



Money3 Corporation Limited

ABN: 63 117 296 143

Corporate Governance Statement

2019

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 its standards, the Company has considered the 3rd edition of the ASX Corporate Governance Principles and Recommendations (“Principles and Recommendations”). 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 Corporate Governance Statement that follows is structured with reference to the 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 2019 Annual Report, Company Constitution, Board & Committee Charters, Policies and Investor Disclosure Charter are available on the Money3 website www.money3.com.au, under the Investors and Corporate Governance tabs. This statement was authorised for issue by the Board on 19 August 2019. 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 functions of the Board include:

- Providing leadership and setting the strategic objectives of the Company;
- Approving strategies, objectives and plans for the Company's businesses to achieve these goals;
- 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;
- Ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- 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 of strategies for senior and high performing executives;
- Monitoring financial results on an on-going basis;
- Appointing the Chair and, if applicable, the deputy chair;
- Appointing and removing the Managing Director ("MD"), Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Company Secretary, and ratifying the appointment and removal of executives reporting directly to the MD (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 Company'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 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 will include details of the person's character, experience, education, criminal record and bankruptcy history. The Company will ensure it 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 provide to shareholders details of:

- any materially adverse information revealed by checks 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 will ensure it has a written agreement with each senior executive setting out the terms of appointment.

Company Secretary

The Company Secretary will be appointed by the Board on such terms the Board determines 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;
- Monitoring that board and committee policy 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; and
- Helping to organise and facilitate the induction and professional development of directors.

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 Committee. Money3 is committed to providing an inclusive workplace and recognises the value individuals with diverse skills, values, backgrounds and experiences will 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.

Executive and board positions are filled by the best candidates available without discrimination. The Company is committed to increasing gender diversity within these positions when appropriate appointments become available. 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 Board has set a target of appointing 1 female to the Board in the ensuing year. The Company has not set any overall targets to increase the number of female employees in its workforce as its current female workforce ratio sits at 65%. However, although the Company interviews candidates of both sexes for any new employment position, they ensure at least one candidate is female.

Gender composition within the Company as at 30 June 2019

Category	% Female	% Male
Board	0	100%
Senior management *	0	100%
Middle management #	50%	50%
Employees	65%	35%

*Senior Management is defined as the Key Management Personnel disclosed in the Annual Report, excluding the Board.

Middle management roles refer to "State Manager", "Area Manager", "Team Leader", other department heads or other senior roles that have "manager" in their title.

In accordance with the requirements of the Workplace Gender Equality Act 2012 the Company lodged its annual 2019 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 Charter. The Board undertook an informal 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.

Senior Executive Performance Evaluation

The performance of the MD is reviewed at least annually by the Non-Executive Directors and the MD at least annually reviews the performance of all other senior 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 senior executives, and their remuneration during the 2019 financial year, is set out in the Remuneration Report in the 2019 Annual Report.

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 2019 Annual Report.

Nomination Committee

The role of the Nomination Committee is carried out by Remuneration & Nomination Committee.

The functions undertaken by this Committee include:

- periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;
- development and implementation of processes for the selection, appointment and re-election of Directors;
- selection and recommendation of candidates to the Board;
- identifying directors qualified to fill vacancies on Board Committees;
- establishing and reviewing Board and senior executive succession plans;
- assessing the capabilities of those who may be considered for succession to the MD, CFO and senior executive positions;
- establishment and implementation of a process for evaluation of the performance of the Board, Board Committees, and individual Directors; and
- identifying training and education programs for the Board.

Board Skills Matrix

Members of the Board have a broad range of industry, financial and other skills, knowledge and experience to effectively guide the business. Directors with a range of qualifications, expertise and experience are appointed to enable the Board to effectively discharge its duties and to add value to its deliberations. The following skills matrix identifies the skills, knowledge, experience and capabilities of the Board that enable it to meet the current and future challenges of the Group:

Financial Services Expertise	Expertise and experience in 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 Acumen	Expertise and experience in understanding finance and financial reporting, including financial risk management and risk frameworks
Governance	Understanding of good corporate governance, including ASX listing requirements, Corporations Act and relevant legislative framework
Acquisitions and Divestments	Experience in mergers, acquisitions and divestments
Regulatory and Industry	Understanding of the regulatory framework within which the company operates

Board Independence

The Board assesses the independence of 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 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 Board considers only 50% of its current Directors to be independent. It is the boards aim to achieve a majority of independent directors over time. Mr Nicholson, who is not considered independent, has agreed to remain on the Board during the year pending the appointment of an appropriately skilled independent director to the Board.

During the past financial year the Company still maintained a commercial relationship with a legal firm specialising in the consumer credit and financial services sector and associated with Mr Nicholson. The fees paid to this company were on an arm's length commercial basis and not considered material in light of the Company's overall expenditure for the period. Refer Note: 24 Related Party Disclosures, 2019 Annual Report. Directors are not present or able to vote when the Board discusses or votes on the contracts/fees to be paid to Director's associated companies.

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 at least every three years. The Board has a policy of operating a tight structure, but appoints external parties experienced in specific sectors from time to time to provide relevant expert advice.

The independence classification for each director during the 2019 financial year and the length of service for each director as at 30 June 2019 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	3 years 5 months
Leath Nicholson	Non-Executive Director	Non-Independent	3 years 5 months
Scott Baldwin	Executive Director	Non-Independent	10 years 5 months
Symon Brewis-Weston	Non-Executive Director	Independent	7 months
Ray Malone*	Executive Director	Non-Independent	2 years 10 months

*Mr Malone resigned 27 November 2018.

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 stakeholders, the Company has established the following codes of conduct to guide all employees, executives and directors in respect of the ethical behaviour expected by the Company:

- Code of Conduct (including fair dealing, compliance with laws and regulations and confidentiality);
- Conflict of Interest Policy;
- Whistle-blower Policy;
- Security Trading Policy; and
- Investment Disclosure Charter.

Code of Conduct

The Company's Code of Conduct includes the following key principles: -

- The Company will conduct its business operations with full regard to and in compliance with all legal obligations.
- The Company's employees, contractors and agents:
 - a. will strive to the utmost of their abilities to deliver quality services to meet our customers' needs and treat our customers with respect, courtesy and a caring attitude toward their business requirements;
 - b. will present themselves in a fit and tidy condition for work and be fully equipped to perform their work safely and competently;
 - c. will, when working for customers, adhere to all workplace and occupational health and safety requirements, work instructions and directives and will refrain from any irresponsible, negligent or unsafe actions or work;
 - d. are expected to work in a supportive and cooperative manner, and the Company will not condone any form of harassment of fellow workers. All cases of harassment will be promptly addressed through counselling and conciliation processes; and
 - e. will not knowingly reveal confidential information, trade secrets or information concerning intellectual property or practices, which could be injurious to our customers or our own business interests.
- The Company encourages the reporting of unlawful/unethical behaviour by its directors, employees, contractors and agents and will actively promote ethical behaviour and protection for those who report violations in good faith.
- The Company encourages individuals to join appropriate organisations and associations that can effectively represent their work interests.
- The Company will communicate the Code of Conduct to all its employees, contractors and agents.

Principle 4: Safeguard integrity in financial reporting

Audit Committee

The Board has in place an Audit Committee which currently comprises three members being Committee Chairman Leath Nicholson, Stuart Robertson and Symon Brewis-Weston – the majority being independent. Further independent members will be appointed to the Committee in due course as the size of the Board increases. The names, qualifications and experience of members 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 2019 Annual Report.

The primary role of the Audit 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;
- Assessing the consistency of disclosures in the financial statements with other disclosures made by the Company to the financial markets, governmental and other public bodies;
- Review and application of accounting policies;
- Financial management;
- 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;
- Review of business policies and practices;
- Conduct of any investigation relating to financial matters, records or accounts, and to report those matters to the Board;
- Protection of the Company's assets; and
- Compliance with applicable laws, regulations, standards and best practice guidelines.

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 an Investor Disclosure Charter 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.

To ensure that these principles are appropriately actioned, the Board has nominated the Company Secretary as having responsibility for, but no limited to:

- Ensuring that the Company complies with continuous disclosure requirements;
- Overseeing and co-ordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public;
- Educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure;
- Ensuring that the Chairman and the MD are aware of all sensitive information that may be required by the ASX Listing Rules and the law to be publicly released through the ASX before disclosing it to any person, including analysts and others outside the Company;

To safeguard against inadvertent disclosure of price sensitive information, the Board has authorised the Chairman and the Managing Director to speak on the Company's behalf.

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.

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, 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, Policies and the Investor Disclosure Charter.

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 2019. For formal meetings an explanatory memorandum on the resolutions is included with the notice of meeting. In the event that investors cannot attend formal meetings, they are able to lodge proxy forms by post or fax. The auditor is invited to attend the AGM and 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.

Principle 7: Recognise and manage risk

Risk Management

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.

Money3 has established lending policies which are reviewed on a regular basis for the recognition, oversight and management of material business risks. These policies are reviewed on a regular basis for effectiveness and changing economic environment.

Given the actual and potential volatility of the present global economic conditions, Money3 regards risk management as a very important issue. In this regard the Board has strengthened the Debt Recovery Department, placed greater management oversight on problem loans and in some cases engaged external professional debt collectors.

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 Committee on the Company's key risks and the extent to which it believes these risks are being monitored at each Committee meeting. The Audit Committee review and monitor management's risk management and internal compliance and control systems.

On a continuous basis the Board has charged the Audit Committee with responsibilities that:

- Clearly describe the respective roles of the Board, the Committee, Management and the audit function; and
- Prescribe the necessary elements of an effective risk management system, namely, oversight, risk profile, risk management, compliance and control, and assessment of system effectiveness. The MD and CFO in providing written confirmation to the Board in accordance with the requirements of Section 295A (2) of the Corporations Act 2001 must be satisfied that their certification is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

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

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 Committee.

Sustainability

Money3 is committed to servicing the needs of consumers who cannot access funding from traditional lenders and who want to move up the financial continuum to financial and social inclusion. Money3 aims to create a new financial future for customers by providing flexible solutions that meet their individual needs.

The Company is required to disclose whether it has any material exposure to economic, 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 Committee and the Board have reviewed risks as part of the full year financial reporting and does not believe the Company has any material exposure to economic, environmental or social sustainability risks.

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 the senior executives. Money3 has a Remuneration Committee which currently comprises of two members and 1 advisor, Committee Chairman Symon Brewis-Weston and Leath Nicholson. Executive Director Scott Baldwin acts as an advisor to the Committee and has no voting rights. The number of Committee members and independence mix will change in due course as new members are appointed to the Board. The names of members of the current 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 2019 Annual Report.

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

- Executive remuneration policy;
- The remuneration of executive directors;
- The remuneration of persons reporting directly to the managing director, and as appropriate, other executive directors;
- The Company's recruitment, retention and termination policies and procedures;
- Superannuation arrangements; 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.

In relation to the payment of bonuses, options and other incentive payments to executives and other staff, discretion is exercised by the Board having regard to individual, team and Company performance relative to specific targets during the period.

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 2019 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.