



# Board Charter.

Money in Motion



# Board Charter

## 1. Purpose

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

These matters are also governed by the Company's constitution, the Corporations Act, the ASX Listing Rules and general laws.

## 2. Board Composition

The Board will be structured so that its membership provides the appropriate mix of skills, perspectives, experience, knowledge and diversity to enable it to discharge its responsibilities and add value to the Company. The Board will have a minimum of five members.

The Board will comprise a majority of independent non-executive directors.

### **Selection, appointment, re-election and tenure**

The Board is assisted by the Culture, Governance and Nomination Committee in selecting candidates for appointment as a director. New directors, after successfully completing appropriate background checks will enter into an agreement with the Company setting out the key terms and conditions 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 AGM each year, one third of the directors in office (other than the Managing Director) retire by rotation and must seek re-election.

### **Independence**

The Board will assess the independence of each non-executive director having regard to the definition of independence set out in the ASX Corporate Governance Principles and Recommendations, prior to appointment and annually thereafter. Each director must provide the Board with all relevant information to enable it to make this assessment.

## 3. Board Meetings

The Board will meet as often as necessary in order to fulfil its role, however they will meet no less than six times annually. 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 two directors.

Matters will be decided by a majority of votes made by directors present at meetings. The Chair has a second or casting vote unless only two directors are entitled to vote, or the Chair 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

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interest. Under the Company's constitution and at law, directors must disclose any conflicts of interest and abstain from participating in any discussion or voting on matters in which they have a material personal interest. 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;

**Resourcing, Organisational Structure and Design** - oversight over the adequacy of resources across the Group, including organisational structure and design;

**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;

**Investments** - review and select potential Mergers, Acquisitions and Minority Investments and/or any material changes to material holdings of Minority Investments;

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

**Chair** - approving the appointment of the Chair and Deputy Chair/Senior Independent Director;

**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;

**Workplace health and safety** - oversee workplace health and safety measures and appropriate due diligence to ensure compliance with relevant laws and regulations;

**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 and inclusion** - reviewing and overseeing the objectives, strategies, programs and initiatives to foster diversity and inclusion 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 reward 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. Chair

The directors will vote among themselves to elect the Chair. It is highly recommended that the Chair be an independent non-executive director. If the Chair 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 Chair or Senior Independent Director and will fulfil the role in the event the Chair is conflicted.

The Chair leads the Board, fostering an open and collegiate culture to ensure the Board operates effectively.

The Chair 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 Chair

If applicable, the directors will vote among themselves to elect a Deputy Chair. The Deputy Chair must be an independent non-executive director.

The main duty of the Deputy Chair is to step in as acting Chair 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 Board may impose specific limitations on the delegation of authority from time to time. 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 Chair and the Group CEO

The Chair of the Board should not be the same person as the CEO of the Group.

The roles of the Chair (section 6) and Group CEO (section 8) are strictly separated. The balance of responsibilities between the Chair 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 Chair, 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;
- Remuneration Committee; and
- Culture, Governance & Nominations 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 Chair 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 Chair, on all matters relating to the proper functioning of the Board.

Under the direction of the Chair, 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 distribution 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 Chair or the Chair 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.