

BOARD CHARTER

1 Purpose

The Board Charter sets out the responsibilities, power, composition and operation of the Board of Credit Connect Capital Limited ('Credit Connect' or the 'Group'), implementing procedures of good corporate governance and practice.

2 Role

The Board's role is to:

- (a) act on behalf of shareholders by overseeing and evaluating the Group's strategies, policies and performance;
- (b) set, review and ensure compliance with the Group's values; and
- (c) monitoring the Group's performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Group's constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- (d) ensure shareholders are kept informed of the Group's performance and major developments affecting its state of affairs.

3 Powers

The Board derives its authority to act from the Company Constitution and the Corporations Act 2001 and other laws governing the operations of corporations within the jurisdictions they operate.

4 Committees

The Board may from time to time establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities. The Board shall, as a minimum, establish the following committees and shall adopt charters setting out matters relevant to the power, responsibilities, composition and operation of those committees:

- (a) Audit, Risk and Compliance Committee, and
- (b) Remuneration Committee.

The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis. The powers delegated to these committees are set out in Board resolutions.

5 Management

Directors may delegate their powers as they consider it appropriate. However, ultimate responsibility for strategy and control rests with the directors.

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate. All reasonable actions will be taken to provide all directors with advance notice of Board meetings, even those called at short notice. Every possible effort will be made to ensure that papers tabled at a Board meeting will be made available to all directors attending, regardless of location.

If it is not possible to have documents available to all Directors those who do not have the documents may abstain from voting, or the Chairman may defer the vote until the papers are available to all members. Any abstention must be indicated to the Chairman at the time the matter is being considered and recorded in the Minutes.

The management function is conducted by, or under the supervision of, the Chief Executive Officer of Credit Connect Capital Limited (CEO) as directed by the Board

6 Independent Director(s)

A director is considered to be independent for the purposes of service on the Board and Board Committees of Credit Connect Capital Limited (the 'Group') if the director satisfies the standards set out below. To qualify as being "independent", a director must, in the opinion of the Board, be independent of management and free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of his / her unfettered and independent judgement.

Credit Connect will identify those directors the Board considers to be independent in its Annual Report. In judging whether a director is an "Independent Director" the Board will have regard to whether or not:

- (a) The director is a Substantial Shareholder in the Group or if he/she represents or is not an officer of or otherwise associated directly with a Substantial Shareholder of the Group;
- (b) been a principal of a material professional adviser or a material consultant to a Group Company or been an employee materially associated with services provided by such an adviser or consultant;
- (c) been affiliated with or employed by a present or former auditor of the Group or of an Affiliate; or
- (d) The director has received any remuneration from the Group other than directors' fees (which may be paid in cash or by the issue of shares in the Group in lieu of cash), and whether or not the director participates in any of the Group's executive share option or performance-related pay schemes;
- (e) The director is free from any other interests and any business or other relationships that could or could be perceived to interfere with the director's unfettered and independent judgement and ability to act in the best interests of the Group;
- (f) The director has a material contractual or other material relationship with any Group Company other than as a director; and
- (g) The director is a material supplier or customer of any Group Company or is an officer or employee of or otherwise associated with a material supplier or customer.

The Board will consider thresholds of materiality in determining the 'independence' of directors on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- (a) The Board will determine the appropriate base to apply in the context of each situation.
- (b) In general, the Board will consider an affiliation with a business for the purposes of determining independence.
- (c) Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of the Group. Directors are required to disclose family ties or cross directorships that may be relevant in considering continuing independence.

The Board will conduct a regular review of the independence of each of the directors, based on information provided to it by the directors. Directors are expected to volunteer information as and when changes occur.

In addition to these criteria, an Independent Director who serves on the Audit, Risk and Compliance Committee must satisfy the following requirements:

- (a) The director must not be an Affiliate of any Group Company; and
- (b) The director must not accept, directly or indirectly, any consulting, advisory or other compensatory fee from any Group Company. This includes the acceptance of such fees by a spouse, a minor child or stepchild or a child or stepchild sharing a home with the director or by an entity in which the director is a partner, member, an officer such as a Chief Executive Officer or executive officer, or in which the director occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to a Group Company) and which provides accounting, consulting, legal, investment banking or financial advisory services to a Group Company.

7 Responsibilities

Responsibilities of the Board include:

- (a) input into and final approval of management development of corporate strategy, including setting performance objectives and approving operating budgets;
- (b) monitoring corporate performance and implementation of strategy and policy;
- (c) approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- (d) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting with the guidance of the Audit, Risk and Compliance Committee;
- (e) reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance with the guidance of the Audit, Risk and Compliance Committee. This includes reviewing procedures to identify the main risks associated with the Group's businesses and the implementation of appropriate systems to manage these risks;
- (f) selecting, appointing and evaluating from time to time the performance of, and planning succession of the CEO;
- (g) reviewing procedures for appointment of senior management (including the Chief Financial Officer and Company Secretary) and succession planning.
- (h) reviewing and approving executive remuneration with the guidance of the Remuneration Committee;
- (i) monitoring Board composition, processes and performance;
- (j) monitoring and reviewing policies and processes relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards; and
- (k) performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person subject to ultimate responsibility of the Directors under the Corporations Act 2001.

8 Structure

The Group's constitution governs the regulations and proceedings of the Board. The Group Board is responsible for determining the size and composition of the Board subject to the terms of the Group's constitution.

- The Board should comprise a majority of independent non-executive Directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- A director is considered to be independent for the purposes of service on the Board and Board committees if the director satisfies the standards adopted by the Board from time to time to assist it in its regular 'independence' determinations.
- The Board only considers directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.