



EMIL.

# Board Charter.

Money in Motion



# Board Charter

## 1. Purpose

This Board Charter (**Charter**) sets out the role, responsibilities, composition and operation of the Board of Directors of EML Payments Limited (**EML** or the **Company**) within the governance structure of EML and its wholly owned subsidiaries (the **Group**).

## 2. Composition, Term and Independence

### Composition

- The Board will comprise of at least five directors.
- The Board will include a majority of independent non-executive directors with an appropriate balance of skills, perspectives, experience and expertise.

### Appointment, election and re-election

- The Board is assisted by the People and Culture Committee in selecting candidates for appointment as a director. New directors, after successfully completing appropriate background checks, are provided with a letter setting out the terms of their appointment and are invited to participate in an induction program and in any continuing education organised for the Board.
- A director (other than the Managing Director) may not retain office for more than three years without being submitted for re-election.
- At the Company's Annual General Meeting (AGM) each year, effectively one third of the directors in office (other than the Managing Director) retire by rotation and must seek re-election.

### Independence

- The Board will regularly assess the independence of its non-executive directors having regard to the definition of independence set out in the ASX Corporate Governance Principles. Each director must provide the Board with all relevant information for this to occur.

## 3. Meetings

- The Board will meet at least six times annually, with additional meetings as required to fulfil its responsibilities. In addition, the Company Secretary will call a meeting of the Board if requested to do so by any director.
- A quorum for any meeting of the Board will be at least two directors.
- Matters will be decided by a majority of votes made by directors present at meetings. The Chairman has a second or casting vote unless only two directors are entitled to vote, or the Chairman is not entitled to vote.
- The Board may invite other persons to attend its meetings as it deems necessary.
- Copies of Board papers and reports, together with minutes of each Board and Committee meeting, will be circulated to all directors.

## 4. Conflicts of Interest

All Directors must have the ability to recognise and disclose actual, perceived and potential conflicts and ensure they are appropriately managed or avoided so as to ensure that priority is given to the interests of shareholders.

Conflict procedures are included as a standard Board agenda item for every meeting. The Chair invites directors to disclose conflicts of interest with regard to any agenda item at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where directors or invitees are deemed to have an actual or perceived conflict of interest, they will be excused from Board discussions on the issue where a conflict exists.

## Board Charter continued

### 5. Role and Responsibilities

The overall role of the Board together with its Committees is to ensure the sound and prudent management of EML's business operations which include:

**Purpose** - defining the company's purpose;

**Values and code of conduct** - approving the company's statement of values and code of conduct to underpin the desired culture within the company and overseeing management in instilling the company's values;

**Remuneration policies** - satisfying itself that the company/s remuneration policies are aligned with the company/s purpose, values, strategic objectives and risk appetite;

**Strategy** - reviewing the Group's strategic direction and approving strategic initiatives and business plans developed by management and monitoring management's implementation of strategy;

**Financial performance** - reviewing and approving the Group's budget, and monitoring management and financial performance;

**Major expenditure and capital initiatives** - approving, major capital commitments, capital management and capital raising initiatives, acquisitions and divestitures, and monitoring capital management;

**Financial and other reporting** - reviewing and approving the Company's financial statements and other published reporting, and monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;

**External auditor** - selecting and recommending to shareholders the appointment or removal of the external auditor and approving the auditor's remuneration;

**Group CEO selection** - appointing or removing the Group CEO and approving remuneration, evaluating the performance of the Group CEO;

**Leadership selection** - ratifying the appointment or removal of the Group Chief Financial Officer, Company Secretary and, where appropriate, other senior management.

**Board performance and composition** - evaluating the performance of the Board on at least an annual basis and reviewing its size and composition and skills matrix reporting / disclosure;

**Succession and remuneration planning** - planning for Board, Group CEO and senior management succession and remuneration, and setting non-executive remuneration within shareholder approved limits;

**Risk management** - overseeing the effectiveness of the risk management framework, internal control and compliance in the Group that covers both financial and non-financial risks;

**Corporate governance** - reviewing and monitoring the Group's corporate governance policies and practices and satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board;

**Continuous disclosure** - overseeing the Group's compliance with its continuous disclosure obligations;

**Diversity** - reviewing and overseeing the objectives, strategies, programs and initiatives to foster diversity within the Group and monitoring the measurable objectives it sets for achieving diversity;

**Leadership** - taking an effective leadership role to help establish a culture within the Group which strives for and rewards best practice in all areas of the business;

**Challenging management** - whenever required and holding it to account; and

Any other matter specified by the Board from time to time.

## Board Charter continued

### 6. Chairman

The directors will vote among themselves to elect the Chairman. The Chairman may be an independent non-executive director. If the Chairman is not deemed independent in accordance with factors relevant to assessing a directors independence - ASX Governance Principles and Recommendations, an Independent Director will be appointed as the Deputy Chairman or Senior Independent Director and will fulfil the role in the event the Chair is conflicted.

The Chairman leads the Board, fostering an open and collegiate culture to ensure the Board operates effectively. The Chairman is responsible for:

- leading the Board and facilitating, encouraging and providing constructive discussion and debate during Board meetings;
- the efficient organisation and conduct of the Board's functioning, including establishing the agenda for Board meetings in consultation with the Company Secretary and Group CEO, chairing Board meetings and ensuring that the Board behaves in accordance with the Code of Conduct for Directors and executives;
- ensuring that the views of shareholders are communicated to the Board as a whole, and that governance and strategy issues are discussed with major shareholders;
- overseeing regular and effective evaluations of the Board's performance;
- ensuring that the directors continually update their skills, knowledge and familiarity with the Company required to fulfill their role both on the Board and Board Committees; and
- promoting a constructive and respectful relationship between directors, and between the Board and management.

### 7. Deputy Chairman

The directors will vote among themselves to elect the Deputy Chairman. The Deputy Chairman must be an independent non-executive director.

The main duty of the Deputy Chairman is to step in as acting Chairman of the Board, should this become necessary.

### 8. Managing Director and Group Chief Executive Officer (Group CEO)

The Board has delegated to the Group CEO all powers and authorities required to manage and control the day to day operation of the Group, except those powers and authorities reserved to the Board as described in this Charter or delegated to one of the Board's Committees.

The key responsibilities of the Group CEO include:

- developing and implementing corporate strategies for the Group and making recommendations to the Board on significant strategic initiatives;
- developing the Group's annual budget and managing day to day operations within the budget approved by the Board;
- appointing and determining the terms of appointment of senior management, developing and maintaining succession plans, and evaluating the performance of key executives;
- keeping the Board and market fully informed about material continuous disclosures;
- ensuring that the Group has effective risk and compliance management practices and policies in place;
- ensuring the efficient and effective operation of the Group;
- acting as the contact for media and comment, including analyst briefings and responses to shareholder questions;
- assessing business opportunities which are of potential benefit to the Group; and
- bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

### 9. Separation of functions between the Chairman and the Group CEO

- The Chairman of the Board should not be the same person as the CEO of the Group.
- The roles of the Chairman (section 6) and Group CEO (section 8) are strictly separated. The balance of responsibilities between the Chairman and the Group CEO will be regularly reviewed to ensure the division of functions remains appropriate to the needs of the Company.

## Board Charter continued

### 10. Non-executive directors

All non-executive directors are encouraged to:

- regularly update and refresh their skills, knowledge and familiarity with the Group;
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice; and
- where they have concerns about the running of the Group or a proposed action, ensure that these are addressed by the Board, to the extent that they are not resolved, ensure that they are recorded in the Board minutes. On resignation, a non-executive director should provide a written statement to the Chairman, for circulation to the Board, if they have any such concerns.

It is up to each non-executive director to reach a view as to what is necessary in particular circumstances to comply with the duty of care, skill and diligence they owe as a director to the Company.

Non-executive directors are invited to attend meetings with major shareholders when requested.

### 11. Board Committees

To assist it in carrying out its responsibilities, and in accordance with its Constitution, the Board has established the following Committees:

- Audit and Risk Committee; and
- People and Culture Committee.

The responsibilities of the Committees are laid out in their respective charters.

The Board may from time to time establish and delegate authority to other committees when appropriate.

### 12. Independent advice

Directors have the right to seek independent professional advice in the furtherance of their service as directors, at the Company's expense. Prior approval from the Chairman is required but may not be unreasonably withheld or delayed.

### 13. Secretary and Board Administration

- The Company Secretary will be the Secretary of the Board. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters relating to the proper functioning of the Board.
- Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows between members of the Board and the Board Committees, and between senior management and non-executive directors, as well as facilitating the induction of new directors and assisting with each director's professional development, as required.
- All directors have access to the advice and services of the Company Secretary.
- The Company Secretary is responsible for monitoring Board policy, ensuring procedures are followed, and co-ordinating the timely completion and despatch of the Board agenda and briefing materials.
- The appointment and removal/replacement of the Company Secretary is a matter for decision by the Board as a whole.

### 14. Reporting

- Proceedings of all meetings are minuted and signed by the Chairman or the chairman of the meeting.
- Minutes of all Board meetings are circulated to all directors and approved by the Board at the subsequent meeting.

### 15. Review of Charter

The Board will review this Charter annually to ensure it remains consistent with the Board's objectives and responsibilities, current law and best practice.