

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Collection House Limited

ABN/ARBN

74 010 230 716

Financial year ended:

30 June 2021

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://www.collectionhouse.com.au/investors-corporate-governance.html>

The Corporate Governance Statement is accurate and up to date as at 30 June 2021 and has been approved by the Company's Board of Directors. The release of this announcement has been authorised by the Company's Board of Directors.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 1 October 2021

Name of authorised officer authorising lodgement: Jonathon Idas, Company Secretary

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> on page 5 of our 2021 Corporate Governance Statement, and we have disclosed a copy of our board charter at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> on page 16 & 17 of our 2021 Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> on pages 8, 16 & 17 of our 2021 Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> on page 18 of our 2021 Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> on pages 10, 19 and 20 of our 2021 Corporate Governance Statement, and we have disclosed a copy of our diversity policy at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>,</p> <p>and we have disclosed the information referred to in paragraph (c) in our 2021 Corporate Governance Statement on pages 19, and 20</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 14 of our 2021 Corporate Governance Statement, and we have disclosed the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our 2021 Corporate Governance Statement on page 14, and whether a performance evaluation was undertaken for the reporting period in accordance with that process,</p> <p><input checked="" type="checkbox"/> in our 2021 Corporate Governance Statement on page 14.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 26 of our 2021 Corporate Governance Statement, and we have disclosed the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our 2021 Corporate Governance Statement on page 26,</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process:</p> <p><input checked="" type="checkbox"/> in our 2021 Corporate Governance Statement on page 26.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> We have disclosed detail of our Committees in our 2021 Corporate Governance Statement on page 7, and we have disclosed a copy of the charter of the committee at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>,</p> <p>and the information referred to in paragraphs (4) and (5) is disclosed in our 2021 Corporate Governance Statement on page 7 and 8.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> We have disclosed our Board skills matrix in our 2021 Corporate Governance Statement on pages 15 and 16.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> We have disclosed the names of the Directors considered by the board to be independent directors in our 2021 Corporate Governance Statement on page 13.</p> <p>and, where applicable, the information referred to in paragraph (b) in our 2021 Corporate Governance Statement on page 13,</p> <p>and the length of service of each director in our 2021 Corporate Governance Statement on page 12, 13 and 14.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/> We have disclosed the Board independence status in our 2021 Corporate Governance Statement on page 13.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/> on page 6 and 13 of our 2021 Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> on page 17 of our 2021 Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> We have disclosed our values in our 2021 Corporate Governance Statement on page 2.	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> We have disclosed our code of conduct in our 2021 Corporate Governance Statement on page 9 and a copy at <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a> .	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> We have summarised our Whistleblower policy on page 12 of our 2021 Corporate Governance Statement, and we have disclosed our Whistleblower policy at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> We have summarised our anti-bribery and corruption policy in our 2021 Corporate Governance Statement on page 9 and disclosed it at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> We have disclosed detail of our Committees in our 2021 Corporate Governance Statement on page 6, 7, and 8 and we have disclosed a copy of the charter of the committee at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>; and the information referred to in paragraph (4) in the 2021 Corporate Governance Statement on pages 7 to 8; and the information referred to in paragraph (5) in our 2021 Corporate Governance Statement on page 8.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/> on page 21 of our 2021 Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/> on page 21 of our 2021 Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> We have summarised our continuous disclosure policy in our 2021 Corporate Governance Statement on page 21, and we have disclosed our continuous disclosure compliance policy at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> on page 22 of our 2021 Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> on page 22 of our 2021 Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> on page 22 of our 2021 Corporate Governance Statement, and we have disclosed information about us and our governance on our website at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> on page 22 of our 2021 Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> on page 23 of our 2021 Corporate Governance Statement, and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> on page 22 of our 2021 Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> on page 23 of our 2021 Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> We have disclosed detail of our Committees in our 2021 Corporate Governance Statement on page 7, and we have disclosed a copy of the charter of the committee at:</p> <p><a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a>,</p> <p>and the information referred to in paragraphs (4) and (5) on page 8 of our 2021 Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> on page 24 of our 2021 Corporate Governance Statement, and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period on page 24 of our 2021 Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/> on page 25 of our 2021 Corporate Governance Statement, and we have disclosed how our internal audit function is structured and what role it performs on page 25 of our 2021 Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> on page 24 of our 2021 Corporate Governance Statement, and we have disclosed whether we have any material exposure to environmental and social risks on page 24 of our 2021 Corporate Governance Statement, and, if we do, how we manage or intend to manage those risks on page 24 of our 2021 Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> We have disclosed detail of our Committees in our 2021 Corporate Governance Statement on page 7, and we have disclosed a copy of the charter of the committee at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a> and the information referred to in paragraphs (4) and (5) on page 8 of our 2021 Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> on pages 26 to 28 of our 2021 Corporate Governance Statement and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Remuneration Report in our Annual Report accessible at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a> and <a href="https://www.collectionhouse.com.au/annual-reports">https://www.collectionhouse.com.au/annual-reports</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> on page 11 of our 2021 Corporate Governance Statement, and we have disclosed our policy on this issue or a summary of it at: <a href="https://www.collectionhouse.com.au/investors-corporate-governance.html">https://www.collectionhouse.com.au/investors-corporate-governance.html</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



# Corporate Governance Statement

## September 2021



# Corporate Governance Statement

## Corporate Governance at Collection House Limited

Collection House's purpose and values are embedded and expressed in its Corporate Governance System and are thoroughly endorsed by the Board of Directors and the Company's Senior Executives.

Our Corporate Governance System implements, influences and shapes our employee's perceptions, conduct, assumptions and behaviour towards risk, compliance assurance and their interactions with our customers, clients, shareholders and the community.

The Board regularly reviews the Corporate Governance System to ensure that it adopts changes in the law and demonstrates the best practice development in good corporate governance. The Board and Senior Executive also regularly reviews the Company's social license to operate and in pursuit of continuing improving standards of customer experience.

This statement has been approved by the Collection House Board on 27 September 2021.

## Our Purpose and Values

The Company has listened to our customers, clients, and the wider community to make important changes to the way we do business. The Board have adapted our collection strategies and strengthened our resolve to deliver empathetic and effective outcomes for customers above everything else.

As the Company has redefined its strategy and approach, we have also clarified our purpose and reaffirmed the core values that will enable us to deliver on our purpose of reimagining a better debt collection business.

For Collection House, that means Reimagine how debt is done. Better. And to succeed in doing so, we need to create a customer experience that is positive, real, and differentiated from traditional debt collection practices.

The Board of Directors believe there is an exciting opportunity for Collection House to differentiate itself through an improved customer service model which is focused on better customer outcomes, underpinned by a solid governance framework and technology designed to deliver a better customer experience and improved operating efficiency.

The Company's core values are:

1. Better Experience;
2. Better Solutions;
3. Better Connection.

We believe that we can serve our customers and clients better, through helping them solve complex financial problems by focusing on human connections. Contemporary digital engagement solutions can be used enhance customer experience, but in our view cannot provide the empathetic human support that many of our customers require. As such, we continue to favour a balanced approach using a multi-channel communication approach, but one that is at all times grounded by empathetic human centered design.

To achieve these outcomes, Collection House has re-focused its operations around four foundational principles:

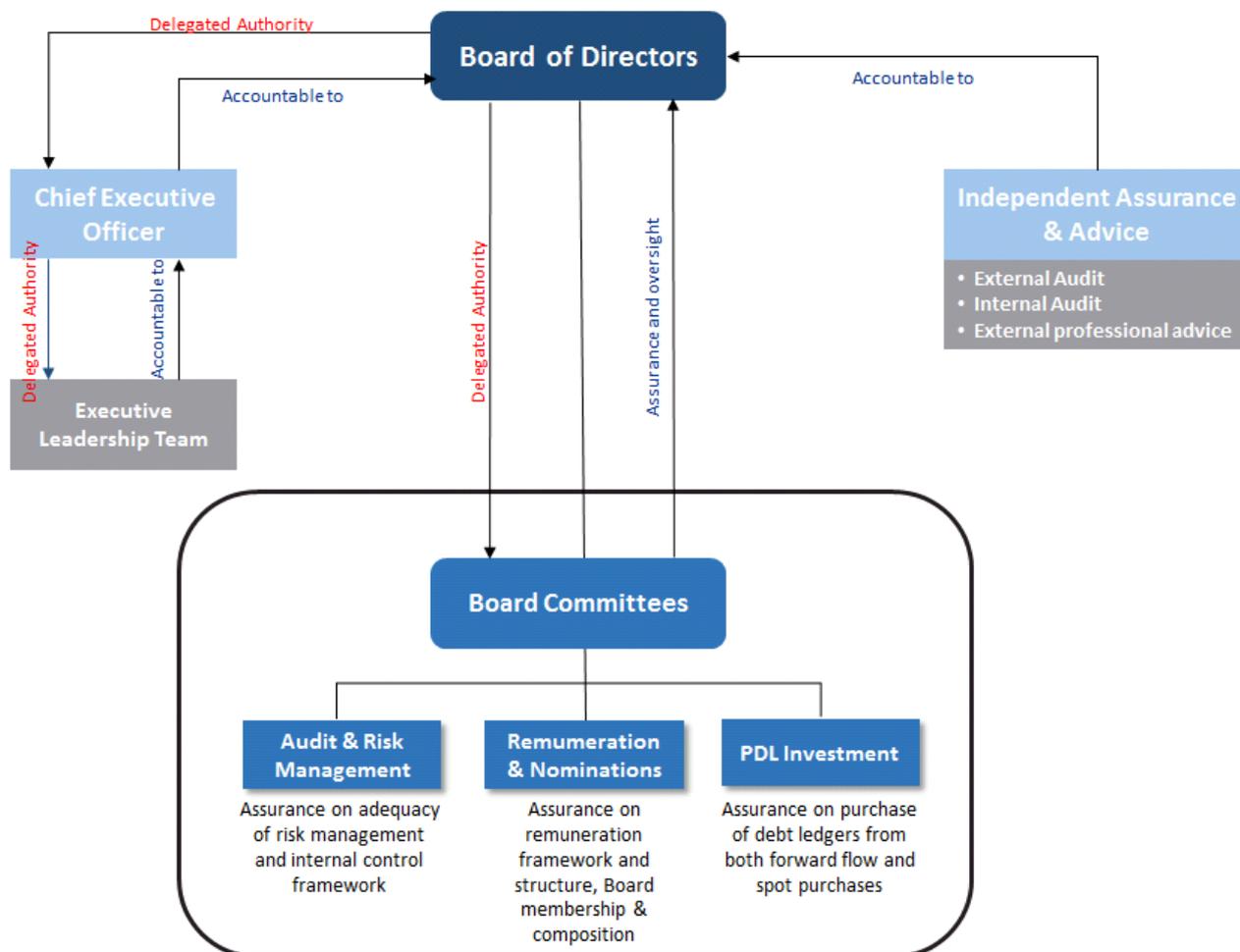
- Customer – Putting the customer at the heart of everything we do and providing empathetic and compassionate engagement, in particular for those experiencing hardship, vulnerability, and other forms of financial exclusion.
- Conduct – Providing the highest levels of regulatory and compliance assurance to our clients and customers through state-of-the-art systems and processes focused on exceeding statutory requirements and delivering tailored solutions which match customers’ unique circumstances.
- Service – Being the first choice for our clients by delivering innovative processes and human centred design solutions that align with their specific customer service objectives and protect their reputation; and
- Impact – Help our people, customers and clients find deeper engagement and better outcomes through shared social initiatives aligned with our organisational purpose.

This Corporate Governance statement sets out how we will ensure our conduct remains at all times significantly above the standard required by the law, but also how clients and customers will benefit from a service model designed around delivering better experience and having greater social impact.

## **More information**

The Company’s key corporate governance policies, Board and Committee Charters, and checklist detailing its compliance with the ASX Corporate Governance Council’s Principles and Recommendations (Appendix 4G) are available from its website at [www.collectionhouse.com.au/investors-corporate-governance](http://www.collectionhouse.com.au/investors-corporate-governance).

## Corporate Governance Framework



The diagram above shows the Company’s Corporate Governance Framework (CGF) which comprises of the Board and three Board Committees that oversee the business. The robust structure is based on clear accountability and responsibility through effective delegation and adequate oversight by way of a ‘three lines of defence’ model.

The Board is responsible for guiding and monitoring the Company on behalf of its Shareholders, to account for performance and deliver long-term Shareholder value. The Board is responsible for the Company’s strategic direction and risk appetite, for monitoring and guiding management, setting desired expectations including values, ethical behaviour and culture, for overseeing effective governance and ensuring the Company’s long-term financial soundness.

The relationship between the Board and its Senior Executives is critical to the Company’s long-term success.

In discharging its responsibilities and functions, the Board may choose to delegate any of its powers to a Board Committee or to other persons in accordance with the Constitution. In the case of a Board Committee, the delegated powers will be reflected in the Charter of that Committee which shall be approved by the Board and reviewed annually. At its discretion, the Board may form, or dissolve, working committees, as and when required, to perform specific tasks.

During the reporting period the Board had delegated responsibility, to the Chief Executive Officer (CEO) and the Senior Executives, for matters that are not specifically

reserved for the Board – such as the day-to-day management of the Company’s affairs and the implementation of its corporate strategy. These delegations are reviewed on an annual basis.

A full list of specific functions that are reserved for the Board together with a list of functions delegated to the CEO, and the Senior Executives is set out in the Board Charter. The Board Charter together with the Committee Charters are available at [www.collectionhouse.com.au/investors-corporate-governance](http://www.collectionhouse.com.au/investors-corporate-governance).

## **Roles and Responsibilities of Board, the CEO and Oversight**

All corporate governance charters, policies and procedures are reviewed annually by the Board and its Board Committees to ensure that the Company meets its legal and regulatory requirements together with our stakeholder expectations.

Summaries of the corporate responsibilities of the Board, the Board Chair, each Board Committee, and the CEO are set out below.

### **The Board**

The Board’s role is to provide leadership and strategic guidance for Collection House, and to provide effective oversight of management. The Board is accountable to security holders for Collection House’s performance and aspires to excellence in governance standards. The specific responsibilities of the Board encompass the matters specified in the Constitution and the management of the Board’s affairs.

The key responsibilities of the Board include, but are not limited to:

- selecting and appointing the CEO, the Chief Financial Officer (CFO) and other Executive Leadership Team (ELT) members that the Board determines
- determining the corporate goals and objectives relevant to the CEO’s remuneration, and evaluating the performance of the CEO in light of these objectives
- reviewing the succession plans for the CEO, CFO and other ELT members that the Board determines
- approving Collection House’s strategic plan and objectives, and significant corporate strategic initiatives, and monitoring performance against such initiatives
- approving Collection House’s financial statements and annual budget, and monitoring financial performance against forecast and budget
- considering and approving Collection House’s Board Renewal Policy
- considering and approving Collection House’s Remuneration Policy and Diversity Policy in consultation with the Remuneration and Nomination Committee
- determining the size of bonus / incentive pools as part of Collection House’s annual plan based on consideration of pre-determined business performance indicators and Collection House’s financial soundness
- determining dividend policy and the amount, nature and timing of dividends to be paid
- approving and overseeing the operation of Collection House’s risk management framework, including assessing its effectiveness, reviewing Collection House’s key risks and the effectiveness of internal controls to mitigate those risks

- setting the risk appetite within which the Board expects management to operate
- selecting, appointing and terminating the External Auditor, including associated recommendations to shareholders for approval
- reviewing and approving Non-Executive Directors' Board and Committee fees, subject to the Board fee pool approved by shareholders
- maintaining ongoing dialogue with the External Auditor, and, where appropriate, regulators, to provide reasonable assurance of compliance with all regulatory requirements such as accounting standards, competition and consumer legislation, corporations law, ASX Listing Rules, Australian Consumer Law, privacy law and occupational health and safety
- overseeing Collection House's Audit & Risk Management Committee's evaluation the performance and ongoing independence of the External Auditor.

The Board Charter is available on our website at [www.collectionhouse.com.au/investors-corporate-governance](http://www.collectionhouse.com.au/investors-corporate-governance).

## The Board Chair

The Board will appoint one of its Members to be the Board Chair in accordance with the Constitution. It is the responsibility of the Chair to:

- Represents the views of the Board and the Company to stakeholders, including shareholders, regulators and the community.
- Liaising, and being a central point of contact, with the Directors of the Board.
- Chairs Board meetings. In the event the Chair is absent at a Board meeting, the Deputy Chair, or in his/her absence, a Chair elected by the Directors at that Board meeting, will preside over that Board meeting.
- Chairing the Annual General Meeting of Shareholders, along with other General Meetings of Shareholders that may be held.
- Liaising with the CEO and Company Secretary on the agenda for Board meetings and on the general business and management of Collection House.
- Ensuring that the Board's performance and remuneration, and that of its Committees and Directors, are evaluated annually.
- Ensuring that the Board Charter, and the charters of Committees established by the Board are reviewed annually.

## Board Committees

The Board has three principal Committees, these are the:

- Audit & Risk Management Committee (ARMC)
- Remuneration and Nomination Committee (R&NC)
- Purchased Debt Ledger Investment Committee (PDL)

The Committee Charter sets out roles, functions, responsibilities and composition requirements for each committee. The charters are available on our website [www.collectionhouse.com.au/investors-corporate-governance](http://www.collectionhouse.com.au/investors-corporate-governance).

A summary of each Board Committees is set out below:

<b>Board Committee</b>	<b>Roles/Functions</b>	<b>Composition</b>	<b>Members</b>
<b>Audit &amp; Risk Management Committee</b>	<p>Assist the Board in discharging its responsibilities in relation to:</p> <ul style="list-style-type: none"> <li>the integrity of Collection House's financial reporting</li> <li>the identification and management of key financial, regulatory and operational risks</li> <li>the adequacy of the internal control framework</li> <li>regulatory compliance</li> <li>Collection House's external and internal audit functions.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum of three and not more than five members.</li> <li>At least two members are independent Non-Executive Directors.</li> <li>Chaired by Independent Non-Executive Director who is not the Board Chair.</li> </ul>	<p>Members as at the date of the report are</p> <ul style="list-style-type: none"> <li>Ms Sandra Birkenleigh (Chair)</li> <li>Mr Leigh Berkley</li> <li>Mr Michael Knox</li> <li>Ms Catherine McDowell</li> </ul>
<b>Remuneration and Nomination Committee</b>	<p>Assist the Board in discharging its responsibilities in relation to:</p> <ul style="list-style-type: none"> <li>remuneration framework and structure, and incentive reward plan</li> <li>Board membership and composition</li> <li>Board performance.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum of three and not more than five independent Non-Executive Directors.</li> <li>At least two members, or a majority, are independent Non-Executive Directors.</li> <li>Chaired by Independent Non-Executive Director who is not the Board Chair.</li> </ul>	<p>Members as at the date of the report are</p> <ul style="list-style-type: none"> <li>Ms Catherine McDowell (Chair)</li> <li>Mr Leigh Berkley</li> <li>Ms Sandra Birkenleigh</li> <li>Mr Michael Knox</li> </ul>
<b>Purchased Debt Ledger Investment Committee</b>	<p>Assist the Board in discharging its responsibilities in relation to the:</p> <ul style="list-style-type: none"> <li>Purchase of debt ledgers from both forward flow and spot purchases;</li> <li>Review of financial modelling and performance of PDL and portfolio assets</li> <li>Assessment of proposed sales of PDL assets.</li> </ul> <p>Given the current limited nature of debt purchasing activity, the Board has amended the PDL Committee's membership, composition, duties and responsibilities. The PDL Committee must refer to the Board for approval.</p> <ul style="list-style-type: none"> <li>all proposed transactions for the purchase, sale and/or valuation of debt ledgers exceeding \$250,000</li> <li>any transaction which is potentially high risk or outside the Company's normal types of purchase</li> <li>any transaction likely to have a significant effect on resources or funding.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum of one Independent Non-Executive Director, the Chief Executive Officer and the Chief Financial Officer..</li> <li>At least two members, one of which being an Independent Non-Executive Director.</li> <li>Chaired by Independent Non-Executive Director.</li> </ul>	<p>Members as at the date of the report are</p> <ul style="list-style-type: none"> <li>Mr Leigh Berkley (Chair)</li> <li>Doug McAlpine (CEO)</li> <li>Peter Gunn (CFO)</li> <li>Anand Adusumilli (CDS)</li> </ul>

From time to time, other working Committees may be established by the Board to carry out a certain function or requirement. During the reporting period no special purpose Committees were established.

As all Directors comprise the Board and each Committee, all directors have access to Committee papers, may attend Committee meetings, and receive minutes of Committee meetings.

## Board and Board Committee Meetings

The number and attendance of Board and Board Committee meetings held in the 2021 financial year is set out below:

Director	Board or Committee Meetings	Number of Meetings	Attended
Leigh Berkley	Board	17	17
	Audit & Risk Management Committee	7	7
	Remuneration and Nomination Committee	3	3
	Purchased Debt Ledger Committee	3	3
Sandra Birkenleigh	Board	17	17
	Audit & Risk Management Committee	7	7
	Remuneration and Nomination Committee	3	3
	Purchased Debt Ledger Committee	3	-
Michael Knox	Board	17	17
	Audit & Risk Management Committee	7	7
	Remuneration and Nomination Committee	3	3
	Purchased Debt Ledger Committee	3	-
Catherine McDowell	Board	17	17
	Audit & Risk Management Committee	7	7
	Remuneration and Nomination Committee	3	3
	Purchased Debt Ledger Committee	3	-

In addition, since the onset of COVID-19, the board has met frequently as required by teleconference with the CEO and members of the ELT and external advisors.

## The CEO

### The CEO is responsible for:

- the ongoing management of Collection House in accordance with the strategies, policies and performance plan approved by the Board
- developing, in conjunction with the Board and the ELT, Collection House's strategic and business vision and direction
- developing, in conjunction with the ELT, a performance plan to implement the strategic and business vision and direction
- agreeing with the Board, the terms and conditions of appointment of senior executives for Board approval
- appointing the ELT and senior management team, and delegating appropriate authority to enable management to achieve Collection House's goals and objectives
- endorsing the terms and conditions of appointment of all other staff members
- providing strong leadership to, and effective management of, Collection House in order to maintain and enhance the reputation of the Company, and maximise financial performance and business efficiency
- ensuring compliance with legal, regulatory and relevant industry requirements

- keeping the Board informed, at an appropriate level, of the activities of the Company.

## **Monitoring and Policies**

The Board demonstrates its commitment to, and encourages a culture of ethical and responsible behaviour in all business activities and operations carried out by the Company. This is achieved by articulating in the Code of Conduct for Directors and Senior Executives, together with the philosophy and standards the Board regards as 'acceptable business' and 'ethical practices' for its Directors, Senior Executives and all employees.

There are a number of policies in place as part of the governance framework to assist the Board in monitoring and regulating expected behaviours and stakeholder expectations.

A summary of these policies is provided below.

## **Anti-Bribery and Corruption**

Collection House Limited and its subsidiaries, collectively referred to as Collection House, is committed to maintaining a high standard of integrity, investor confidence and good corporate governance.

An Anti-Bribery & Corruption Policy and Standard has been created to:

- acknowledge the serious nature of bribery and corruption;
- establish controls to minimise the risk of non-compliance with all applicable anti-bribery and corruption regulations;
- ensure that Collection House and its subsidiaries conduct business in a socially responsible manner;
- set out the responsibilities of employees in relation to anti-bribery and corruption;
- prohibit employees from directly or indirectly giving, offering, promising, requesting, authorising or requesting a bribe, facilitation payments or any other improper benefits to another person, including public officials; and
- outline the requirements for escalating any Anti-Corruption policy breaches.

Any material breaches of the policy must be reported to the Board. The Company's Anti-Bribery and Corruption Policy is available on our website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

## **Code of Conduct**

The Code of Conduct outlines the standard of ethical behaviour that is expected of its Directors and Officers at all times. Together with the philosophy for all employees, these policies act as the guiding principles for acceptable behaviours and responsibilities. It also states:

- practices required by employees to maintain confidence in Collection House's integrity and ethical standards

- expectations regarding professionalism, respect for the law, conflicts of interest, confidentiality, environment and good corporate values
- legal obligations of employees and the reasonable expectations of their stakeholders
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Code is available on our website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

## **Conflicts Management**

The Company's Conflict of Interest Policy does not permit our staff to participate in any activity which involves a conflict with their duties or responsibilities or which are prejudicial to our business. A conflict may be any that is actual, perceived or potential. The policy identifies where a potential conflict of interest may arise together with strategies for the management of the conflict of interest.

This Policy is available on our website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

## **Diversity**

The Company has established a policy concerning diversity and has disclosed the policy on its website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

The Diversity Policy recognises that diversity can take many forms: cultural background, race, ethnicity, experience, gender, age, impairment or disability, sexual preference, religion, political beliefs or any other area of potential difference.

The Company values diversity and recognises the important benefits and contributions that people of diverse backgrounds make to the Company. Our diverse workforce is central to our continued growth and improved operational performance as employees of diverse backgrounds and experience are able to provide exceptional customer service to our equally diverse customer base.

Under the policy, and in accordance with the Board Charter, the Board is responsible for approving the Company's Diversity Policy, setting, and annually assessing, measurable objectives in relation to diversity and progress against achieving them (in conjunction with the R&NC).

In the reporting period, the R&NC reviewed and assessed, in accordance with the Diversity Policy, that the measurable objectives for the longer-term strategy for gender diversity, were achieved for the period:

- a continued focus on ensuring at least one female candidate is shortlisted for all Board, Senior Executive and Senior Management positions
- continued work in maintaining and increasing the number of female Managers with a 50 percent benchmark
- a continued commitment to ongoing training through The Leadership Academy and increasing participation of females into Executive Leadership Training by 5 percent, year on year.

For more information on the Company's Diversity and Inclusion arrangements, refer to our statement on Diversity in the 2021 Annual Report

## **Fit and Proper**

The R&NC Charter requires all persons nominated or appointed to a Responsible Person role (including Directors) must satisfy the fit and proper requirements prior to their initial appointment, and be re-assessed biennially, or at any time information that may affect their fit and proper status becomes known. The Charter is available on our website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

## **Modern Slavery**

Collection House is committed to being a responsible business, sourcing responsibly, and improving ethical standards and working conditions within the supply chain.

The purpose of the policy is to ensure that Collection House and its subsidiaries:

- comply with the Modern Slavery Act and relevant local and national laws and regulations in jurisdictions where Collection House operates
- source products and services in accordance with legal obligations and community expectations.

The Company published our first statement in accordance with Australia's Modern Slavery Act 2018 in the 2021 financial year, reporting on our activities in the 2020 financial year.

The Company's Modern Slavery Policy is available on our website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

## **Securities Trading**

The Company has adopted a formal Securities Trading Policy, which details the Company's policy concerning trading in the Company's shares by Directors, members of the Senior Executive and all employees.

The policy is reviewed annually by the Board and was last updated and disclosed to the ASX on 26 April 2017, in accordance with ASX Listing Rules. The policy addresses each of the ASX requirements, including provisions relating to the prohibition of trading by Directors and members of the Senior Executive in the Company's securities.

The policy prohibits dealing in Securities when in possession of inside information. It also prohibits certain specified persons and their associates from dealing in Company securities within a black-out period.

Company employees who hold Collection House shares (unvested or vested as the case may be) under the Performance Rights Plan (PRP or the Plan) are not permitted to enter into margin lending arrangements or hedging in relation to CLH securities. This is on the grounds that the terms may require CLH securities to be sold during a prohibited Period or when the Prescribed Employee possesses Inside Information.

This restriction does not extend to other funding arrangements where CLH securities may be included as security. Company employees should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

Company employees who have acquired shares on the exercise or conversion of performance rights under an incentive rights plan operated by the Company will not, in

the usual course, be granted clearance to dispose of those shares while they remain employed by the Company. However, clearance may be granted in specified circumstances.

The Securities Trading Policy is available on our website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

## **Whistleblower Protection**

The Company encourages a culture where our people and others feel safe to reveal improper conduct, fraudulent activity or mismanagement.

The Company's Whistleblower policy provides whistleblowers, who may be an employee or an 'eligible whistleblower' as defined under the Corporations Act 2001 (Act), with a supportive work environment in which concerns regarding any misconduct or improper state of affair or circumstances (including unethical, illegal, corrupt or other inappropriate conduct) can be raised, without the whistleblower being subject to any form of retaliation or victimisation.

The policy outlines the procedures and the whistleblower protection and support available to a whistleblower who has disclosed improper conduct to:

- the Whistleblower Protection Officer
- an Executive Leadership Team member
- the Chair or a Non-Executive Director of the Collection House Board; or
- the external Whistleblower service, Stoptime, that allows the whistleblower to raise concerns anonymously; and

The ARMC oversees the effectiveness of the Whistleblower program and is provided with regular reporting on the Whistleblower program. The Whistleblower Policy is available on our website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

## **Board Effectiveness and adding value**

The Board is committed to adding value and improving its practices in the discharge of its role and responsibilities.

An overview of the Board's composition and key corporate governance practices follows.

## Board Members

The Company's Directors for the 2021 financial year is as follows.

Current Directors	Appointed	Length of Service
<b>Leigh Berkley - Chair</b> Independent Non-Executive	1 July 2016	5 years
<b>Michael Knox</b> Independent Non-Executive	24 March 2017	4 years, 3 months
<b>Catherine McDowell</b> Independent Non-Executive	17 September 2018	2 years, 9 months
<b>Sandra Birkenleigh</b> Independent Non-Executive	17 September 2018	2 years, 9 months

As at the date of this Statement, the Board comprised four independent Non-Executive Directors. For details of the current Directors' experience and qualifications, please refer to section entitled Board of Director in the 2021 Annual Report.

## Board Composition

The Directors are all Non-Executive, independent, and have individually or collectively the relevant and desired skills and experience, diverse views and thinking. These qualities assist the Board in effectively exercising and discharging its responsibilities.

The Board has adopted the definition of independence as set out in the ASX Corporate Governance Recommendations. The Board, in assessing the independence of each Director, also considers the individual's interests in, and relationship with, Collection House and other entities.

The Board assesses the independence of each Director upon appointment and annually. The Board considers a Director to be independent if they are independent of Management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In the context of Director independence, 'Materiality' is considered from the perspective of both the Company and individual Director. In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it may interfere, or may reasonably be perceived to interfere, with the Director's capacity to bring an independent unfettered judgement to bear, and to act in the best interests of the Company.

Assessment requires consideration of both quantitative and qualitative elements. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it, and other factors which point to the actual ability of the Director in question to act in an independent manner.

In accordance with the Company's Conflict of Interest Policy and the Board of Directors' Charter, Directors have a continuing obligation to disclose any interests or

relationships, including any related financial or other details, to the Board for determination as to whether that interest or relationship could, or could reasonably be perceived to, materially interfere with the exercise of a Director's unfettered and independent judgement. Conflicts of interest is a standing agenda item at each Board meeting, requiring each Director to disclose any new information which could, or could reasonably be perceived to, impair the Director's independence.

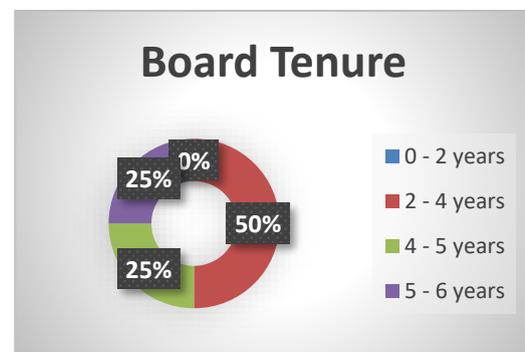
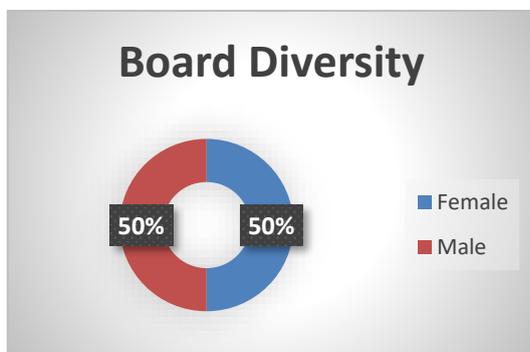
In applying its policy on independence, the Board's emphasis is to encourage independent judgement amongst all Directors at all times – irrespective of their background. Nonetheless, the independence of each Director is assessed annually.

The Board considers that all of its Non-executive Directors, including the Chair, were independent during the 2021 financial year and continue to be independent as at the date of this Statement.

The Board's Charter provides that any Director with a material personal interest in a matter being considered by the Board or a Board Committee:

- Must give notice of such interest;
- Will be excused from Board or Committee discussions about the issue where a conflict exists; and
- Must not vote on the matter.

The Directors on the Board represent a range of ages, backgrounds and tenure. The Board set a gender diversity target of 40% female representation by the end of 2021. The Board first met this objective in 2019 and at the date of this Statement, there is 50% female representation on the Board.



## Performance Evaluation

The Board recognises the importance of performance review, monitoring and improvement. An independent external evaluation of the Board and its Committees is conducted as and when determined by the Board. In the intervening years, an internal evaluation is conducted.

An internal evaluation review was held in 2021.

The performance review is usually facilitated internally and covers the role, composition, procedure and practices of the Board and its Committees. The individual responses provided are confidential to each Board and Committee member. The Chair formally discusses the results with the Directors and the Committees.

The Chair is reviewed by his fellow Directors adjudging his performance and contributions to the Board, Board discussions, leadership, and in guiding and assisting the Board to comply with its Charter.

During the reporting period, the Board and its Committees were evaluated following the end of the financial year and in accordance with a written survey, and as described above.

In addition to an informal evaluation process, the Board has been continuously evaluating its performance during the course of the 2021 financial year, in particular focusing on:

- issues relating to non-financial risk and reputation
- outstanding audit items and their remediation status
- key messages and actions for management arising from meetings of the Board.

### **Board Skill Matrix**

The Board is committed to ensuring its composition has the appropriate collective mix of skills, experience, expertise and diversity to enable them to appropriately discharge their duties effectively.

The R&NC has been delegated the function of developing a skills matrix that sets out the mix of skills, experience and diversity that the Board currently has together with identifying the desired skills and diversity the Board aims to achieve.

Collectively, the Board has an extensive range of commercial skills and other relevant experience to ensure the effective management of the business. Board members, including some who are also directors of other ASX-listed companies, together have a combination of experience in the following business areas:

- Financial qualifications, experience and literacy
- Law, governance and regulation
- Data analytics/management
- Industry
- Risk and compliance
- Corporate strategy.

The Skills Matrix sets out the skills and experience considered essential to the effectiveness of the Board and its Board Committees. It is reviewed annually to ensure the appropriate skills and experience exist and identify any deficiencies.

Each Director rates their skills, expertise and experience from 1 to 6 for each competency (1 = basic experience, 2 = sound understanding, 3 = sound, working experience, 4 = strong understanding, 5 = extensive understanding and 6 = subject matter expert). The ratings are then weighted, based on Board assessed importance. The ratings are calibrated, and endorsed by the Board.

The below table shows the skills and experience considered desirable by the Board and the Board skills (as percentages).

Skills/experience	Desired skills %	Board skills %
Legal and law practice	50%	50%
Collection industry	60%	67%
Regulatory insight	60%	71%
Governance and "Directorship"	75%	83%
Capital management	70%	79%
Product design and development	50%	63%
Risk Management and compliance	70%	79%
Assurance and audit	55%	67%
PDL management and pricing	50%	67%
Finance - Financial Statements, commercial, P&L and B/sheet	75%	75%
Strategy	80%	83%
Stakeholder management	75%	75%
Marketing and Communications	70%	71%
Operations	60%	63%
Customer/Consumer perspective	75%	83%
Advocacy and thought leadership	70%	79%
Customer Experience/Digital/Technology	50%	58%

## Board Renewal

The R&NC reviews and recommends succession plans to the Board to facilitate the transition of Directors and/or the CEO.

The Charter of the R&NC, which details its duties, objectives and responsibilities, is available at [www.collectionhouse.com.au/investors-corporate-governance](http://www.collectionhouse.com.au/investors-corporate-governance)

## Director Appointment and Re-Election

The Board, with the assistance of the R&NC, conducts a formal selection process when appointing new Non-Executive Directors.

The R&NC is responsible under its Charter for the selection and appointment of new Directors, which includes, but is not limited to, consideration of the following:

- The qualifications, experience and skills appropriate for an appointee, having regard to the skill set of the existing Board members and likely changes to the Board in the foreseeable future.
- Upon identifying a potential appointee, specific consideration is given to that candidate's:
  - competencies and qualifications;
  - meeting the fit and proper person criteria;
  - independence;
  - other directorships and time availability; and
  - the effect of their appointment on the overall balance and composition of the Board.

Where considered appropriate, a professional consultant may be engaged to identify prospective candidates.

The Company undertakes appropriate checks before appointing a person as a Director or recommending that person to the Company's shareholders as a Director. Those checks include criminal record and bankruptcy checks, and checks of the person's educational qualifications and employment history.

Each Director receives a letter setting out the terms of their appointment.

Under the Company's Constitution, any person appointed as a Director must stand for election at the next AGM following their appointment. In addition, with the exception of a Managing Director, Directors must not hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected.

Board support for a Director's election or re-election may be subject to the Directors' performance review outcomes and any other matters the Board considers relevant.

The Board will provide shareholders disclosure of all material information relevant for a shareholder to make a properly informed decision to elect a Director at an AGM, including a recommendation on that Director's election.

## **Director Induction and Continuing Development**

Upon appointment, an induction process is carried out as part of the new Director's appointment to the Board.

The induction process is designed to enable the immediate, active and valuable contribution by the incoming new Director to the Board's decision-making processes. Typically, the induction process involves the new Director meeting with their fellow Directors and the ELT members to discuss the Company's strategic objectives, financial affairs, culture, values, risks and operations.

An induction pack is also provided by the Company Secretary which documents a wide range of matters relevant to the Company's governance. This includes the roles, responsibilities and activities of the Board, its Committees, the CEO and the ELT.

Ongoing director education is provided through regular presentations on key business functions or activities. The external auditor and industry experts also address the Board from time to time on matters relevant to the Company's business or its operating environment.

Continuing education and training and/or professional development of Directors to enhance, maintain or develop skills and experience is encouraged and supported by the Board to assist the effective performance of the Director. The Board has delegated the function of identifying skills desired or identifying gaps that will result in professional development to the R&NC. Continuing education and training and/or professional development for those desired skills identified and/or gap filling, will be made available to Directors at the Company's expense.

### **Board Access to Information and Independent Advice**

To enable the Company's Board to fulfil its role, each Director may obtain independent advice on relevant matters at the Company's expense.

Directors are entitled, with the approval of the Board Chairman, (which approval must not be unreasonably withheld or delayed) to obtain independent professional advice relating to their role as a Director. A copy of any advice received by a Director is made available to all other Board members, except where the circumstances make that inappropriate.

Further, all Directors have unrestricted and unfettered access to the Company's records and information, and receive regular detailed financial and operational reports from members of the ELT that enable them to carry out their duties.

The Chair and the Directors regularly consult with the CEO, the CFO / Company Secretary and members of the ELT. In addition, Directors may consult with, and request additional information from, any of the Company's employees.

Each Board Committee has the full authority of the Board to:

- Communicate and consult with external and internal persons and organisations concerning matters delegated to the Committee.
- Appoint independent experts to provide advice on matters delegated to the Committee.

### **Company Secretary**

The Board has appointed Jonathon Idas, Chief Legal Officer, as the Company Secretary, whose qualifications, experience and other details are contained in the section entitled Executive Leadership Team in the 2021 Annual Report.

Full biographies are available at [www.collectionhouse.com.au/investors-board](http://www.collectionhouse.com.au/investors-board).

The role of the Company Secretary includes:

- advising the Board and its Committees on governance matters
- monitoring that Board and Committee policies and procedures are followed
- coordinating the timely completion and despatch of Board and Committee papers
- ensuring that the business at Board and Committee meetings are accurately captured in the minutes
- helping to organise and facilitate the induction and professional development of Directors.

The Company Secretary is accountable directly to the Board, through the Chair, on

all matters to do with the proper functioning of the Board.

All Directors have access to the Company Secretary.

## **Developing and instilling the desired Culture**

The Company is focused on developing and nurturing a culture that supports that achievement of strategic goals and strategies through accountable decision making practices where the focus and outcome is centred on our clients, our customers and our stakeholders. The Board acknowledges that, during the Company's response to the COVID-19 pandemic, and its ongoing effects, our Clients together with our regulatory stakeholders have placed their confidence and trust in the Company when delivering the best and most suitable outcome to our customers.

Culture has a critical role in the present and future of the Company. The CEO sets the cultural tone and expectations of the Company in achieving its strategic and economic goals and strategies. The Directors monitor culture and cultural change initiatives through information sourced from employee surveys, internal and external audit reports, compliance reports and stakeholder dialogue and feedback.

Maintaining a workplace free from discrimination and harassment, and continuing to ensure we maintain a workplace that supports staff with family, carer and cultural responsibilities is embedded into our culture. The Group will continue to strive to maintain its best practice standards in this area.

The Board has delegated to the R&NC the responsibility of instilling and developing the desired organisational culture, diversity requirements and inclusion, and the health, safety and wellbeing of our people.

The Company is committed to:

- Building and maintaining a more inclusive and diverse culture;
- Supporting flexible work practices;
- Providing our people, regardless of gender or sexual orientation, with access to paid leave and other support to assist them with caring and family responsibilities; and
- Rewarding our people responsibly.

A copy of the Charter is available on our website at [www.collectionhouse.com.au/investors-corporategovernance](http://www.collectionhouse.com.au/investors-corporategovernance).

## **Building a Diverse and Inclusive Culture**

Our approach to building diverse and inclusive culture commences by embracing and recognising the diversity of our people and by creating a working environment where our people experience connectivity with the business and others, where they are inspired to achieve better client and customer centric outcomes, where they experience a sense of being a part of a team and belonging and where their input to the business is respected.

For more information on the Company's Diversity, inclusion and Advancing Reconciliation arrangements, please refer to the 2021 Annual Report.

## Gender Diversity

The R&NC is responsible for setting and approving measurable objectives for gender diversity in the composition of the Board. The R&NC is also responsible for setting measurable objectives for gender diversity applicable to the workforce more broadly (including senior executives).

Our progress towards achieving those objectives are:

Objectives	Progress as at 30 June 2020	Progress as at 30 June 2021
50% of the Board	50%	50%
50% of Executive Managers and above	40%	33%
50% of Senior Manager positions	69%	59%
50% of Manager and above roles	61%	57%

Women represented 64% of the Company's workforce and 57% are managers or senior leaders.

## Flexible Work Practices

We believe that flexible working practices, when leveraged correctly can improve business productivity together with customer outcomes and employee wellbeing and enhances culture.

Since the COVID-19 pandemic commenced, the Company enacted part of our business continuity plan that enabled 99.9% of all of our employees to work remotely which continues to prioritise their safety, health and wellbeing.

## Supporting Working Parents

As our staff also include staff that are parents or are to be parents, family responsibilities for caring can impact staff members. The Company allows for both parents to share caring responsibilities.

Providing our staff with the ability to share family caring responsibilities creates an inclusive culture. Over the period, we have developed and implemented a more gender inclusive approach to parental leave and carer's support, particularly to improve men's access to parental leave.

The Company offers gender-neutral paid parental leave entitlements for primary carers, 16 weeks paid parental leave and a return-to-work facilitation.

The Company is a relevant employer under the Workplace Gender Equality Act. A copy of our WGEA reports together with our Diversity Policy can be found on our website at [www.collectionhouse.com.au/investors-corporate-governance](http://www.collectionhouse.com.au/investors-corporate-governance).

## Corporate Reporting

The Audit & Risk Management Committee (ARMC) was established to review the integrity of the Company's financial reporting, and to oversee the Company's external and internal auditors.

The ARMC has adopted a formal Charter that outlines its duties and responsibilities.

When assessing the integrity of financial reporting, the ARMC requires that the financial information is adequate, appropriate, transparent, focused, and provides a reliable and accurate view of the Company's financial performance.

Before any financial information or Company announcement is released, confirmation must be obtained to confirm that the financial information or the Company announcement:

- is not false or inaccurate;
- does not contain misleading or deceptive statements or financial information;
- is not worded or provided in such a way that the financial information or announcement is likely to mislead or deceive; and
- is informative, and will not create a false market.

All financial information or company announcement must comply with all legislative and regulatory obligations and be compliant with the ASX Listing Rules.

The Company Secretary is charged with the responsibility for ensuring that appropriate checks and approvals have been completed prior to the Company making any release of the financial information or Company announcement.

## CEO and CFO Declarations

In relation to the half-year and full-year financial statements, prior to the Board's endorsement, the CEO and CFO are required to provide the Board with written declarations, compliant with section 295A of the Corporations Act 2001, that the Company's financial records:

- have been properly maintained;
- and notes comply with the accounting standards and give a true and fair view of the financial position and performance of the Company; and
- comply with the requirements of the Corporations Act.

Further, in compliance with the Principles and Recommendations, the CEO and CFO also declare that their opinion has been formed on the basis of a sound system of risk management and internal controls which are operating effectively.

## Continuous Disclosure

The continuous disclosure obligations contained in the Corporations Act and the ASX Listing Rules promotes investor confidence, creates an informed market and underpins market integrity. The Company, by complying with its disclosure obligations, ensures that it provides potential investors with equal access to timely, balanced and effective disclosures.

The Company's Continuous Disclosure Policy stipulates how the Company is to comply with its continuous disclosure obligations.

A copy of the policy is available on our website at [www.collectionhouse.com.au/investors-corporate-governance](http://www.collectionhouse.com.au/investors-corporate-governance).

The CEO, excluding significant market sensitive matters reserved for Board, is responsible for determining whether an announcement is released to the ASX, and approving the form of that announcement.

The Board and the ELT are provided with copy of all market announcements after confirmation of release by the ASX. Should a new or substantive investor / analyst presentation be created for a presentation, the Continuous Disclosure Policy mandates that such presentation is provided to the Market, via ASX release, immediately before the information is disclosed in the presentation.

As the Company has the ability to electronically communicate with its shareholders, the Company is considering providing a copy of the release directly to its shareholders immediately following confirmation of release by the ASX.

In addition, the Company posts all information released to the ASX on our website at [www.collectionhouse.com.au/investors-asx-announcements](http://www.collectionhouse.com.au/investors-asx-announcements).

## **Annual General Meeting**

Shareholder participation at our Annual General Meeting (AGM) is encouraged and shareholders are provided the opportunity to participate.

Given the current and ongoing dynamic environment, Shareholders, including those who are unable to participate, will be encouraged to participate by submitting questions or commentary ahead of the AGM and attend online or by phone. Shareholders will also have an opportunity to provide questions prior to the AGM or ask questions during the AGM.

Where appropriate, questions or comments of a similar nature may be collated, read and answered at the AGM. Shareholders will be provided with the transcript of the AGM question and the written answers after the close of the AGM.

Shareholders can appoint a proxy (including the Chairman) to vote on their behalf. It is the Company's practice to conduct voting on all resolutions by poll.

After the AGM, a record of the voting at the AGM is announced to the market, via the ASX, then subsequently released, on our website [www.collectionhouse.com.au/investors-AGM](http://www.collectionhouse.com.au/investors-AGM).

## **Security holders**

The Company seeks to provide its shareholders with information that is timely, of high quality and relevant to their investment.

Extensive information is provided on the Company's Investor Centre at [www.collectionhouse.com.au/investors](http://www.collectionhouse.com.au/investors) and includes links to:

- All ASX communications, daily and historical share price information, annual reports and financial statements, presentations, notices of meetings of Shareholders and accompanying memorandums and other important information about the Company.

- The names, and a brief biographical for each of the Company's Directors and Senior Executives.
- The Constitution, the Board of Directors' Charter, the Committee Charters (Audit and Risk Management Committee, PDL Investment Committee and the Remuneration and Nomination Committee).
- The corporate governance policies, including the current Corporate Governance Statement.
- Key company dates and if applicable, the venue.
- Contact details of our securities registry.
- Make Shareholder enquiries with the Company at any time (via the Investor Enquiries link on our website, <http://www.collectionhouse.com.au/contact>).

Our website is regularly updated for shareholders with communications including the Company's ASX Announcements, Annual Report, Notice of Meeting and other updates.

### **Electronic communications**

The Company invites its shareholders to make queries and provide feedback. Investors can communicate directly via an email enquiry form or alternatively, contact via phone available on our website [www.collectionhouse.com.au](http://www.collectionhouse.com.au).

The Company has an Investor Relations Guideline which seeks to promote effective communication with its Shareholders. The Guideline explains how information concerning the Company will be communicated to Shareholders. The communication channels include:

- Collection House's Annual Report
- Disclosures made to the ASX
- Notices of Meeting and other Explanatory Memoranda
- Investor presentations.

Shareholders are able to make enquiries with the Company at any time through the Investor Enquires page on the Company's website.

Since the 2011 AGM, and in continuance of promoting the speed, convenience and environmental friendliness of electronic communications, the Company has enabled Shareholders to directly send and receive electronic communications from the Company's share registry.

Shareholders are encouraged to provide the Company's share registry, ComputerShare, with their email address to facilitate communication of important information efficiently. ComputerShare's contact details are on our website [www.collectionhouse.com.au/investors](http://www.collectionhouse.com.au/investors).

### **Payments**

Payments are made electronically except in situations where it is not possible to make electronic payments.

## Recognise and Manage Risk

The Company is exposed to financial and non-financial risks. The Board recognises that risk management is an integral part of the industry in which the Company operates. The Board is responsible for, and has established, policies for the oversight and management of risk and has adopted a formal Risk Management Policy and Framework.

### Risk Management Framework

Management of risk is overseen by the Board. The ARMC oversee, review and report back to the Board on the integrity and soundness of the Risk Management Policy and Framework (the Framework) to ensure that it not only identifies and manages risk, but also identifies opportunities for the Company that can create additional value.

The ARMC reviews and makes recommendations to the Board on:

- the adequacy of the Company's processes for managing risk
- any incident involving fraud or other breakdown of the Company's internal controls
- the Company's insurance program, having regard to the Company's business and the insurable risks associated with the Company's business operations.

The Framework seeks to govern all of the Company's systems, policies, procedures and processes in order to identify, measure, evaluate, monitor, report and control or mitigate any identified internal or external risk. The Framework encompasses three documents:

- The Risk Appetite Statement - stipulates the level of risk that is acceptable by the Board for our business operations.
- The Risk Management Policy – stipulates the Board and ELT's expectations in relation to the Company's response when identifying, measuring, monitoring and mitigating risk; and
- The Strategic Plan - identification and stipulation of the Company's approach to implementing and achieving its strategic objectives.

During the reporting period, the ARMC conducted a review of the Framework and is satisfied that the Framework continues to be sound and that the entity is operating with due regard to the Risk Appetite Statement that was set by the Board.

### Exposure to Environmental, Social and Governance Risks

Environmental, social and governance risks have the potential to adversely affect the Company and the achievement of its overarching principles.

To address some of the risk involved, the Company has focused on four key active areas:

- Supporting the Community - The Company supports the communities in which it operates through initiatives such as community partnerships, Corporate Giving Program and Community Volunteering Program.
- Protecting the Environment - The Company maintains sustainable business practices as demonstrated through the application of our Environmental Management Policy and related initiatives.

- Respect for the Law - The Company maintains a strong commitment to the spirit and intent of the law, relevant legislation and the regulatory requirements for each jurisdiction we operate in.
- Engaging Stakeholders - The Company preserves constructive engagement with stakeholder groups consistent with our commitment to open and transparent business practices.

For more information on the Company's Environmental, Social and Governance arrangements, please refer to the 2021 Annual Report.

## **Internal Audit**

The role of the Company's internal audit function, also called the 3rd Line of Accountability, is to provide independent and objective assurance and related consulting services to the ELT, as well as the ARMC and the R&NC.

The Company established an internal audit function in 2004 to assist the Company to accomplish its objectives. This is achieved by bringing a systematic, disciplined approach to evaluating and continually improving the effectiveness of its risk management and internal control processes.

Internal Audit has a direct reporting line to the CEO who has a direct reporting line to the Chair of the ARMC. The ARMC annually reviews the Internal Audit Plan for the upcoming year, and makes recommendations for its endorsement. At each meeting of the ARMC, a standing item is the review of the scope of the approved Audit plan. This is together with Internal Audits findings and recommendations, management responses, and risk mitigation/corrective action strategies.

The scope of work of the Internal Audit Department is to determine whether the Company's Framework for risk management, internal controls, and corporate governance processes, as designed and implemented, are adequate and functioning – together with reporting its findings directly to the CEO.

The Internal Audit mission and scope of work is documented in the Internal Audit Charter, which also stipulates that audit activities are carried out in accordance with professional accounting standards, the Institute of Internal Auditors' International Professions Practice Framework, including the Core Principles for the Professional Practice of Internal Auditing (Standards) and the Definition of Internal Auditing. The Internal Audit Charter is also subject to annual review by the ARMC.

Internal Audit responsibilities include:

- delivering an independent assessment of financial, regulatory, and operational risks and control effectiveness to the Board and ELT;
- providing assurance to the Board and the ELT on the adequacy and effectiveness of risk management, the Framework, internal control and governance processes;
- providing assurance to the Board and the ELT that the Company's financial and operational controls are designed and operating in an efficient, effective, economical and ethical manner within acceptable risk and within the risk appetite of the Company;
- operational (performance) auditing – reviews of operating or business processes focusing on the efficiency and effectiveness of these processes and the associated

management controls;

- compliance auditing – reviews of compliance or conformity with relevant legislation, regulations, internal instructions, codes and guidelines;
- systems auditing – reviews of information technology and telecommunications which examine the IT environment and application controls;
- financial auditing – reviews of the adequacy of internal accounting controls involving the accuracy, completeness and validity of financial information and financial reports and of the underlying accounting systems and records.

Internal Audit also monitors and reports on progress in addressing significant controls and risk issues.

## External Auditor

The Board is committed to safeguarding the integrity of the Company's corporate reporting, and aims to ensure reporting is accurate, reliable and presents a reliable and accurate view of the Company's financial position and its performance, and has been based on a sound system of risk management and internal controls.

KPMG was appointed as the Company's External Auditor (External Auditor) at the 2016 Annual General Meeting (AGM). The External Auditor provides an independent opinion on whether the Company's financial statements provides a reliable and accurate view of the Company's financial position and performance.

In support of the Board's commitment, the Board requests and requires as part of the auditor appointment, the external auditor who conducted and supervised the audit of the Company's financial results together with its internal controls, attends our Annual General Meeting each year. This is for the purpose of supporting the audited financial reports and to answer any relevant questions from our Shareholders concerning the audit.

The Board's requirements of the External Auditor, including rotation requirements, are contained in the Investor Relations Guideline.

The External Auditor may only be appointed or dismissed with the ARMC's approval. The External Auditor has free and unrestricted access to all of the Company's information, people, property and records to discharge their mandate.

A statement of the Board's satisfaction that the non-audit services provided by KPGM did not compromise the auditor independence requirements is contained in the 2021 Annual Report.

## Remuneration

Remuneration is a key focus for investors and our Shareholders. The Board is charged and responsible to balance the:

- Company's desire to attract and retain high quality Directors and to attract, retain and motivate Senior Executives
- need to ensure incentives for Senior Executives encourage them to pursue the growth and success of the Company (both in the short-term and over the longer-term) without taking undue risks

- need to ensure incentives for Non-Executive Directors do not conflict with their obligation to bring an independent judgement to matters before the Board
- Company's commercial interest by not excessively over-remunerating.

The Board has delegated responsibility to the R&NC to assist the Board in discharging its responsibilities on matters relating to:

- the Company's remuneration policy, including short, and long term, incentives, recognition programs, and other people related policies;
- remuneration arrangements, in conjunction with the Chair of the Board, for the CEO, the ELT, and other senior managers of the Company.

The R&NC seeks to ensure the Company's people and remuneration practices and incentive programs are aligned to the Company's Remuneration Policy and principles. Detailed information regarding the Company's remuneration practices is provided in the Remuneration Report contained in the Directors' Report section of the Annual Report. Senior Executives were evaluated following the end of the financial year in accordance with the processes described in the Remuneration Report. No individual Director or Senior Executive was involved in deciding their own remuneration.

The Board is solely responsible for considering remuneration, including the review and recommendation of appropriate Directors' fees, which the Company is to pay to Non-Executive Directors.

The Board, with the assistance of the R&NC, also considers how the remuneration policies are applied to the CEO, ELT member and other senior managers, including any equity-based remuneration plan that may be considered, subject to Shareholder approval (where required). When considering the entitlement of members of the ELT and senior managers to short-term incentive (STI), and long-term incentive (LTI) payments and entitlements, the Board exercises its discretion in relation to the payment of these benefits. This includes having regard to the overall performance of the ELT Member or senior manager against objectives set by the Board, and the overall performance of the Company. Details of STI and LTI schemes are set out in the Remuneration Report of the Directors' Report section of the Annual Report.

The objectives of the Company's remuneration policies are to ensure that:

- Senior Executives are motivated to pursue the long-term growth and success of the Company.
- There is a clear relationship between performance and remuneration.

The Company will reduce, cancel or claw back any performance-based remuneration in the event of serious misconduct or a material misstatement of the Company's financial statements.

An evaluation process is conducted annually and is followed by the determination of appropriate remuneration for each ELT member and senior management. The CEO's performance review is undertaken by the Chair of the Board who then makes recommendations to the Board through the R&NC. The performance review of the ELT is undertaken by the CEO and approved by the Board through the R&NC.

During the reporting period, the Board, with the assistance of the R&NC, reviewed the performance of the CEO, the ELT and the Company. The R&NC appointed Mercer to review and benchmark the remuneration of the CEO, the ELT and the Company.

In light of the current and ongoing dynamic environment, together with the outcome of the re-capitalisation process, the Board has determined that no incentives will be issued for the reporting period.

The CEO and each member of the ELT have written agreements setting out their employment terms. The Company's Fit and Proper Policy requires background checks to be undertaken prior to appointing senior executives, including fit and proper assessments for persons appointed to a 'responsible person' role.

For more information on the Company's remuneration arrangements, please refer to the Remuneration Report in the 2021 Annual Report.

### **Gender Pay Equity**

The Company seeks to eliminate gender pay inequality. The Company continues to reduce the minimal pay gap between what we pay men and women in similar roles with similar experience.

The Company will review and promote pay equity throughout the year, and as part of the annual remuneration review process conducted between August and October each year.



**We're here to help.  
Get in touch with us today.**

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