



# Cash Converters International Limited

## Senior Executive Remuneration Policy

Policy Owner: Chief Operating Officer

Author: Head of People and Culture

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# 1. Objectives

## Introduction

This Remuneration Policy ("the Policy") is established, reviewed, and approved by the Board of Cash Converters International Limited ("the Company").

This Policy outlines the Company's remuneration practices in respect of Non-Executive Directors ("NEDs"), Executive Directors, Key Management Personnel ("KMP"), members of the Senior Leadership Team ("SLT").

The Policy is reviewed at regular intervals, to ensure it remains current and appropriate for its intended purpose.

Relevant supplementary remuneration documents include Equity LTI Plan Rules, Cash (Phantom) LTI Plan Rules and STI Plan documents.

## Purpose

The aim of this policy is to enable the Company to attract, retain and motivate the high calibre talent required for the Company to meet its objective of achieving exceptional returns for shareholders.

In doing so, the policy aims to reflect a competitive, fair and equitable way to provide pay, reward for performance and contributions.

The policy aims to adopt different remuneration approaches with reference to market practice considering the role of the incumbent; NEDs, KMP or SLT. The policy acts as a framework which the organisation will utilise to enable corporate governance and administer remuneration programs.

## Application of the Policy

This Policy applies to all Non-Executive Directors, Executive Directors, disclosed Key Management Personnel ("KMP") and selected Senior Leadership Team ("SLT") of the Company.

For the purposes of this Policy, individuals will be referenced by the following groups throughout the document:

- Non-Executive Directors of the Company ("NEDs");
- Executive Directors;
- Key Management Personnel ("KMP"), which includes the Managing Director ("MD"); and other disclosed ("KMP").
- The Senior Leadership Team ("SLT") as direct reports of the MD (not KMP), head of revenue lines, heads of critical function or unit (as determined by the MD).

## 2. Remuneration Strategy – KMP & SLT

The remuneration strategy for KMP and SLT is underpinned by the following principles:

- align remuneration with customer and shareholder interests;
- support an appropriate risk culture and exemplary employee conduct;
- differentiate pay for behaviour and performance in line with our vision and strategy;
- provide market competitive remuneration; differentiated remuneration approach and pay positioning for KMP vs. SLT;
- remunerate fairly and in a manner that promotes the Company's commitment to building a diverse and inclusive workforce;
- recognise the contributions of critical and non-revenue generating roles and their long-term value creation;
- enable recruitment and retention of talented employees; and
- be simple, flexible, and transparent.

## 3. Reward Components

Remuneration may be delivered in several forms including fixed remuneration and variable remuneration. Remuneration quantum is set with reference to external benchmarks and having regard to the principles of the Company's "Remuneration Strategy" as outlined in section 2 of this Policy.

Key elements of remuneration are described below:

### Fixed annual reward

- **Fixed Annual Reward ("FAR")** represents the fixed portion of employee remuneration, for all groups other than the NEDs, and includes base salary, salary packaged benefits and/or allowances and compulsory employer superannuation contributions.

### Short term incentive

- **Short term incentive ("STI")** is an at-risk element of the KMP and SLT's remuneration package. STI awards are conditional on the achievement of individual performance measures set by Management, approved by the Board of Directors at the commencement of each performance year. The Company's STI Plan is designed to align KMP and SLT remuneration with business performance and outcomes for shareholders and customers.
- STI payments are not guaranteed and are linked to shared and/or individual targets meeting or exceeding KPI metrics for the relevant performance year. Regard will be had for performance against threshold financial and risk objectives in determining eligibility for payments under the STI. Individual and or shared objectives may include, Company and individual customer, risk, financial, non-financial and strategic measures, depending on the role.
- KMP and SLT may have the opportunity to receive a percentage of their annual base salary as a short-term incentive on an annual basis.
- STI awards will be settled in cash, subject to the prevailing terms of the plan.
- NEDs are not eligible to participate in the STI plan.

- STI plan rules are detailed in the Cash Converters Short Term Incentive Plan Rules and govern all short-term incentives available to KMP, SLT and other leadership roles as deemed appropriate.

## Long term incentive

- **Long term incentive (“LTI”)** is an at-risk element of an eligible employee's remuneration package. LTI awards are not guaranteed, and eligible employees only receive a benefit if targets are met or exceeded over the multi-year performance period. The Company's LTI is designed to:
  - Create a strong link between performance and reward through aligning the interests of participants with shareholders and customers
  - Drive the achievement of multi-year financial and non-financial hurdles, which support long-term value creation;
  - Assist in the motivation, retention, and reward of the Company KMP, SLT and other roles deemed as suitable by the GRNC and Board; and
  - Encourage KMP and SLT to act in the best interest of the Company, customers and shareholders including sustainable decision making and the sound management of financial and non-financial risk.
- LTI participation is determined by annual invitation, as recommended by GRNC and approved by the Board. Management will propose LTI participants and LTI quantum to the Board for approval on an annual basis. In determining participants and quantum, regard will be had for the principles provided in Section 2 of this policy. It is expected that participation will typically be limited to KMP and members of the SLT, being those individuals with the greatest influence on overall business outcomes.
- The Cash Converters Equity Incentive Plan Rules currently govern all equity-based incentives at the Company. The Board retains the discretion to vary delivery of incentives within the shareholder approved Plan Rules from time to time. For example, this could include changes to share performance measures or offering cash bonuses as long-term reward over equity where deemed appropriate.
- Cash Converters Cash (Phantom) LTI is a practical alternative plan to Cash Converters Equity plan Rules which enables the Board to extend Long Term Incentives, including to non-Australian residents (KMP and select SLT) operating in international markets. The Board retains the sole discretion to vary the delivery of Cash based LTIs from time to time including, but not limited to performance measures, conditions and/or vesting periods.

## Retention bonus / Other

- In certain circumstances, it may be necessary for the Company to offer retention bonuses, sign on awards or other special awards as a means of attracting and retaining KMP & SLT members.
- This may include deviating from the relevant remuneration strategy and approach considered for the position.
- All attraction and retention bonuses for the roles covered under this policy are subject to the approval of the Board.
- These arrangements may be in the form of cash or equity; however, the general preference is to use equity (share rights).
- When determining the value of potential sign on awards, regard may be had for the value of awards being forfeited by the individual when departing their previous

employer; in case of attraction strategy of a new KMP or SLT. It is recommended that a service requirement and minimum performance rating criteria is attached to the bonus.

- Other remuneration arrangements may be implemented by the Company from time to time to the extent that they are in support of the Company's remuneration strategy.

### Total remuneration package

- **Total remuneration package ("TRP")** is the total of all of the above items.

## 4. Remuneration Governance<sup>1</sup>

### Remuneration reviews

The Company reviews KMP and SLT remuneration on an annual basis and takes the following factors into consideration when determining remuneration:

- The Company's performance and individual performance;
- The incumbent experience level, qualification, unique/hot skill, and other individual fitment aspects which could impact benchmarking outcomes.
- comparative market remuneration data relevant to the Company's approach of benchmarking and relevant comparator groups identified for KMP and SLT;
- regards will be given to remuneration strategy stipulated in section 2 of this policy.
- the economic environment; talent market conditions and
- The Company's capacity to pay for any remuneration increases.

### The role of the Board and Governance, Remuneration and Nomination Committee in remuneration

- The Board has ultimate responsibility for approving and actively overseeing the Company's remuneration framework and reward strategy (including ensuring its effective application) and the level and composition of executive remuneration.
- In doing so, the Board takes into consideration the advice and recommendations of the Governance, Remuneration and Nominations Committee ("GRNC") and of any remuneration consultant approved by the Board and GRNC. The Board also ensures that the Company's remuneration and reward strategy complies with relevant legislation and regulations, and the ASX Corporate Governance Council Principles and Recommendations.
- The GRNC has the authority, power and appropriate composition to exercise the role and responsibilities contained in its Charter with competent and independent judgment, together with any other powers delegated to it by the Board from time to time.
- In fulfilling its responsibilities, the GRNC has free and unfettered access to the Audit and Risk Committee and risk and financial control personnel to ensure that risk considerations (both financial and non-financial) are considered when setting remuneration and determining outcomes. Where required to perform its oversight

functions, the GRNC will also have free and unfettered access to any other Board Committees established by the Company.

## Clawback and malus

The Cash Converters Equity Incentive Plan and Cash LTI Plan describe circumstances where the Board may take actions, including reducing, cancelling, or recovering (clawback), performance-based awards.

Clawback (recouping) may apply in some situations depending on the terms of the relevant award. A clawback event may be triggered where the participant in an incentive program:

- acts, or has acted, fraudulently or dishonestly or made a material misstatement on behalf of the Company;
- has engaged in serious misconduct or gross negligence (including recklessness or wilful indifference);
- is responsible for material financial losses (to the extent these occur as a result of the participant acting outside the Company's agreed risk appetite);
- acts, or fails to act, in a way that could reasonably be regarded to have contributed to, or is likely to contribute to, material reputational damage to the Company;
- is in breach of any of his or her duties or obligations to the Company (including acting in breach of the terms of his or her employment or any restrictive covenant); or
- is convicted of an offence or has a judgment entered against them in connection with the affairs of the Company;

At the absolute discretion of the Board, a KMP or SLT's bonus/incentive may also be forfeited or reduced (including to zero) in the circumstances outlined above, subject to the terms of the relevant award.

## Hedging

The Company's Securities Trading Policy describes the prohibitions with regards to hedging economic exposure related to equity-linked remuneration.

## Employment contracts

Members of KMP, SLT and other senior management roles will execute an employment contract with the Company, which sets out the terms and conditions of their employment with the Company, including the remuneration and termination arrangements that apply to their respective roles.

The Company NEDs execute a letter of appointment with the Company, which sets out the terms and conditions of the appointment, the performance expectations, and the fees payable for the role.

## Termination payments

Termination payments for all employees are based on the termination provisions contained in their respective employment contracts or letters of appointment, which align with market practice, or which are to be made pursuant to the relevant statutory requirements.

The Company is not required to pay or provide, or procure the payment or provision of, any moneys or benefits to an executive which would require shareholder approval under Part 2D.2, Division 2 of the *Corporations Act 2001* (Cth) ("Corporations Act"), or any successor provision, or which would cause the Company to infringe the Listing Rules, Corporations Act or associated *Corporations Regulations 2001* (Cth).

Subject to applicable laws, accelerated vesting of unvested variable remuneration may be permitted in certain circumstances in respect of an employee who is no longer employed by the Company at the absolute discretion of the GRNC and Board including in the case of a “good leaver”.

## 5. Remuneration of Non-Executive Directors

### NED fees

Non-executive director fees are determined by the Board and reflect the role, workloads and time commitment, market benchmarks and the objective of the Company to attract highly skilled and experienced independent non-executive directors.

The Board is responsible for determining the total amount paid to each non-executive director as remuneration for their services. In making this determination, the Board considers the level of work required for the role and has regard to the median remuneration paid to non-executive directors of companies positioned within a comparator group of companies.

The total fees paid to non-executive directors comprise a base fee inclusive of superannuation for service to the Board and, where applicable, a committee fee for chairing, or being a member of, a Board committee. In certain circumstances, there may be an entitlement for intensive work on ad-hoc Committees. NEDs may also be reimbursed for any reasonable travel, accommodation or other expenses incurred in the carrying out of their duties.

Non-executive directors do not participate in, or receive, any performance-based remuneration as part of their role and do not participate in any equity plans that operate within the Company, in order to support their independence and impartiality.

If considered appropriate, NED fees may include grants of company equity, or other benefits. Facilities such as directors' insurance, expense reimbursements and parking provided to NEDs will not be counted as part of remuneration.

### Superannuation

The Company meets its obligations under the Superannuation Guarantee legislation by paying superannuation contributions in respect of NEDs to their nominated complying superannuation funds up to the maximum super contributions base (MSCB).

Superannuation contributions for NEDs are drawn from the overall fees paid to them.

### Fee Cap

The total fees paid in any financial year to all non-executive directors for their services (excluding, for these purposes, the salary of any executive director) must not exceed, in aggregate, the maximum amount approved by shareholders at a general meeting (“Fee Cap”).

Shareholder approval is required for any increase to the Fee Cap.

## 6. Policy Review and Amendments

This Policy should be reviewed annually to ensure it remains appropriate with regard to the changing nature of legislation, change in the Company's business operations or business environment.

The remuneration framework detailed in this Policy will be reviewed for effectiveness by an operationally independent, appropriately experienced, and competent external party at least every three years to ensure the framework is operating as intended.

This Policy replaces the following policies previously in place at the Company:

- Senior Executive Remuneration Policy & Procedure
- Short Term Incentive Policy & Procedure
- Long Term Incentive Policy & Procedure and:
- Non-Executive Director Remuneration Policy & Procedure

Any references to the above policies within Company documents, should be taken to reference this Remuneration Policy.



# Annexure 1

## <sup>1</sup> Remuneration Governance

The table below summarises the roles and approvals required for remuneration actions by position level. The tick represents the final authority required, although many stakeholders will need to be consulted and in some cases shareholder approval will be required pursuant to the Corporations Act 2001 . This table below is a guide only and will not supersede any provisions laid out in the GRNC Charter.

Item	MD Approval	GRNC/Board Approval
Changes to remuneration policy		✓
Appointment of remuneration consultant		✓
Changes to NED remuneration		✓
<b>Outcomes relating to MD, KMP and SLT<sup>2</sup></b>		
Changes to remuneration quantum		✓
STI and LTI target setting, and key terms	✓ (KMP & SLT roles)	✓ (MD)
STI and LTI outcomes		✓
Other incentive payments (e.g. retention bonus)		✓
Remuneration package for new starters, including sign ons	✓(KMP & SLT roles)	✓(MD)
Termination payments (including clawback and malus)		✓

<sup>2</sup> SLT roles include MD direct reports, heads of revenue lines, heads of critical functions (as determined by the MD)

For the avoidance of doubt any other roles that are not considered KMP or SLT, but are considered critical to business, may be remunerated with a similar approach as detailed in the policy, as approved by the MD.