



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.

The Board is responsible for:	
Strategy and Budget	<ul style="list-style-type: none"> • approving the Company's purpose, values, corporate strategies, financial budgets and key Company policies and practices; • assessing actual performance against budgets to monitor the suitability of corporate strategy and to assess the performance of the management team
Compliance and Risk management	<ul style="list-style-type: none"> • establishing corporate governance standards and monitoring their effectiveness; • overseeing the Committees established to assist the Board in the discharge of its responsibilities; • 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; • monitoring compliance with the Company's legal and regulatory obligations and requirements including its obligations the under Corporations Act 2001 (Cth) (Corporations Act), ASX Listing Rules, its Australian Credit Licence issued under the National Credit Consumer Protection Act 2009 (Cth) and its obligations relating to occupational health and safety; • appointing the external auditor (where applicable, based on recommendations of the Governance, Remuneration and Nomination Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be approved by shareholders; • managing and mitigating material financial and non-

	<ul style="list-style-type: none"> financial risks throughout the Company; approving the AML/CTF Program and conducting ongoing oversight of the effectiveness of the AML/CTF Program's implementation;
Oversight of Directors and Senior Management	<ul style="list-style-type: none"> appointing Directors and approving succession plans; appointing and evaluating the Senior Executives (including the Managing Director, other executive key management personnel (KMP) as defined under the Corporations Act, direct reports to the Managing Director 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;
Oversight of financial management and capital management	<ul style="list-style-type: none"> reviewing operational performance to ensure a clear understanding of the financial health of the Company; reviewing progress of major capital expenditures and other significant corporate projects; determining the Company's dividend policy and the declaration and payment of dividends; overseeing the Company's internal control systems;
Shareholders	<ul style="list-style-type: none"> overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company;
Ethics and Responsible Decision Making	<ul style="list-style-type: none"> ensuring the Company always acts with a high level of ethical standards and in a legal and responsible way.

2. ROLE AND RESPONSIBILITIES OF MANAGEMENT

The day-to-day management of the Company and its controlled subsidiaries (the Group) is the responsibility of the Managing Director, supported by the Senior Executives. The Board delegates to the Managing Director 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:	
Strategy and Budget	<ul style="list-style-type: none"> managing and administering the day-to-day operations of the Company 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;
Compliance and Risk management	<ul style="list-style-type: none"> developing and maintaining the Group's risk management systems, including internal compliance and control mechanisms;

Interaction with the Board	<ul style="list-style-type: none"> • 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;
Ethics and Responsible Decision Making	<ul style="list-style-type: none"> • 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, the Governance Remuneration and Nomination Committee and the Board Investment Committee since they play an important part in corporate governance.

Board Composition

The composition of the Board will be determined in accordance with the Company's Constitution and the Corporations Act, and is subject to the terms and conditions of a [subscription agreement](#) between EZCORP Inc. and the Company which was approved at a [general meeting](#) of the Company's shareholders on 29 October 2009.

New Directors

The Governance, 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 Boardmembers.

If relevant, the Governance, Remuneration and Nomination Committee recommends an appropriate candidate for appointment to the Board. The Governance, 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
- Governance, Remuneration and Nomination Committee
- Board Investment 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 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 considering 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;
- assisting to monitor 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.