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# CHARTER

RESIMAC GROUP LTD

BOARD OF DIRECTORS CHARTER

- MARCH 2021 -

## **Introduction**

This charter has been established to assist the Board in the exercise of its functions and responsibilities.

The Board of Directors (the Board) is vested with the responsibility of managing the business in accordance with the Company's Constitution. The Board is mindful in undertaking its responsibility in line with the ASX Listing Rules, Corporations Act and ensuring the Company meets its obligations as an Australian Credit Licence holder.

In carrying out its responsibilities the Board recognises its responsibility to act honestly, fairly, diligently and in accordance with the law.

## **Purpose of the Charter**

The Board is accountable to the Company's shareholders / members. The Board has the responsibility for the governance and management of the Company's business and affairs and may delegate its powers to the appropriate Committees and the Chief Executive Officer.

The Board will adopt appropriate structures and procedures to ensure that the Board functions independently of management.

This Charter sets out how the Company is governed, the Board's responsibilities, structures and processes of the Board to promote the Company and to protect the interests of all stakeholders.

## **Board Composition**

The number of Directors will not be less than three and will not exceed ten directors, as specified by the Company's Constitution. The Board will consist of a majority of non-executive directors.

## **Chair of the Board**

The Chair must be appointed in accordance with the Company's Constitution. The Chair must be a non-executive director.

## **Meetings**

The Board will meet at least six (6) times a year and at any other time deemed necessary by the directors. Meetings may be held by means of conference call, videoconference or similar communication means, as consented to by all directors, in accordance with section 248D of Corporations Act 2001 (Cth).

## **Quorum**

A quorum will consist of two members of the Board in accordance with the Constitution.

## **Attendance**

The Chair of the Board may invite members of Company management and/or advisers and other parties external to the Company to attend meetings as required.

## Board Committees / Delegations

The Board may establish committees, as it deems necessary to assist in carrying out its responsibilities to oversee the management of the Company. Each committee will develop and adopt a Charter setting out matters relevant to the composition, responsibilities and administration of such Committee, or any other matters that the Board may consider appropriate.

The Board has established a number of Committees, some which comprise members of the Board and others comprise of management.:

- Audit Committee
  - Remuneration and Nomination Committee
  - Risk & Compliance Committee
  - Technology, Digital and Innovation Committee
- (Board Committees)

- Asset & Liability Committee
  - Credit Committee
  - Pricing Committee
  - Ventures Committee
  - Work Health & Safety Committee
- (Management Committees)

The Board will establish appropriate special purpose committees from time-to-time to consider significant matters.

Such committees will have terms of reference agreed by the Board. In addition, all minutes of committees will be available to the Board.

Subject to notification to the Chair and approval of the Board, an individual director may engage an outside professional adviser at the expense of the Company whenever the director judges such advice necessary to discharge his/her responsibilities as a director.

## Secretary

The Company Secretary is appointed by the directors and will act as Secretary of the Board. The Company Secretary will attend meetings of the Board and is accountable to the Board through the Chair on all matters to do with the proper functioning of the Board.

## Board Papers and Minutes

Board and committee papers should be provided to directors at least five business days prior to the relevant meeting. Draft minutes must be provided to the Chair within seven days of the meeting taking place. Minutes of meetings must be confirmed and signed at the next meeting of the Board.

## Responsibilities of the Board

The Board is responsible for overseeing the strategic direction of the Company and effective oversight of management. The Board derives its authority to act from the Company's Constitution and the laws governing corporations and financial institutions in the jurisdiction in which the Company operates.

The responsibilities are as follows:

- Provide leadership and set the strategic objectives of the Company;
- Oversee the conduct of the Company's business to evaluate whether the business is being properly managed and conducted in an honest and ethical manner;
- Ensure that adequate procedures are in place to identify the principal risks of the Company's business and delegate the implementation of appropriate systems to manage these risks to Board Committees and management;
- Select, appoint, monitor and evaluate the performance of, determine the remuneration of, plan for the successor of, and removal of the CEO;
- Ensure adequate resources, plans and procedures are in place for succession planning, including appointing, training and development and monitoring of senior management performance;
- Adopt a strategic planning process and review the Company's financial objectives and major corporate plans and actions (this includes formulating, preparation of business plans and budgets);
- Overseeing compliance obligations;
- Overseeing risk management of the Company;
- Perform other function as prescribed by law or assigned to the Board to maximise shareholders' value.

## Decisions Reserved for the Board and its Committees

- Nomination and remuneration of directors
- Appointment of Chair and CEO
- Membership and scope of Board Committees
- Assessment of performance of Board members CEO (evaluation)
- Appointment of Company Secretary
- Delegation of Board's powers
- Determine matters referred by the Board Committees
- Adoption of corporate governance and risk management frameworks and strategic plans
- Shareholder meetings
- Share capital management
- Approving major capital expenditure
- Overseeing the integrity of the Company's accounting and corporate reporting systems
- Compliance with relevant laws, regulations and requirements
- Major litigation
- Continuous disclosure

- Related party transactions
- Disclosure of Directors' interest
- Code of conduct
- Insider trading
- Employee share plans

The Board will consider management recommendations in respect of the following issues:

### Financial Matters

- Capital raising and other financing decisions
- Financial reports, annual reports, budgets and accounting policies
- Internal and external audits
- Prospectuses or other similar documents; and
- Dividends

### Operational Matters

- Business strategy;
- Acquisitions and disposals of subsidiaries or major assets or liabilities;
- Property and asset leases and capital projects;
- Substantial commitments including:
  - Mortgages and charges over the Company's assets;
  - Contracts not in the ordinary course of business;
- Performance and fraud monitoring;
- Succession planning; and
- Employment and compensation policies.

### Business Control Matters

- Code of conduct;
- Internal control framework;
- Delegations of authority, Workplace Health & Safety, Equal Opportunity and other Human Resources policies;
- Compliance framework and policy; and
- Risk management framework, risk appetite, risk management plan and associated policies.

## Conduct of Directors

### Access to Company Documents for Purposes of Legal Proceedings

Directors may inspect and may make copies of the Company's non-financial records for the purposes of legal proceedings to which the director:

- Is a party; or
- Proposes to bring; or
- Has reason to believe will be brought against them.

All requests for access should be made to the Chair.

### Disclosure of Confidential Information

Directors will not disclose any confidential information of the Company unless:

- The Company has given a written consent;
- The director is required to disclose it by law; or
- The disclosure is made for the purpose of obtaining professional advice:
  - i. Where the approval of the Audit Committee of the Board has been given; or
  - ii. Where approval has not been given, after prior written notice to the Chair and the director considers it necessary to obtain advice in order to carry out his or her duties as a director of the Company in connection with a matter currently before the Board; and
  - iii. Where the director endeavours to ensure all matters disclosed are kept confidential and advises the Board if the advice in any way contradicts the current position of the Board or contradicts advice previously received by the Board.

### Information Privilege

Where a director is entitled to disclose confidential information and legal professional privilege attaches to that information for the benefit of the Company, or both the Company and the director, the director will use best endeavours to avoid doing anything that will cause privileges to be waived, extinguished or lost by the Company in relation to third parties.

### Related Party Transactions

A director, or entities in which a director has a significant interest and/or influence, who enters into a transaction with the Company (other than a transaction involving the payment of compensation) shall make full disclosure to the Audit Committee for review in accordance with the related party transaction policy if the total value of the transactions for the year exceeds \$500,000 (excluding loan transaction on usual terms and conditions).

The Audit Committee must approve the transactions before the Board gives consideration to the Company entering into the following contracts with directors, or entities in which directors have a significant interest and/or influence:

- Contracts for the supply of goods or services, which extend beyond one year, or where the total value of goods or services supplied under the contract will exceed \$2m in any one year.
- All agreements to lease and/or leases of property.
- All agreements for the purchase or sale of freehold and/or leasehold property except where such sale is by way of a genuine public auction.

## Material Personal Interests

Directors are required to disclose all matters involving the Company and its subsidiaries in which they have a material personal interest in accordance with s191 of the Corporations Act. “Material person Interest” is not defined in the Act but will exist if the relevant interest is both material (of some substance or value) and personal (an interest of the director themselves). It may include a mortgage entered into with the company by the Director or a closely related party or a shareholding in an entity that the company also holds an interest.

Disclosure may be made either by giving notice on a specific transaction basis or as a standing notice. Directors shall provide new notices if the nature and extent of their interest changes at any time. Notices should be in writing detailing the nature and extent of the interest of the director in the matter and should be given to each director and tabled at the next Board meeting.

The Secretary will maintain a register of notices tabled at Board meetings and will make this register available to new directors when appointed. The Secretary will record details of the notice in the minutes of the meeting.

Where a matter in which director has a material personal interest whether declared or not, is being considered at a Board meeting, that director must not:

- Be present while the matter is being discussed; or
- Vote on the matter.

Unless directors who do not have a material personal interest in the matter pass a resolution that:

- Identifies the directors, details of the director’s interest;
- States that those directors are satisfied that the interest should not disqualify the director from voting or being present;
- The interest does not need to be disclosed to the other directors under Corporations Act; or
- The director is entitled under a declaration or order made by the Australian Securities and Investments Commission under the Corporations Act 2001 (Cth).

## Revision & Publication

The Board will formally review the Charter every two years and confirm appropriateness. Where amendments are required these will be approved by the Board. A copy of the Charter will be available on the Company’s website [www.resimac.com.au](http://www.resimac.com.au).

VERSION NO.	REVISION DATE	DATE APPROVED BY BOARD
Version 0.02	February 2017	13 February 2017
Version 0.03	January 2019 – Change of name, formatting and review	22 February 2019
Version 0.04	March 2021	3 March 2021