



**Money3 Corporation Limited**

ABN: 63 117 296 143

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# Corporate Governance Statement

2020

**Head Office:**

Level 1, 40 Graduate Road  
Bundoora VIC 3083

**Registered Office:**

Level 1, 40 Graduate Road  
Bundoora VIC 3083



# Corporate Governance Statement

The Board of Directors (“Board”) of Money3 Corporation Limited (“Money3” or “the Company”) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company is committed to implementing the highest standards of corporate governance.

The Board supports the core principles and best practice recommendations of the ASX Corporate Governance Council. In setting or updating its processes and standards, the Company considers the latest edition of the ASX Corporate Governance Principles and Recommendations (“Principles and Recommendations”) that are currently in effect. Whilst the Company continues to develop and improve its corporate governance processes and standards, the Board is pleased to advise that Money3’s practices are largely consistent with the Principles and Recommendations.

The Company recently reviewed and updated all of its Charters & policies to reflect new and revised Principles and Recommendations from the 4<sup>th</sup> Edition of the ASX Corporate Governance Principles and Recommendations that will come into effect for the Company from 1 July 2020. The Company will report against these Principles and Recommendations in the 2021 Corporate Governance Statement.

The Corporate Governance Statement that follows is structured with reference to the 3<sup>rd</sup> Edition of the ASX Corporate Governance Principles and Recommendations. The corporate governance policies of the Company and departures from the Principles and Recommendations are outlined throughout the Corporate Governance Statement. The 2020 Annual Report, Company Constitution, Board & Committee Charters and Policies are available on the Money3 website [www.money3.com.au](http://www.money3.com.au), under the Investors and Corporate Governance tabs. This statement was authorised for issue by the Board on 17 August 2020. Unless specified otherwise, the information in this statement is current as at that date.

## Principle 1: Lay solid foundations for management and oversight

### The Role of the Board

Money3 has a Board Charter which establishes the functions reserved to the Board and to senior management. The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring its businesses and affairs. Directors are accountable to the shareholders for the Company's performance. The Board's overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders, whilst ensuring that the Company is properly managed.

The key responsibilities of the Board include:

- demonstrating leadership, defining the Company’s purpose and setting the strategic objectives of the Company;
- approving strategies and plans by management for the implementation of the strategic objectives set by the Board;
- approving the Company’s statement of values and code of conduct to underpin the desired culture within the Company;
- reporting to shareholders on the Company’s strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- approving key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding);

- monitoring executive management and business performance in the implementation and achievement of strategic and business objectives, including challenging management on the outcomes and holding them to account when required;
- ensuring that management are instilling the Company's values to achieve the desired culture within the Company.
- ensuring that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board, including the Company's compliance with material legal and regulatory requirements and any conduct that is inconsistent with the Company's values or Code of Conduct;
- overseeing the management of occupational health and safety and environmental performance;
- meeting statutory and regulatory requirements and overseeing the way in which business risks and the assets of the Company are managed;
- approving the Company's remuneration framework, major HR policies and overseeing the development strategies for senior and high performing executives;
- ensuring that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- monitoring financial results on an on-going basis;
- appointing the Chair and, if applicable, the deputy chair;
- appointing and replacing the Managing Director (MD), Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS), and ratifying the appointment and removal of executives reporting directly to the Managing Director or Chief Executive Officer (senior executives);
- Overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- approving financial plans, operating budgets and major capital expenditure;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have material effect on the price or value of the entity's securities;
- ensuring that measures are taken for achieving diversity within the organisation; and
- monitoring the effectiveness of the entity's governance practices.

## Delegation to Senior Management

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person. However, the Board acknowledges that it retains ultimate responsibility for the exercise of such powers under the *Corporations Act 2001* (Cth).

The Constitution and the Board Charter enable the Board to delegate to Committees and management. Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director (MD) and senior executives. The Board and its Committees have delegated to the MD responsibility for the management and operations of the Group. The MD may make further delegation within the delegations specified by the Board and is accountable to the Board for the exercise of these delegated powers.

The MD's key roles include:

- Leadership of the management team;
- Day to day management of the Company's operations; and
- Implementation of the Company's strategies and policies.

The Company's MD is Scott Baldwin.

## Appointment of Directors

The Company undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. These checks include details of the person's character, experience, education, criminal record and bankruptcy history. The Company has a written agreement with each Director setting out the terms of their appointment.

The Company will provide the following information to Shareholders so they are able to make an informed decision on whether or not to elect or re-elect the candidate:

- Biographical details, including their relevant qualifications and experience and skills they bring to the Board; and
- Details of any other material directorships currently held by the candidate.

In relation to a candidate standing for election as a first time director, the Company will also provide to shareholders details of:

- any materially adverse information revealed by a background check performed by the entity;
- any interest, position, association or relationship that might reasonably be perceived to materially influence that person's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the company and its shareholders;
- whether the Board considers that, if elected, the director will qualify as an independent director; and
- whether the Board supports the election of the candidate.

In relation to a candidate standing for re-election, the Company will provide to shareholder's details of:

- the term of office currently served by the director;
- whether the Board considers the director to be an independent director; and
- whether the Board supports the re-election of the candidate.

The Board requires its Directors to address potential conflicts of interest, including a requirement that they declare their interests as required by the Corporations Act and the ASX Listing Rules. The Board has guidelines for its Directors to address potential conflicts of interest, including a requirement that they declare their interests as required by the Corporations Act and the ASX Listing Rules.

## Appointment of Senior Executives

The Company has a written agreement with each senior executive setting out the terms of their appointment.

## Company Secretary

The Company Secretary is appointed by the Board on such terms that the Board determines is appropriate. The Company Secretary will be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board. The Company Secretary will co-ordinate all Board business (which includes agendas, minutes, board papers, ASIC and over governmental filings, lodging ASX announcements) in addition to the following:

- Advising the Board and its committees on governance matters;
- Advising the Board on compliance with ASX and ASIC rules and regulations;
- Liaising with the ASX and ASIC;
- 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 is accurately captured in the minutes;
- Helping to organise and facilitate the induction and professional development of directors;
- Facilitating the maintenance of Company Registers as required by the Corporations Act and ASX Listing Rules;
- Ensuring that the Company's Share Registers are maintained; and
- Facilitating General Meetings of Shareholders.

The directors will be able to communicate directly with the Company Secretary and vice versa.

## Diversity

The Company's Diversity Policy is approved by the Board and overseen by the Remuneration & Nomination Committee. Money3 is committed to providing an inclusive workplace and recognises the value individuals with diverse skills, values, backgrounds and experiences bring to the Company. At the core of the Company's diversity policy is a commitment to equality and respect. Diversity is recognising and valuing the unique contribution people can make because of their individual background and different skills, experience and perspectives. People differ not just on the basis of race and gender, but also dimensions such as lifestyle, education, physical ability, age and family responsibility. The Company believes that the promotion of diversity at all levels within the organisation will enhance creativity and innovation and reflect the communities in which the Company operates.

All employment positions within the Company, whether board, executive or general employee, are filled by the best candidates available without discrimination.

As a priority, the Company is committed to identifying suitable persons from within the organisation and where appropriate opportunities exist, advance diversity and support the promotion of talented employees into management positions, before seeking external new hires. The Company is committed to ensuring that it interview's a balance of both sexes for each new hire position.

The Company has set the following diversity objectives and reports against them as follows:

### *Female Participation*

#### Board Level:

Last year, the Company set a target of appointing 1 women to the Board. During the year, the Company appointed Ms Kate Robb to the Board as an independent non-executive director. The company has achieved a 33% female non-executive director participation on the Board and is committed to maintaining this ratio into the future.

#### Executive Team:

The Company's executive team consists of its disclosed Key Management Personnel (KMP) and other executive employees that report to the Board or managing director and fall outside of the KMP disclosure requirements. The Company acknowledges that due to its size, structure and longevity of existing executive employees, there has been very little opportunity to appoint new individuals to executive positions within the Company.

During the year, the Company set a target of expanding its Executive Team to 30% female participation by 2022. The Company recently appointed Ms Carly Crowe, the Company's Risk & Compliance Manger to its executive team, increasing the female executive participation rate to 30%. The Company is committing to maintaining this ratio into the future.

#### Senior Management & General Staff:

Management staff consists of Team Leaders and other Senior Managers or Department Heads. Management has previously recognised that senior managers are the future leaders of the Company. Over the past several years, the Company has consistently maintained a high level of female participation at the senior management level through its workplace leadership identification programs and flexible work conditions.

As at the date of this report, the company has a greater than 60% female workforce participation. The Company is committed to maintaining a minimum 50% female participation in its workforce.

### *Cultural Diversity*

The Company has a wide mix of cultural diversity within the organisation that it believes makes the Company unique in its dealings with customers.

To celebrate and encourage the understanding of this diversity further and what it can bring to the organisation, the Company is committed to holding one cultural diversity function each year.

As at the 30 June 2020, the gender composition within the Company was as follows:

Category	% Female	% Male
Non-Executive Directors	33%	67%
Executive*	30%	70%
Senior management <sup>#</sup>	35%	65%
Employees	65%	35%

\*Executive are defined as Executives that report to the Board and/or the Managing Director, including those defined as Key Management Personnel as disclosed in the Annual Report (excluding the Non-Executive Directors).

<sup>#</sup> Senior management roles refer to "Team Leader" or other department heads.

In accordance with the requirements of the Workplace Gender Equality Act 2012 the Company lodged its annual 2020 compliance report with the Workplace Gender Equality Agency. A copy of the report is available on Money3's website under the Investors tab.

## Board Performance Evaluation

The performance of individual Directors, Committees and the Board is reviewed in accordance with the procedures set out in the Board and Remuneration & Nominee Committee Charters and the Company's Performance Evaluation Policy. The Board and its Committee's undertook a performance evaluation during the year.

The Directors also believe they are open and transparent in disclosing their plans and financial results to shareholders. They believe the AGM provides a good opportunity for shareholders to evaluate their performance. Directors are subject to re-election by rotation at least every three years.

## Executive Performance Evaluation

The performance of the MD is reviewed at least annually by the Chairman in conjunction with the Remuneration & Nomination Committee. The MD at least annually reviews the performance of all other executives. Performance is evaluated against personal, financial and corporate goals. Information about the Company's remuneration policies and practices for Non-Executive Directors, the MD and other executives, and their remuneration during the 2020 financial year, is set out in the Remuneration Report in the 2020 Annual Report, the Remuneration Policy and Performance Evaluation Policy.

# Principle 2: Structure the Board to add value

## Board of Directors

The Board of Directors is structured to add long term value to Money3.

The Board currently consists of three Non-Executive and one Executive Director. The Chairman, Stuart Robertson is considered an Independent Non-Executive Director.

Profiles of the Directors, including details of their skills, experience, tenure and expertise, are set out in the Directors' Report in the 2020 Annual Report.

## Nomination Committee

The responsibilities of a Nomination Committee are carried out by the Money3 Remuneration & Nomination Committee. This Committee consists of three independent non-executive directors, with the Chair being Symon Brewis-Weston, an independent non-executive director. The names, qualifications and experience each member of the Committee, along with details of the number of meetings attended by those members during the year, are set out in the Directors' Report in the 2020 Annual Report. The Committee meets at least twice a year.

The functions undertaken by this Committee include, but are not limited to:

- Formulating a set of desired skills, knowledge, experience, independence and diversity for membership to the Board – “the Board Skills Matrix”;
- Ensuring that directors have the appropriate mix of competencies and diversity to enable the Board to discharge its responsibilities effectively;
- Making recommendations to the Board on the size of the Board and desired competencies of directors for selection to the Board;
- Developing and reviewing processes for the selection and appointment of directors;
- Identifying and recommending appropriate new board appointments taking into consideration the skills matrix and the skills, experience and expertise of potential candidates;
- Making recommendations to the Board on the retirement or re-election of existing board members taking into consideration the Board Skills Matrix and the skills, experience and expertise of the director;
- Conducting a review of the Board Skills Matrix on an annual basis;
- Conducting appropriate background checks on potential board appointees;
- Ensuring that Shareholders are aware of each directors skills, competencies and background when they are nominated for election and re-election. This will include the nominees' other current employment positions that could influence the amount of time they have to devote to the company, if there are any potential conflicts of interest, and whether the Board recommends their appointment;
- Developing and reviewing induction procedures for the appointment of new directors.
- Ensuring that that each new directors undergoes an induction process;
- Developing, implementing and reviewing continuing education measures to enhance or update director competencies; and
- Determine and recommend to the Board on an annual basis, the independence of directors, taking into consideration the ASX's Principles of Good Corporate Governance.

## Board Skills Matrix

The Remuneration & Nomination Committee have identified a set of skills, knowledge, experience and capabilities that the Board should possess to effectively discharge its duties and add value to its deliberations – the Board Skills Matrix. The Committee reviews the Board Skills Matrix on an annual basis to identify whether the Board has any skills gap that requires fulfilling through additional board appointments or training.

Current members of the Board have a broad range of industry, financial and other skills, knowledge and experience to effectively guide the business. These are highlighted in the below matrix.

Industry	Expertise and experience specific to the financial services industry
Regulatory	Understanding of the specific regulatory frameworks that govern the financial services industry.
Strategy	Competency in development and implementation of strategic thinking
Board Positions	Experience as a Board director for ASX listed businesses
Financial	Expertise and experience in understanding finance and financial reporting, including financial risk management and frameworks
Capital Markets	Expertise in raising finance in the market.

Governance	Understanding of good corporate governance, including ASX listing requirements, Corporations Act and relevant legislative framework
Mergers, Acquisitions and Divestments	Experience in mergers, acquisitions and divestments
Risk Management	Risk management frameworks specific to the financial services industry

## Board Independence

On recommendation from the Remuneration & Nomination Committee, the Board assesses the independence of its Directors on appointment and annually thereafter. All Directors, whether classified independent or not, are required to bring independent judgement to bear on Board decisions. 'Independence' is assessed having regard to a range of considerations, including whether directors:

- are independent of management and are free from any business, shareholding or other association that could materially interfere with, or reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement;
- are financially independent and have a demonstrated ability to exercise independence of mind and conduct; or
- have been directors of the entity for such a period that independence may have been compromised.

The company also has processes in place to ensure independence is brought into decision making at board meetings. Directors are not able to be present or vote when the Board discusses or votes on any contract or fees to be paid to a Director or a related entity of the Director.

The Directors also believe they are open and transparent in disclosing their plans and financial results to shareholders. They believe the AGM provides a good opportunity for shareholders to evaluate their performance and vote accordingly when they are subject to re-election every three years.

The majority of the current Board is considered to be independent. All current Non-Executive Directors are considered to be independent.

The independence classification for each director during the 2020 financial year and the length of service for each director as at 30 June 2020 or date of resignation is set out as per the below table:

Name	Role	Independent/Non-Independent	Tenure
Stuart Robertson	Chairman, Non-Executive Director	Independent	4 years 5 months
Symon Brewis-Weston	Non-Executive Director	Independent	1 year, 7 months
Kate Robb	Non-Executive Director	Independent	10 months
Scott Baldwin	Executive Director	Non-Independent	11 years 5 months
Leath Nicholson*	Non-Executive Director	Non-Independent	4 years

\*Mr Nicholson stepped down as a director following the Company's 2019 AGM on 15 November 2019.

## Director Induction

New Directors receive an induction pack that includes a letter of appointment setting out the conditions and terms of their appointment and remuneration. This includes provision of materials prepared in order to enable Directors to understand their rights, duties and responsibilities. Directors are provided with the opportunity to meet with key members of the senior executive team to gain a greater understanding of the business. A program for the induction of new Directors and the provision of appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role is also available to all Directors.

# Principle 3: Promote ethical and responsible decision-making

## Codes of Conduct

As part of its commitment to recognising the interests of all stakeholders, the Company has established a Code of Conduct and other policies that support the code. These codes guide all employees, executives and directors in respect of the ethical behaviour expected by the Company:

- Code of Conduct;
- Conflict of Interest Policy;
- Privacy Policy;
- Human Rights Policy;
- Whistle-blower Policy;
- OH&S Policies;
- Harassment & Bullying Policy;
- Security Trading Policy; and
- Continuous Disclosure & Investor Relations Policy.

The Company's Code of Conduct is founded in the following guiding principles -

- Prioritise our customers needs;
- Deliver empowering and innovative products & services to our customers;
- Show honour, care & respect to everyone we deal with by
  - acting ethically, professionally, honestly, faithfully, efficiently, conscientiously and in good faith at all times;
  - using integrity and good judgement in all our actions; and
  - recognising culture & beliefs different to our own.
- Embrace innovation by being at the forefront of technology changes and
- Grow together by embracing education and training.

As such, we have expectations of our directors, executives & employees regarding their:

- Behaviour in representing the Company;
- Lending to customers in a responsible manner;
- Adhering to the requirements of all applicable financial services legislation;
- Keeping privileged information confidential and adhering to the requirements of the privacy acts of Australia & New Zealand.
- Not being involved in any kind of behaviour that can be perceived as bribery or corruption;
- Avoiding conflicts of interest;
- Not trading in the Company's securities when they hold privileged or inside information;
- Use of company and customer assets, facilities and information systems in a responsible manner; and
- Respecting the rights of everyone they work with, including customers.

The Company has systems and procedures in place to allow for the reporting of any behaviour in contravention of the Code of Conduct and its supporting policies. All stakeholders are encouraged to report any behaviour in contravention of these policies via the Company's Whistle-blower program.

## Principle 4: Safeguard integrity in financial reporting

### Audit Committee

The Board has in place an Audit, Risk & Compliance Committee consisting of three independent non-executive directors, with the Chair being Ms Kate Robb, an independent non-executive director. The names, qualifications and experience each member of the Committee, along with details of the number of meetings attended by those members during the year, are set out in the Directors' Report in the 2020 Annual Report.

The primary role of the Committee is to monitor and review the effectiveness of the Company's control environment in the areas of operational risk, legal/regulatory compliance and financial reporting. It will advise and assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:

- Reporting of financial information to users of financial reports, in particular the quality and reliability of such information;
- The appropriateness of the Company's accounting policies, principles, significant estimates & judgements and the methodology in applying them and ensuring that they are in accordance with the stated financial reporting framework.
- Assessing the consistency of disclosures in the financial statements with other disclosures made by the Company to the financial markets, government and other public bodies;
- Review of internal and external audit reports to ensure that where weaknesses in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- Evaluation of the Company's compliance and risk management structure and procedures, internal controls and ethical standards;
- Assessing the company's adherence to business policies and practices;
- The Conduct of any investigation relating to financial matters, records or accounts, and to report those matters to the Board;
- Review management's processes for ensuring the monitoring compliance with laws, regulations and other requirements (including the Australian Accounting Standards, the Corporations Act 2001 (Cth) and the ASX listing rules) relating to the external reporting of financial and non-financial information.
- Ensuring that a comprehensive process is established by management to capture issues for the purposes of continuous reporting to the ASX.
- Protection of the Company assets;
- Reviewing and monitoring the propriety of related-party transactions;

The full Audit, Risk & Compliance Committee Charter can be found on the Company's website [www.money3.com.au](http://www.money3.com.au) under the investor relations & corporate governance tab.

## Declaration of the Managing Director (MD) and Chief Financial Officer (CFO)

Each year the MD and CFO provide the Board with written confirmation that:

- The financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received the above declaration from the MD and CFO for this year.

## Auditor

The auditor attends the Company's AGM and is available to answer security holder questions on the conduct of the audit, and the preparation and content of the auditor's report.

## Principle 5: Make timely and balanced disclosure

The Board is aware of its continuous disclosure obligations in respect of material information and embraces the principle of providing access to that information to the widest audience. The Company has a Continuous Disclosure & Investor Relations Policy which has been approved by the Board. The Board fully supports the spirit and letter of the law and the listing rules concerning adequate and reasonable disclosure of information relevant to the Company and its securities in line with contemporary continuous disclosure requirements.

The Board has the ultimate responsibility for the Company's continuous disclosure obligations, however to ensure that these principles are appropriately actioned, the Board has nominated the Managing Director, the Chief Financial Officer and the Company Secretary as having certain responsibilities, namely:

- Approving routine or administrative announcements and lodging them with the ASX;
- Considering potentially price sensitive information and determining whether it requires disclosure in accordance with the ASX Listing Rules and the Corporations Act;
- Overseeing and co-ordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public;
- Ensuring that all price sensitive information or new material information that has not been previously been released to the ASX is released to the ASX before disclosing it to any person, including brokers, analysts, shareholders and the media;
- Educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure;
- Ensuring all announcements made to the ASX are posted on the Company's website.

The Board is however required to approve announcements regarding:

- Financial results and financial reports;
- Matters that are material or strategically important to the Company;

- Significant profit upgrades, downgrades or other guidance; and
- Dividend policy or declarations.

To safeguard against inadvertent disclosure of price sensitive information, the Board has authorised the Chairman and the Managing Director to speak on behalf of the Company, the Chief Financial Officer to clarify any matters regarding the Company's financial results and the Company Secretary to the ASX and on matters of shareholding.

In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

However, the Company may withhold information if each of the following conditions under Listing Rule 3.1A are met.

- if one or more the following five conditions applies:
  - it would be a breach of a law to disclose the information;
  - the information concerns an incomplete proposal or negotiation;
  - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - the information is generated for the internal management purposes of the entity; or
  - the information is a trade secret; and
- the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- a reasonable person would not expect the information to be disclosed.

As soon as any of the above conditions ceases to be satisfied, disclosure would be made.

## Principle 6: Respect the rights of shareholders

### Information on Website

Money3 recognises the importance of effective communications with shareholders and other parties. Money3 makes available on its website [www.money3.com.au](http://www.money3.com.au), under the Investors tab, information about the company, Directors and senior executives, along with Annual Reports, ASX Announcements, Workplace Gender Equality Agency Report, Company Constitution, Board and Committee Charters and significant governance policies.

### Investor Relations

Shareholders also have other formal and informal rights provided by the Company's constitution, regulatory bodies and proper public company behaviour. These include their entitlement to financial statements, attendance and voting at shareholder meetings. The company conducts investor briefings after the release of the half year and full year financial results, and ad-hoc meetings during the year with institutional investors, private investors, sell-side and buy-side analysts, along with the financial media.

## Annual General Meeting (AGM)

Investors are encouraged to attend the AGM, which will be held in November 2020. The Notice of Meeting, which will be dispatched prior to the meeting, contains an explanatory memorandum on the resolutions to be brought before shareholders. In the event that investors cannot attend the AGM, they are able to lodge a proxy form online or via post or fax. The auditor is required to attend the AGM and will be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

## Electronic Communication

The Company gives its security holders the option to receive communications from, and send communications to, the Company and its securities registry electronically.

Company: [info@money3.com.au](mailto:info@money3.com.au)

Share Registry: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au).

# Principle 7: Recognise and manage risk

## Risk Committee

The Board has in place an Audit, Risk & Compliance Committee consisting of three independent non-executive directors, with the Chair being Ms Kate Robb, an independent non-executive director. The names, qualifications and experience each member of the Committee, along with details of the number of meetings attended by those members during the year, are set out in the Directors' Report in the 2020 Annual Report.

The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Company's approach to creating long-term shareholder value.

The primary role of the Committee is to set and then monitor and review the effectiveness of the Company's control environment in all areas of risk. It will advise and assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:

- Setting the level of risk appetite and management within the Company;
- Setting, regularly reviewing and updating, if necessary, the Company's Risk Profile with management;
- Assessing the internal processes for determining and managing key risk areas;
- Receive from management reports on all material suspected and actual frauds, thefts and breaches of laws and conduct independent investigations if deemed necessary;
- Setting a materiality level for risk management;
- Monitoring emerging risk, legislative or regulatory initiatives and changes;
- Addressing the effectiveness of the internal control system with management and the external auditors;
- Examine & evaluate the process for assessing and continuously improving internal controls, particularly those related to areas of significant risk;
- Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk;
- Conducting investigations into breaches or potential breaches of internal controls and resulting incidents;
- Assess the effectiveness of and compliance with the Company's Policies;

Management, through the MD, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Audit, Risk & Compliance Committee on the risk management and control environment on a regular basis.

The risk framework of the Company is reviewed annually and has been reviewed during the year.

The full Audit, Risk & Compliance Committee Charter can be found on the Company's website [www.money3.com.au](http://www.money3.com.au) under the investor relations & corporate governance tab.

## Internal Audit

The Company has not implemented an internal audit function. The Board believes that the nature of the Company's operations currently do not require this to be instigated as a separate function to those functions undertaken by the external auditors and/or the Audit, Risk & Compliance Committee.

The Company did however appoint a Risk Compliance Executive this year, Ms Carly Crowe. Ms Crowe's duties include the monitoring of the Company's compliance to its risk management framework.

## Sustainability

The Company is required to disclose whether it has any material exposure to environmental or social sustainability risks, and if it does, how it manages or intends to manage those risks. Material exposure refers to the existence of a real possibility that a particular risk could substantively impact the Group's ability to create or preserve value for security holders over the short, medium or long term.

The Audit, Risk & Compliance Committee and the Board have regularly review the risks associated with the business and believe that the Company does not have any material exposure to environmental or social sustainability risks.

The Company has however recently approved a Sustainability Policy and objectives for the coming year as it acknowledges the importance of protecting the environment in a sustainable manner to help reduce any damage or impact its operations or activities might potentially have.

A summary of these objectives are detailed below:

Objective	Targets
<b>Employee Engagement</b>	<ul style="list-style-type: none"> <li>• Formation of an Employee Green Team</li> </ul>
<b>Waste Reduction</b>	<ul style="list-style-type: none"> <li>• Reduce office paper consumption in each office by 20% by 2022</li> <li>• Train all employees on recycling of office waste.</li> <li>• Priority to the purchase of recycled products, where feasible.</li> <li>• Reduction of non-recyclable office waste by 20% by December 2020.</li> </ul>
<b>Carbon Footprint Reduction</b>	<ul style="list-style-type: none"> <li>• Reduce office power consumption by 20% by 2022</li> <li>• All offices to be carbon neutral by 2025.</li> </ul>

# Principle 8: Remunerate fairly and responsibly

## Remuneration Committee

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, the Chairman and executives.

The Board has in place the Remuneration & Nomination Committee consisting of three independent non-executive directors, with the Chair being Symon Brewis-Weston, an independent non-executive director. The names, qualifications and experience each member of the Committee, along with details of the number of meetings attended by those members during the year, are set out in the Directors' Report in the 2020 Annual Report. The Committee meets at least twice a year.

The primary purpose of the Remuneration & Nomination Committee in relation to remuneration matters is to support and report to the Board in fulfilling their responsibilities to shareholders in relation to:

- Remuneration framework for all employees, executives and directors via the Remuneration Policy;
- Performance evaluation framework for all employees, executives and directors via the Performance Evaluation Policy;
- Setting the remuneration to be paid to directors and executives.
- Setting the Company's recruitment, retention and termination policies and procedures;
- Ensuring that all legal and regulatory remuneration requirements are met; and
- All equity based remuneration.

The performance of the Board, Committees, individual Directors and key executives is reviewed regularly against both measurable and qualitative indicators. Performance appraisals are undertaken annually. The performance criteria against which the Board, key executives and committees will be assessed is aligned with key corporate governance needs as well as financial and non-financial objectives.

The payment of short and long term incentives to executives and other staff is governed by the achievement of key performance indicators (KPI's) set at the start of the performance period. These KPI's take into consideration individual, team and Company performance objectives that are financial and non-financial in nature. Full details of the KPI's set for short and long term incentives is disclosed in the Remuneration Report of the 2020 Annual Report.

The Board does retain the discretion to pay bonuses outside of the short term incentive program.

The full Remuneration & Nomination Committee Charter can be found on the Company's website [www.money3.com.au](http://www.money3.com.au) under the investor relations & corporate governance tab.

## **Senior Executive, Executive Director and Non-Executive Director Remuneration**

The expected outcomes of the remuneration structure are to retain and motivate Directors and key executives, attract quality management and provide performance incentives which align performance and Company success in a manner that is market competitive, consistent with best practice and in the interests of shareholders. Details of the nature and amount of each element of remuneration, including both monetary and non-monetary components, for each Director and the senior executives paid during the year can be found in the Directors' Report in the 2020 Annual Report.

## **Hedging Arrangements**

Directors and Executives may not engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of the Company's securities.