

**Credit Clear Limited**  
**Corporate Governance Statement effective 28 August 2024**

**Introduction**

The Credit Clear Limited (**Credit Clear or the Company**) Board (**Board**), with the support of its Committees, is dedicated to corporate governance principles in recognition that it helps enhance investor confidence and demonstrates the Company's commitment to transparency. It also supports the achievement of the Company's commercial and corporate objectives.

The 4th Edition of Corporate Governance Principles and Recommendations ('**ASX Recommendations**') serves as a guide for companies to establish effective corporate governance practices and structures. A company may choose not to implement certain ASX Recommendations, provided that it explains why it has not done so and what alternate approaches have been adopted.

The ASX Recommendations require companies to communicate their corporate governance practices through both the Annual Report and the Company's web page. This Corporate Governance Statement provides an annual summary of Credit Clear's corporate governance practices against the ASX Recommendations.

**PRINCIPLE 1 – LAY FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

**Recommendation 1.1 – Role of Board and management**

The role of the Board is to provide leadership and strategic guidance, in addition to overseeing the management of the Company. The Board Charter (**Charter**) formally sets out the respective roles and responsibilities of the Board and those delegated to management.

Key responsibilities of the Board include:

- approving and overseeing management's implementation of the strategic direction of the Company, its business plan and significant corporate strategic initiatives including budgets, and capital expenditure;
- appointing the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**), and approving the appointment of Executives, the Company external Auditor and any other person the Board determines;
- managing and reviewing succession planning;
- evaluating, and monitoring the effectiveness of the Company's audit, risk management and regulatory compliance programs;
- considering, approving and monitoring the Company's risk and audit framework;
- establishing, evaluating, approving and monitoring the risk appetite within which the Board expects management of the Company to operate;
- monitoring operations in relation to, and in compliance with, relevant regulatory and legal requirements;
- approving financial targets and statements, and monitoring financial performance against forecast and prior periods;
- overseeing, reviewing, and monitoring the Company's corporate governance policies and procedures and their implementation;
- identifying, nominating and evaluating the competencies of prospective Directors;
- assessing and reviewing the performance of the Board, its Board Committees, the CEO and the Group Executives; and
- applying and monitoring compliance of the Code of Conduct and ethical standards.

To enable the Board to carry out its responsibilities and functions, it may delegate any of its powers to a Committee of the Board, a Director, or an employee. In doing so, the Board acknowledges that it retains the ultimate responsibility of such powers under the *Corporations Act 2001* (Cth).

The Board will delegate to the Chief Executive Officer the authority and power to manage the Company and its business within levels of authority specified by the Board, from time to time. The Chief Executive Officer may delegate aspects of his or her authority and power to other senior executives but remains accountable to the Board for the day-to-day management of the Company.

The Chief Executive Officer's role includes:

- responsibility for the effective leadership of the management team;
- the development of strategic objectives for the business; and
- the day-to-day management of the Company.

A full copy of the Charter is available on the Company's website.

### **Recommendation 1.2 – Appointment of Directors**

The Board recognises the significance of maintaining a well-balanced composition of members with a broad range of relevant skills, knowledge, and experience necessary to guide the Company's business. The Board conducts regular informal and annual reviews, assessing the blend of skills and the overall balance of the Board and Committee members.

When considering the appointment of new Directors, a comprehensive recruitment process is followed. This process includes multiple reference checks verifying candidates' backgrounds, experience, and professional skills. Moreover, candidates undergo a thorough assessment that includes bankruptcy checks and criminal record checks covering all states and territories of Australia, as well as a check with the Australian Federal Police (AFP). These checks aim to ensure that only individuals with high integrity and ethical standing are considered for directorship roles.

Nominations for new Directors are made to the Board, with the assessment criteria including various factors such as the candidates' background, experience, professional skills, personal qualities, and their potential to strengthen the combined skillset of the existing Board. The availability of candidates to fully commit themselves to the Board's activities is also considered during the selection process.

All Directors appointed by the Board must stand for election by shareholders at the next annual general meeting. This requirement ensures that shareholders have the opportunity to validate the appointment and exercise their right to elect Directors. To promote transparency and accountability, shareholders are provided with all relevant information regarding the appointment of Directors. The same process, pursuant to the Company's constitution, applies to Directors who are standing for re-election. When resolutions concerning Director appointments are put forward to shareholders for election or re-election, they are furnished with relevant information about the candidates. This ensures that shareholders can make informed decisions regarding the composition of the Board.

### **Recommendation 1.3 – Written agreements with Directors and Senior Executives**

To ensure clarity and alignment of expectations, all Directors and senior management roles within the Company have written agreements that outline the terms of their respective employment. These agreements serve as a reference document detailing the rights, responsibilities, remuneration, and other relevant terms and conditions of their employment. By having written agreements in place, the Company promotes transparency and provides a framework for effective working relationships.

### **Recommendation 1.4 – Company Secretary**

The Company Secretary is accountable directly to the Board. The Company Secretary attends Board and Board Committee meetings and is responsible for:

- ensuring Board policies and procedures are followed;
- coordinating the timely completion and despatch of Board and Committee papers;
- ensuring the business at Board and committee meetings is accurately captured in the minutes;
- lodging communications and filings with regulatory bodies including ASIC and ASX;
- assisting with the induction and professional development of Directors; and

- advising the Board on governance.

The relevant skills, qualifications and experience of the Company Secretary are set out in the 2024 Annual Report on pages 19-20.

### **Recommendation 1.5 – Diversity and Inclusion**

The Company's Diversity and Inclusion Policy is publicly available on its website at: <https://creditclear.com.au/images/downloads/0323-Credit-Clear-Diversity-and-Inclusion-Policy.pdf>.

To date, neither the Board nor a Committee has set measurable gender objectives. The Company is and has always been focused on attracting and retaining the most appropriate people for its roles.

The Company currently does not provide gender-based statistics in its Annual Report. The Company is considered a 'relevant employer' as defined under the Workplace Gender Equality Act and will comply with its obligations to provide a Gender Equality Report annually.

The Company was not in the S&P / ASX 300 Index at the commencement or at any time during the reporting period and is consequently not required to have a minimum 30% of board representation of each gender.

Accordingly, the Company did not comply with Recommendation 1.5 (b) and (c).

### **Recommendations 1.6 and 1.7 – Board and management evaluation**

The Company recognises the significance of regularly evaluating the performance of its Board, Committees, Directors, and senior executives. By implementing a robust evaluation process, the Company ensures alignment with the organisation's strategic objectives, corporate governance policies, and relevant charters.

In the 2024 financial year, the performance of the Board, Committees, Directors, and senior executives was reviewed and evaluated. This evaluation was conducted using both quantitative and qualitative measures, enabling a holistic assessment of their performance.

The evaluation process included gathering feedback from Directors and senior executives regarding the discharge of their respective responsibilities. This feedback mechanism allows for a two-way communication channel, providing valuable insights into each individual's strengths and areas for improvement and the overall governance structure.

The qualitative measures encompass a more subjective evaluation, taking into consideration factors such as leadership qualities, decision-making processes, communication effectiveness, and adherence to governance principles. This qualitative assessment provides a deeper understanding of the individual and collective contributions made by the Board, Committees, Individual Directors, and senior executives.

By conducting regular performance evaluations and considering quantitative and qualitative measures, the Company ensures that its governance entities are functioning effectively and accountable for their responsibilities. The evaluation process allows for continuous improvement, identifies areas that require attention or enhancement, and enables the implementation of targeted development initiatives.

*Refer to section 2.7 of the Board Charter on the Company's website for further information.*

## **PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

### **Recommendation 2.1 – Nomination committee**

The Company has a formal Nomination and Remuneration Committee (**NRC**), which is a sub-committee of the Board. The Charter for the NRC can be viewed on the Company's website.

The NRC is responsible for:

- advising and making recommendations to the Board on the composition of the Board and its Committees, including the selection and appointment of Directors;
- advising on and ensuring plans are in place to manage the succession of the Board and Executive;
- assisting the Board with remuneration policies and practices; and
- monitoring the implementation and effectiveness of the policies and practices.

By ensuring that officeholder and executive remuneration aligns with the Company's strategic objectives, industry standards, and shareholder interests, the NRC helps foster a performance-oriented and accountable culture.

The NRC comprises the following two members:

- Michael Doery, Independent Director (Member and Chairman of NRC and ARC)
- Paul Dwyer, Independent Director (Member)

The Board seeks to appoint an additional member when a suitable candidate is identified and available to fully comply with Recommendation 2.1. The skills and experience of the Committee members, together with the number of meetings held and the number of meetings attended by each Committee member in the reporting period, are set out in the 2024 Annual Report.

*The Company does not comply with Recommendation 2.1 (a)(1) as it only has two members.*

### **Recommendations 2.2, 2.3 and 2.4 – Board Skills Matrix and Independence**

A formal Board Skills Matrix (**Matrix**) is included in the NRC charter, which is publicly available on the Company's website. The Matrix is designed to illustrate the key skills, experience, qualifications, and diversity the Board is seeking to achieve across its members collectively, and the skills and experience held by each Director. Using the Matrix, the Board is enabled to assess any gaps in skills or knowledge and address them through appropriate recruitment, training, or other initiatives. The Matrix serves as a base guide and is further developed by the NRC for each contemplated Director appointment. The key skills and experience of each Director who held office during the 2024 financial year are set out in the table overleaf.

The Board assesses the independence of Non-Executive Directors on appointment and annually through attestation from each Director. Each Non-Executive Director must provide the Board with all information that may be relevant to this assessment. Any status changes of a Director's independence are disclosed and explained to the market in a timely manner.

The Company deems a Director to be independent if they do not hold an Executive role in the Company and:

- is not a substantial shareholder;
- has not, within the last three years, been employed in an Executive capacity by the Company or any of its subsidiaries;
- has not, within the last three years, been a partner, Director or senior employee of a provider of material professional services to the Company;
- has not, within the last three years, been in a material business relationship with the Company or an officer of, or otherwise with, someone with such a relationship;
- has no material contractual relationship with the Company;
- does not have close family ties with any person who falls within any of the categories described above;
- has not served on the Board for a period which could materially interfere with their ability to act in the best interests of the Company;

- does not receive performance-based remuneration (including option and performance rights) from or participate in an employee incentive scheme of the Company; and
- is free from any interest which could materially interfere with their ability to act in the best interests of the Company.

The Board assesses the materiality thresholds referred to above on a case-by-case basis. The results for Directors who held office during the reporting period are disclosed in the table below.

Name of Director	Independent?	Any relationship affecting independence?	Skills and experience relevant to the position	Term of office
Hugh Robertson	Yes	No	Capital markets	22 September 2021 - present
Michael Doery	Yes	No	Audit, Finance, Governance	6 May 2022 - present
Andrew Smith	No	CEO, Substantial shareholder	Management, Industry	9 February 2022 - present
Paul Dwyer	Yes	No	Financial Services, Strategy, M&A	29 November 2022 – present

The majority of the Directors in office as at 30 June 2024 are independent. The Board believes that it has the appropriate blend of skills and experience to oversee all matters presented; however, it will continue to assess the Company's requirements and identify and review potential Director candidates as appropriate.

#### **Recommendation 2.5 – Independent Chair**

Recommendation 2.5 highlights the importance of separating the roles of the Chair of the Board and CEO, ensuring a clear distinction between governance oversight and management functions. In accordance with this recommendation, the Company has adhered to the principle by appointing different individuals to these positions.

Paul Dwyer, an independent, Non-Executive Director, was appointed as the Chair of the Board on 1 March 2023. This appointment signifies the Company's commitment to effective governance practices and the separation of powers between the Chair and CEO. As an Independent Director, Paul Dwyer brings an impartial perspective to his role, enabling objective oversight and guidance in board matters.

Andrew Smith was appointed CEO and Executive Director in February 2022 and subsequently Managing Director on 1 March 2023. As CEO, Andrew Smith assumes the responsibility for managing the Company's day-to-day operations, implementing strategic initiatives, and driving performance. Separating the CEO role from the Chair of the Board ensures a clear division of responsibilities and promotes a balance of power within the organisation.

#### **Recommendation 2.6 – Induction and professional development**

Upon appointment, new directors are offered an induction program appropriate to their experience to familiarise them with matters relating to the business, strategy, and any current issues under consideration by the Board. This program consists of written background material on the Company, its products, services, and operations and meetings with the Chairman, CEO, and members of the Executive Team.

Directors are encouraged to continue their education by participating in applicable workshops and seminars, attending site visits, and undertaking relevant external education. The Company Secretary provide directors with pertinent information on corporate governance matters and other relevant and practical information to assist them in discharging their duties and obligations.

Board agendas are structured throughout the year in order to ensure that each of the significant responsibilities of the Board are addressed. Directors receive financial, operational and strategy reports and presentations from senior management who are available during meetings and, as requested, to answer questions and provide insights to the Board. All directors can access the Company's records and information and receive regular detailed financial and operational reports from senior management.

### **PRINCIPLE 3 – INSTILLING A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

#### **Recommendations 3.1, 3.2, 3.3 and 3.4 – Values, Code of Conduct, Whistleblower Policy and Anti-bribery and Corruption Policy**

Recommendations 3.1, 3.2, 3.3, and 3.4 of the ASX Corporate Governance Principles emphasise the importance of establishing and implementing robust policies and procedures to promote ethical conduct, whistleblower protection, and anti-bribery and corruption measures within the organisation. The Company's Code of Conduct, Whistleblower Policy, and Anti-Bribery and Corruption Policy for its Directors, senior executives, employees, and contractors are available on the Company's website. These policies provide guidance on expected behaviours, values, and reporting mechanisms.

The Company's Code of Conduct, which encompasses its values, serves as a guiding framework for ethical decision-making and behaviour. It articulates the Company's expectations regarding integrity, professionalism, respect, and compliance with laws and regulations. By clearly communicating its values through the Code of Conduct, the Company sets the standards for its Directors, senior executives, employees, and contractors, fostering a culture of accountability and responsible conduct.

The Whistleblower Policy encourages the disclosure of any wrongdoing or unethical behaviour and helps deter wrongdoing. This policy outlines procedures for employees and other stakeholders to raise concerns or report misconduct, providing them with protection against reprisals. By maintaining a robust whistleblower program, the Company demonstrates its commitment to transparency, integrity, and the well-being of its employees.

The Anti-Bribery and Corruption Policy aims to prevent and detect bribery and corrupt practices. This policy establishes guidelines and procedures to ensure compliance with relevant anti-bribery laws and regulations. It sets out the responsibilities of the Company, employees, and representatives in observing and upholding the prohibition on bribery and related improper conduct and provides information and guidance on how to recognise and deal with instances of bribery and corruption. The policy demonstrates the Company's zero-tolerance stance against bribery, providing clear expectations and guidelines for all individuals associated with the organisation.

To uphold the effectiveness of these policies, any material breach is promptly reported to the Board or a Committee of the Board. This reporting mechanism ensures that the Board is informed about significant violations and can take appropriate action to address and rectify the situation. By reporting breaches to the Board or its Committee, the Company demonstrates its commitment to accountability, transparency, and responsible governance.

## **PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

### **Recommendation 4.1 – Audit committee**

The Company has a formal Audit and Risk Committee (ARC), which is a sub-committee of the Board.

The purpose of the Audit and Risk Committee Charter is to assist the Board by:

- overseeing, reviewing and supervising the Company's risk management framework and promoting a risk management culture;
- discharging the Board's responsibilities relative to the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance and the audit process;
- monitoring compliance with laws, regulations and Board policies;
- adopting and applying appropriate ethical standards in relation to the management of the Company and the conduct of the Company's business; and
- reviewing the adequacy of the Company's insurance policies.

Furthermore, the Committee has authority to conduct and authorise investigations pertaining to risk management, financial statements, internal controls, internal audits and compliance. As needed, the ARC may seek advice or assistance, including the appointment of consultants and independent external advice. The Committee will make recommendations to the Board on all matters requiring a decision from the Board. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

The ARC comprises the following two members:

Michael Doery, Independent Director (Member and Chairman of NRC and ARC)  
Paul Dwyer, Independent Director and Company Chairman (Member)

The Board expects to appoint an additional member to fully comply with Recommendation 4.1 when a suitable candidate is identified and available. The skills and experience of the ARC members, together with the number of meetings held and the number of meetings attended by each Committee member in the reporting period, are set out in the 2024 Annual Report. The Audit and Risk Committee Charter can be found on the Company's website.

*The Company does not comply with Recommendation 4.1 (a)(1) as it only has two members on the Audit and Risk Committee.*

### **Recommendation 4.2 – Declarations of the CEO and CFO**

The Board is regularly updated by management about the financial and operational results of the Company. Before the Board approves the half-year and full-year financial statements, the CEO and CFO make signed and written declarations in all material aspects:

- the financial records for the financial year have been correctly maintained;
- the financial statements and notes for the financial year comply with the appropriate accounting standards;
- the financial statements and notes for the financial year give a fair and true view of the financial position and performance of the Company; and
- that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The CEO and CFO have provided this assurance for the financial year ending 30 June 2024.

### **Recommendation 4.3 – Integrity of periodic corporate reports released to the market**

The Company has established a diligent review mechanism for all non-audited or reviewed periodic corporate reports. These reports include interim financial reports, operational updates, and other relevant disclosures that provide information on the Company's performance, financial position, and prospects.

Reports are circulated to all Directors before their public release. This practice allows the Board to comprehensively understand the contents, implications, and key messages conveyed in the reports. It enables Directors to engage in informed discussions, provide valuable insights, and collectively ensure the accuracy and integrity of the information being communicated to the market.

The Company continuously evaluates and enhances its review mechanisms to align with evolving regulatory requirements, industry best practices, and emerging reporting standards. It maintains open communication channels with the independent reviewers, the Board, and relevant stakeholders to ensure a collaborative and rigorous approach to preparing, reviewing, and disseminating non-audited or reviewed periodic corporate reports.

## **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

### **Recommendation 5.1 – Continuous Disclosure Policy**

The Company has established comprehensive procedures to identify and disclose matters that may have a material impact on the price or value of its securities in compliance with ASX disclosure requirements.

The Continuous Disclosure Policy outlines the Company's proactive approach to continuous disclosure and creating a culture within the Company that promotes and facilitates compliance with the Company's continuous disclosure obligations. Within the Policy, the purpose, scope, specific responsibilities of key personnel, compliance, review of the policy, reporting obligations and information concerning communication channels is evident.

The Continuous Disclosure Policy is readily available on the Company's website which enables stakeholders, including investors, analysts, and the general public, to familiarise themselves with the Company's disclosure practices and guidelines.

Both senior management and the Board assume responsibility for scrutinising events and information to determine the necessity of disclosure. This shared responsibility ensures a comprehensive and balanced assessment of potential disclosure matters. Senior management, led by the Chief Executive Officer, monitors ongoing developments within the Company, evaluates their potential impact, and promptly informs the Board about significant events or information that may require disclosure.

### **Recommendation 5.2 – Board visibility of information disclosed to the market**

The Company has established an approval process that ensures all Directors have reviewed and approved all material market announcements before these are provided to the ASX. The Company Secretary is responsible for lodging all communications with the ASX and provides a confirmation of release to Directors for all material market announcements.

### **Recommendation 5.3 – Investor presentation released to ASX in advance**

All investor presentations are approved by the Board and released to the ASX on the ASX Markets Announcements Platform before being made public elsewhere. The Company website also contains access to annual reports, announcements about results, investor presentations, notices of meetings, and key information releases.



The Board, in collaboration with senior management, exercises due diligence in evaluating the significance and materiality of identified events or information. This evaluation process is guided by the Company's commitment to maintaining market integrity and ensuring that shareholders and other stakeholders have access to information that may affect their investment decisions.

## **PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**

### **Recommendations 6.1, 6.2, 6.3 – Publicly available information accessible on website, investor relations programs, and shareholder participation**

The Recommendations, which fall under ASX Corporate Governance Principle 6, emphasise the importance of transparent communication, shareholder engagement, and facilitating shareholder participation in decision-making processes. The Company aligns with these recommendations by maintaining an updated website that houses its policies, charters, and ASX announcements, ensuring easy access to important information for shareholders.

The Company's website serves as a central hub for shareholders to access relevant documents and stay informed about the Company's activities. By keeping the website updated with policies, charters, and ASX announcements, the Company enables shareholders to comprehensively understand its governance framework, operational guidelines, and any material updates or developments.

The Company retains an Investor Relations consultant on a permanent basis to assist and support shareholder meetings and written communications. The Company regularly receives and responds to shareholder enquiries. The Company actively encourages dialogue with shareholders, particularly at Shareholder Meetings. Shareholders are reminded to provide any questions they may have in advance of these meetings, ensuring that their concerns and queries are addressed.

The independent external auditor is invited to attend all Annual General Meetings to further enhance shareholder engagement. This inclusion allows shareholders to have direct access to the auditor and seek clarification or ask questions pertaining to the annual audit.

### **Recommendations 6.4 – Substantive resolutions**

In the interest of fair decision-making, the Company ensures that all resolutions put to shareholders at Shareholder Meetings are decided by a poll.

### **Recommendations 6.5 – Facilitate electronic communication**

The Company recognises the importance of providing various communication options for shareholders. Through the Company's external Share Registry provider, shareholders have the choice to receive communications via mail or email. This flexibility allows shareholders to select their preferred method of communication, ensuring they stay informed about important updates and announcements from the Company.

## **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

### **Recommendation 7.1 – Risk Committee**

In consideration of the size of the Company and the composition of the Board, the Board has elected to combine and delegate the functions of Audit and Risk oversight to the Audit and Risk Management Committee (ARC). The details of the responsibilities and functions of the ARC are set out in the Audit and Risk Committee Charter available on the website. Details of the composition of the ARC are set out in section 4.1 of this Corporate Governance Statement.

*The Company does not comply with Recommendation 7.1 (a)(1) as it only has two members.*

### **Recommendation 7.2 – Annual risk review**

To ensure the ongoing soundness of the risk management framework, the Board undertakes a review at least annually. This ensures that the Board is satisfied that the Company is operating with due regard to the risk appetite that has been set. A review of the risk management system was conducted by the Board during the 2024 financial year. This review evaluates the effectiveness of existing risk management processes and procedures, identifying improvement areas and addressing emerging risks or threats.

The Company retains dedicated legal, risk and security expertise. These key personnel have a direct line of accountability to the CEO and regularly report to the Board, enabling effective coordination and oversight of risk management initiatives.

### **Recommendation 7.3 – Internal audit**

The Board recognises the importance of robust risk management and internal control practices, and it is satisfied that the Directors, in collaboration with management, have the expertise to adequately fulfil these responsibilities. Through their collective knowledge and experience, the Directors can assess risks, identify potential threats, and implement appropriate mitigation measures.

While the decision was made not to establish an Internal Audit function, the Board remains committed to periodic assessments of risks and threats, and it will continue to monitor the evolving landscape to identify any future needs for additional internal audit resources.

### **Recommendation 7.4 – Sustainability risks**

While being committed to corporate social responsibility, the Company acknowledges that its size and nature of operations currently limit its exposure to economic, environmental, and social sustainability risks.

The Company has assessed that the direct economic risks associated with traditional industries, such as resource depletion, supply chain disruptions, or market fluctuations, do not significantly impact its operations. The Company does not believe it has any material exposure to environmental or social risks.

As the Company continues to grow and evolve, it will periodically reassess its exposure to economic, environmental, and social sustainability risks.

## **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

### **Recommendation 8.1 – Remuneration committee**

As detailed in Section 2.1, the Company has a formal Nomination and Remuneration Committee (NRC). The NRC reviews and advises on executive remuneration policies and practices. This includes setting appropriate salary packages, performance-related incentives, and other benefits to align with the Company's objectives, industry standards, and the interests of shareholders. Executive remuneration decisions are made based on a thorough assessment of individual performance, market conditions, and the Company's overall financial position. These deliberations consider relevant factors such as industry benchmarks, comparable remuneration practices, and the achievements and contributions of executives in driving the Company's success.

The Board recognises the importance of maintaining transparency and fairness in remuneration practices and periodically reviews and evaluates executive remuneration policies to ensure they remain aligned with the Company's strategic goals and create appropriate incentives for performance and value creation.

By ensuring that executive remuneration aligns with the Company's strategic objectives, industry standards, and shareholder interests, the NRC helps foster a performance-oriented and accountable culture.

The details of the NRC meetings held during the year are set out in the Annual Report.

*The Company does not comply with Recommendation 8.1 (a)(1) as it only has two members in its Nomination and Remuneration Committee.*

#### **Recommendation 8.2 – Disclosure of Executive and Non-Executive Director remuneration policy**

The Company discloses its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives in its Annual Reports.

Credit Clear Limited's remuneration policy is designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Group's financial results.

The Board of Credit Clear Limited believes the remuneration policy is appropriate and effective in attracting and retaining highly skilled and experienced individuals to run and manage the Consolidated Group and create goal congruence between Directors', Executives', and shareholders' expectations.

#### **Recommendation 8.3 – Equity-based remuneration scheme**

The Company strictly prohibits Directors and Executives from engaging in hedging arrangements, derivatives trading, or any activities that modify the economic risk associated with the Company's securities. This prohibition extends to various transactions, including but not limited to warrants, equity swaps, put and call options, and contracts for difference.

The prohibition on hedging arrangements and derivatives trading serves multiple purposes. Importantly, it prevents potential conflicts of interest that may arise when Directors or Executives have financial interests that are at odds with the Company's performance. It also promotes transparency and fairness by eliminating the possibility of individuals benefiting from short-term fluctuations in the Company's securities at the expense of other shareholders.

By strictly enforcing this prohibition, the Company demonstrates its commitment to fostering a culture of integrity, aligning its leadership team's incentives with its long-term success, and safeguarding its shareholders' interests.