



Board Charter

COG Financial Services Limited (ACN 100 854 788) (the “Company”) and its controlled entities (together, the “Group”)

1. PURPOSE OF THIS CHARTER

The purpose of this charter is to specify how the Company is governed so as to promote the Company and protect the interests of shareholders.

The Board is responsible for the governance of the Company. This charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

2. ROLE AND RESPONSIBILITIES OF THE BOARD

2.1 Role

The Board is responsible for demonstrating leadership and providing overall strategic guidance for the Company and effective oversight of management. The Board ensures that the activities of the Company comply with its constitution, from which the Board derives its authority to act, and with all legal and regulatory requirements.

To achieve this role, the Board has reserved to itself the following specific responsibilities.

2.2 Strategy

The Board is responsible for:

- 2.2.1 defining the Company's purpose and setting its strategic objectives;
- 2.2.2 overseeing the development of the Company's corporate strategy through constructive engagement with senior management;
- 2.2.3 reviewing and approving strategy plans and performance objectives of the Company consistent with the corporate strategy and reviewing the assumptions and rationale underlying the strategy plans and performance objectives; and
- 2.2.4 monitoring implementation of the strategy plans.

2.3 Oversight of management

The Board is responsible for:

- 2.3.1 the appointment and if appropriate, removal of the chief executive officer ("CEO"), the chief financial officer, other senior executives, the Company Secretary and the outsourced entity which provides the company secretary services (where applicable);
- 2.3.2 approving succession plans for key individuals;
- 2.3.3 monitoring senior management's implementation of the Company's strategy objectives against measurable and qualitative indicators, instilling of the Company's values and performance generally;
- 2.3.4 approving senior management remuneration policies and practices;

- 2.3.5 providing advice and counsel to management;
- 2.3.6 whenever required, challenging management and holding it to account;
- 2.3.7 satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite; and
- 2.3.8 ensuring that senior management supplies the Board with information that will help the Board discharge its duties.

2.4 Shareholders

The Board is responsible for:

- 2.4.1 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 a material effect on the price or value of the Company's securities;
- 2.4.2 ensuring effective communication with shareholders, including convening shareholders' meetings, listening and responding to shareholders views of management and on the Company;
- 2.4.3 facilitating the effective exercise of shareholders' rights; and
- 2.4.4 reporting to shareholders and ensuring that all regulatory requirements are met.

2.5 Other stakeholders

The Board is responsible for:

- 2.5.1 establishing and monitoring policies governing the Company's relationship with other stakeholders and the broader community;
- 2.5.2 establishing and maintaining environmental, employment and occupational, health and safety policies; and
- 2.5.3 monitoring the effectiveness of the Company's governance practices.

2.6 Ethics

The Board is responsible for:

- 2.6.1 approving the Company's statement of values to underpin the desired culture within the Company;
- 2.6.2 actively promoting ethical and responsible decision-making;
- 2.6.3 establishing and maintaining a code of conduct to guide its directors and management in the practices necessary to maintain confidence in the Company's integrity; and
- 2.6.4 the system of accountability for unethical practices.

2.7 Oversight of financial management and capital management

The Board is responsible for:

- 2.7.1 reviewing and approving annual and half yearly financial reports;
- 2.7.2 monitoring financial results on an ongoing basis;
- 2.7.3 establishing and overseeing the Company's accounting and financial management systems;
- 2.7.4 overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- 2.7.5 reviewing, approving and monitoring the progress of operating budgets, major capital expenditure, capital management, major acquisitions and divestitures and material commitments;
- 2.7.6 approving decisions affecting the capital of the Company, including capital structure or restructure and major financing arrangements; and
- 2.7.7 determining the dividend policy of the Company and declaring dividends.

2.8 Compliance and risk management

The Board is responsible for:

- 2.8.1 satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- 2.8.2 satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- 2.8.3 establishing, overseeing and regularly reviewing systems of internal compliance, risk management and control, and systems of legal compliance that govern the operations of the Company, and ensuring they are operating effectively; and
- 2.8.4 establishing, overseeing and regularly reviewing written policies, codes and procedures governing compliance, risk oversight and management.

3. ROLE AND RESPONSIBILITIES OF CHAIRPERSON AND COMPANY SECRETARY

3.1 Chairperson

The chairperson is a non-executive director appointed by the Board. The chairperson is responsible for:

- 3.1.1 leading the Board in reviewing and discussing Board matters;
- 3.1.2 chairing Board meetings and shareholder meetings;
- 3.1.3 ensuring the efficient organisation and conduct of the Board's function;

- 3.1.4 briefing all directors in relation to issues arising at Board meetings;
- 3.1.5 facilitating effective contribution by all directors and monitoring Board performance;
- 3.1.6 overseeing that membership of the Board is skilled and appropriate for the Company's needs;
- 3.1.7 promoting constructive relations between Board members and between the Board and management;
- 3.1.8 establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

3.2 Company secretary

The company secretary acts as secretary of the Board, attending all meetings of the Board as required. The company secretary is accountable to the Board through the chairperson on all matters to do with the proper functioning of the Board.

The company secretary is responsible for:

- 3.2.1 organising Board meetings and director attendance;
- 3.2.2 monitoring compliance with Board policy and procedures;
- 3.2.3 coordinating the completion and despatch of the Board agenda and briefing materials;
- 3.2.4 preparing minutes of meetings and resolutions of the Board and taking these to the chairperson for approval and circulation;
- 3.2.5 circulating minutes from committee meetings to the Board;
- 3.2.6 advise the Board and its committees on governance matters; and
- 3.2.7 ensuring the Company complies with its requirements under the Corporations Act regarding registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission.

4. DELEGATIONS OF AUTHORITY

4.1 Delegation to committees

Under its constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committee. There are currently two standing committees:

- Audit and Risk Committee; and
- Nomination and Remuneration Committee.

The Company may establish other committees from time to time to consider other matters of special importance.

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chairperson of each committee will report back on committee meetings to the Board at the next full Board meeting.

4.2 Delegation to CEO and management

The Board has delegated to the CEO the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this charter.

The Board may impose further specific limits on CEO delegations. This may be reviewed by the Board as appropriate from time to time.

The CEO has authority to sub-delegate to the senior management team.

The CEO and senior management are responsible for:

- 4.2.1 managing the day-to-day business and implementing the strategic objectives of the Company while operating within the values, code of conduct, budget and risk appetite set by the Board;
- 4.2.2 assigning responsibilities clearly to the employees of the Company, and supervising and reporting on their performance to the Board;
- 4.2.3 recommending to the Board significant operational changes, and major capital expenditure, acquisitions or divestments which are beyond delegated thresholds;
- 4.2.4 providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities; and
- 4.2.5 supporting a culture within the Company that promotes ethical and responsible behaviour.

5. MEMBERSHIP

5.1 Composition and size

The Board may consist of non-executive, executive, independent and non-independent directors. The chairperson of the Board will be appointed by the directors.

The directors will determine the size of the Board, subject to the Company's constitution, which provides that there can be no less than three directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making.

The Company will seek to have directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business. The Company's succession plans

are designed to maintain an appropriate balance of skills, experience and expertise on the Board.

5.2 Appointment and re-election of directors

The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Nomination and Remuneration Committee identifies candidates with appropriate skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person is appointed by the Board to fill a casual vacancy in accordance with the Company's constitution, but must stand for election by shareholders at the next annual general meeting.

Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment.

Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election.

5.3 Independence

A director is considered independent by the Company if the director is independent of management and free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment or be perceived to do so.

The Board will regularly assess the independence of each director in light of the interests disclosed by them. Each independent director must provide the Board with all relevant information for this. The outcome of this assessment will be reflected in the corporate governance section of the annual report. If practicable, the Board will consist of a majority of independent directors.

5.4 Conduct of individual directors

Directors must at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors. Directors must:

- 5.4.1 discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- 5.4.2 act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company;
- 5.4.3 avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- 5.4.4 not make improper use of information gained through their position as a director;
- 5.4.5 not take improper advantage of their position as a director;
- 5.4.6 notify other directors of a material personal interest when a conflict arises;

- 5.4.7 make reasonable enquiries if relying on information or advice provided by others;
- 5.4.8 undertake any necessary inquiries in respect of delegates;
- 5.4.9 give the Company or ASX Limited all the information required by the Corporations Act; and
- 5.4.10 not permit the Company to engage in insolvent trading.

6. BOARD PROCESS

6.1 Meetings

All Board meetings will be conducted in accordance with the Company's constitution and the Corporations Act.

Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

All directors are generally expected to prepare adequately, attend and participate at each Board meeting. Non-executive directors will periodically meet without executive directors or management present.

The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

The Board may conduct meetings by telephone or video conference.

6.2 Independent professional advice

Following consultation with the chairperson, directors may seek independent professional advice at the Company's expense. Generally, this advice will be available to all directors.

6.3 Access to management

The directors have complete and open access to management following consultation with the chairperson and CEO.

7. INDUCTION AND TRAINING

New Directors will be provided with an induction programme to assist them in becoming familiar with the Company, its managers and its business following their appointment. Directors may, with the approval of the Chairperson, undertake appropriate professional development opportunities (at the expense of the Company) to maintain their skills and knowledge needed to perform their role.

8. PERIODIC EVALUATION

The Board will annually evaluate the performance of:

- 8.1.1 the Board;
- 8.1.2 each Director;
- 8.1.3 each Board Committee; and
- 8.1.4 senior management.

Evaluations will be undertaken against a set criterion and where appropriate seek to identify areas where performance could be improved. Where the Board considers it appropriate, third party advisers may be engaged to provide assistance.

The Board will disclose in the Company's Annual Report whether a performance evaluation has been undertaken during the relevant reporting period.

9. REVIEW AND PUBLICATION OF CHARTER

The Board is responsible for reviewing this charter and the division of functions and responsibilities in the Company to determine its appropriateness to the needs of the Company from time to time. The charter may be amended by resolution of the Board.

10. CHIEF EXECUTIVE OFFICER (CEO)

If there is no CEO, then the Chairman will undertake the matters and roles noted in this policy.

Policy History

Last review: 30 June 2021 (effective)

Review frequency As required