence of each director in light of any such disclosures. If the Board determines that a director's status as an independent director has changed, that determination should be disclosed and explained in a timely manner to the market.

An independent director is a non-executive director who is not a member of management and who is free of any interest, position, association, business or other relationship that might influence or be perceived to influence, in a material respect, the independent exercise of their judgement.

In considering whether a director is independent and the criteria against which the Board determines the materiality of a relationship, the Board is to have regard to:

- a) the relationships affecting the independent status of a director as described in the ASX Corporate Governance Principles and Recommendations;
- b) the materiality guidelines applied in accordance with Australian accounting standards;
- c) developments in International corporate governance standards; and
- d) any independent professional advice sought by the Board at its discretion.

The Board considers a relationship to materially influence, or be perceived to materially influence, a director's independent judgement, where it is of substance and consequence and there is a real and sensible possibility that it would affect the director's judgement.

## **9. POLICY ON INDEPENDENT PROFESSIONAL ADVICE**

The Board acknowledges the need for independent judgement on all Board decisions, irrespective of each individual director's independence. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Where it is the Chair who is seeking the independent professional advice, the role of the Chair to consider and provide approval as set out above should be carried out by the Chair of the Audit and Risk Committee.

## **10. CONFIDENTIALITY**

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

## **11. REVIEW OF BOARD CHARTER**

The Board will from time to time review the *Board Charter* to ensure that it meets best practice standards, complies with ASX Corporate Governance Principles and Recommendations and meets the needs of the Company and the Board.