

# MoneyMe Limited ACN 636 747 414

## Corporate Governance Statement for year ended 30 June 2021

### Introduction

The Board of MoneyMe Limited (**MoneyMe** or **Company**) is committed to ensuring that the corporate governance practices of the Company and its subsidiaries (**Group**) comply with the recommendations made by the ASX Corporate Governance Council (**Council**) in the fourth edition of the Council's Corporate Governance Principles and Recommendations (**Recommendations**), to the extent appropriate to the size and nature of the Group's operations.

The Board has adopted a Corporate Governance Framework (**Framework**) that supports this commitment. The current Framework reflects a formal review and update that was completed during the financial year ended 30 June 2021 (**Reporting Period**) and an endorsement by the Group's Board and Management Committee in June 2021. Further details of the Framework are set out below.

Specific key components of the Framework, being the Charters under which the Board and its Committees operate, the Group's Code of Conduct and the Policies referred to in this Corporate Governance Statement, are available at <https://investors.moneyme.com.au/investor-centre/?page=corporate-governance>.

A copy of the Company's FY21 Annual Report, which is referred to in this Corporate Governance Statement, is available at <https://investors.moneyme.com.au/investor-centre/?page=results-centre>.

This Corporate Governance Statement sets out an overview of the Framework followed by commentary on how the Company's corporate governance practices align with the Recommendations. The Company's corporate governance practices complied with all but one of the Recommendations throughout the Reporting Period.

This Corporate Governance Statement is current as at 30 August 2021 and has been approved by resolution of the Board.

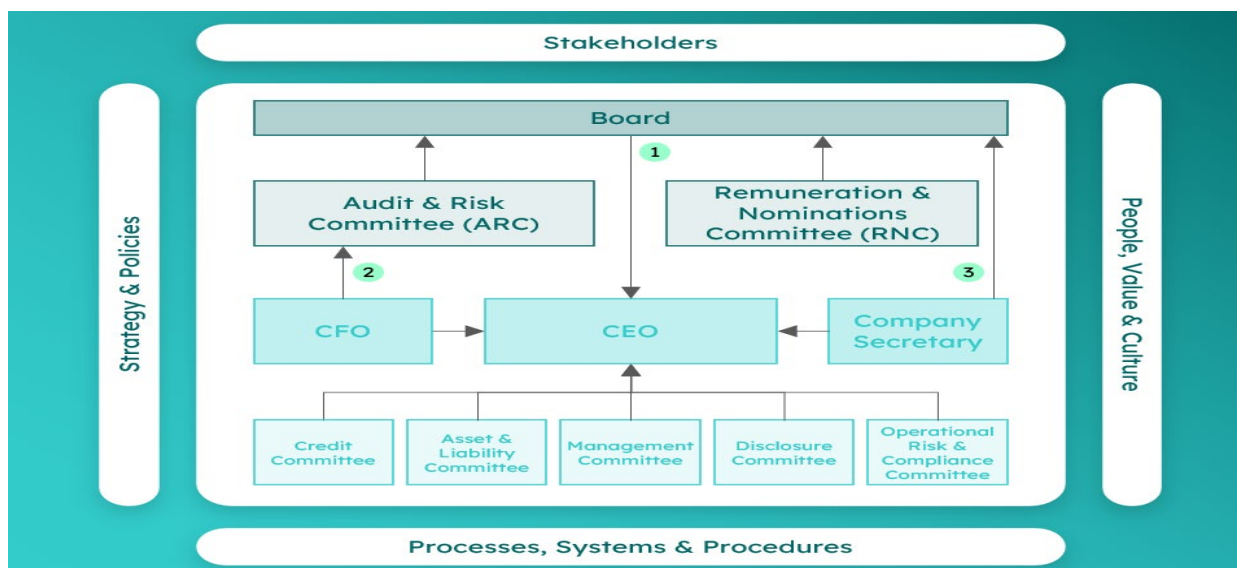
### Overview of Corporate Governance Framework

The Corporate Governance Framework includes the adoption of six governance principles as outlined below.

Principle	Comments
<b>Promotion of a "Good Governance" Culture</b>	A commitment to instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly. This principle mirrors the ASX 4th Edition Corporate Governance Principles. The principle recognises that the business's informal and intangible cultural approach to governance will have a significant impact on governance outcomes.
<b>Maintain Robust Policies</b>	This includes the maintenance of fit for purpose ASX mandated policies as well as policies that cover all areas of the business, including all risk areas and activities. This principle recognises that business requirements and expectations need to be clearly set out to support clear communication, understanding, implementation and compliance verification.

Principle	Comments
<b>Clear Accountabilities</b>	Clarity around roles and responsibilities, from Boards and Committees to functional area deliverables and compliance is imperative to ensure that specific expectations and requirements are understood and the relevant parties can be held accountable for specific outcomes.
<b>Recognise and manage risk.</b>	Establishment of a sound risk management framework that includes periodic review and update as appropriate. This principle is included in the ASX 4th Edition Corporate Governance Principles.
<b>High Calibre People Management</b>	People capability and performance is critical to ensuring that planned and expected governance arrangements are effectively implemented. This includes ensuring key talent has the required skills, capacity and incentives to support good governance.
<b>Effective Operational Governance</b>	This principle recognises that good governance requires effective operational management, from meeting management arrangements to documentation of decision approvals, approved policy positions and maintenance of effective segregation of duties.

The diagram below represents MoneyMe's current Framework including the Board, the Board subcommittees and the various executive level and management committees.



1. Strategy Execution Delegation
2. CFO Reporting Line to the Audit Committee Chair for all matters covered by the Audit & Risk Management Committee Charter, otherwise to the CEO
3. Company Secretary Reporting Line to the Board for all matters relating to the proper functioning of the Board, otherwise to the CEO

The Framework reflects:

- the Board having the overall responsibility for setting the strategic direction of the Company;
- Board delegation to Board Committees in the key areas of Audit and Risk Management and Remuneration and Nominations supported by Board and Committee Charters and formal policies in key areas;

- Board delegation to the CEO for the day to day ongoing implementation and management of the board's strategic agenda;
- non-CEO reporting lines for the CFO and Company Secretary for Audit and Board Governance related matters respectively;
- formal management level committees in the key areas of Credit Risk, Operational Risk and Compliance and Asset and Liability Management and a Management Committee; and
- a Governance Scorecard that sets out governance related performance measures and targeted outcomes to be tracked over time.

Board, Board Committees and Management Committees have Charter documents that set out their obligations, requirements, members and key operating arrangements.

The following table illustrates MoneyMe's Governance framework using the Three Lines of Defence model.

First Line of Defence	Second Line of Defence	Third Line of Defence
Responsible officers Management Internal controls Policies Procedures	Board and Board Committees Management Committees Risk Appetite Statement and KRI reporting Risk, Issues and Opportunities Register Policy Register Policy compliance checklists Responsibility matrix Compliance function Financial control function Legal function	External audit Debt funder due diligence External Company Secretary External securitisation trust manager and trustee External legal counsel External tax advisers Regulators

## Principle 1 – Lay solid foundations for management and oversight

### ***Roles and responsibilities of Board and Management***

The Company's Corporate Governance Framework includes a Board Charter which sets out the principles for the operation of the Board. The Board Charter was reviewed by the Board and updated during the Reporting Period. The Board Charter is disclosed on the Company's website.

The Board Charter sets out the roles and responsibilities of the Board including the areas of responsibility in relation to which the Board seeks guidance from the Board's Remuneration and Nomination Committee (**RNC**), Audit and Risk Management Committee (**ARC**) and Disclosure Committee. The Board Charter also sets out the responsibilities delegated to the CEO and Management and specific responsibilities delegated to the Company Secretary.

A summary of the scope of each Board Committee is noted below, together with summaries of the scope of each of the management level committees noted above.

- Audit and Risk Management Committee      Overall risk management framework oversight and risk management including operational, compliance, credit, liquidity and market risks and financial report and tax related oversight.

- |   |   |
|---|---|
| • Remuneration and Nominations Committee    | Board appointments, Director induction and development, Director and executive contract reviews, Group employee remuneration policy.  |
| • Disclosure Committee                      | Market disclosure obligation oversight and approval of material market releases.  |
| • Management Committee                      | Operational management and strategy execution.  |
| • Operational Risk and Compliance Committee | Operational risk frame and management and compliance with regulations including ASX and Australian Credit Licence related requirements, customer satisfaction and complaints management and technology and systems risk management. |
| • Credit Risk Committee                     | Credit risk framework and risk management   |
| • Asset and Liability Committee             | Asset and liability policy and risk management including liquidity risk and interest rate risk.   |

### ***Appointment of Directors and Senior Executives***

All of the Company's current directors have undergone bankruptcy and police checks as part of the Company's due diligence process prior to the Company's listing on ASX in December 2019. Prior to the appointment of any future directors, the Board will also ensure that bankruptcy and insolvency checks as well as any other checks the Board considers relevant (such as with respect to character, experience and education), will be undertaken prior to the appointment of that person, as required under the RNC Charter.

The RNC Charter also requires the Board to ensure that the Company provides shareholders with all material information relevant to enable shareholders to make an informed decision on whether or not to elect or re-elect a director at a general meeting including:

- biographical details, including skills, experience, competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate;
- a statement by the Board as to whether it supports the nomination of the candidate; and
- details of any relevant relationships between the candidate and MoneyMe and the candidate and directors of MoneyMe.

These details were provided to shareholders in respect of the resolution to re-elect Jonathan Lechte as a director at the Company's AGM held in November 2020.

### ***Written terms of appointment for directors and senior executives***

The Company has a written agreement in place with each director and senior executive setting out the terms of their appointment, as required under the RNC Charter.

### ***Company Secretary***

The Board is responsible for the appointment of the Company Secretary. Details of the Company Secretary and his skills, experience and qualifications are contained in the FY21 Annual Report. The

Board Charter provides that the Company Secretary is accountable to the Board, through the Board Chair on all matters to do with the proper functioning of the Board and its committees. All directors have direct access to the Company Secretary.

### ***Diversity***

The Company has a Diversity Policy which applies to all employees and directors of the Group. The Diversity Policy was reviewed by the Board and updated during the Reporting Period. The Diversity Policy is disclosed on the Company's website.

The Diversity Policy and the Board Charter provide that the Board is responsible for setting measurable objectives to achieve gender diversity and monitoring the Group's progress in achieving them. The table below sets out the measurable objectives to achieve gender diversity set by the Board during the Reporting Period, and the progress towards achieving those objectives as at 30 June 2021.

<b>Group</b>	<b>Target: by 30 June 2024</b>	<b>Actual: at 30 June 2021</b>
Board	>= 30% female	20% Female
Senior executives	>= 20% female	22% Female
Employees generally	>= 40% female	41% Female

For these purposes, senior executives comprise the 8 members of the Company's Management Committee plus one other senior executive who reports to the Managing Director.

In assessing the progress towards achieving gender diversity objectives, the Company recognises that some of the Company's employees may not identify as either male or female. The Diversity Policy does not focus solely on gender diversity but also supports diversity in sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, socio-economic or cultural background, perspective and experience.

In terms of the Board target, the Board intends to appoint an additional female Board member by 30 June 2022 and once that appointment has been made, the Board gender diversity target set out above will have been met.

### ***Board performance evaluation***

The Board Charter provides that the Board will regularly carry out a formal review of its performance, and the performance of its committees and each director.

The Board intends to evaluate its performance and the performance of its committees and directors at least annually through self-evaluations under which directors provide responses to questions in the form of a survey, and those responses are discussed by the Board. Accordingly, during the Reporting Period, the Board conducted an evaluation based on a detailed questionnaire to which all directors responded anonymously. The Board reviewed and discussed the responses to the survey and developed a number of actions to further enhance the Board's performance, which will be implemented over the course of the next financial year.

It is also intended that an externally-facilitated evaluation be conducted at least once every three years. These more rigorous evaluations will be facilitated by an external organisation involving both

questionnaires and face to face interviews with directors and, to the extent appropriate, members of management.

### ***Senior executive performance evaluation***

The Board Charter provides that the Board will regularly carry out a formal review of the performance of its senior executives. During the Reporting Period, the Board reviewed the performance of the CEO and the CFO against agreed strategic goals, company performance goals and individual goals. Further information in this area is included in Company's 2021 Remuneration Report that is contained within its 2021 Annual Report.

## **Principle 2 – Structure the board to be effective and to add value**

### ***Board composition***

In accordance with its Charter, the Board has a majority of independent, non-executive directors. The Board has five directors comprising the Managing Director and CEO, Clayton Howes, and four non-executive directors, of whom three are considered independent. The Chair of the Board, Peter Coad, is an independent, non-executive director.

### ***Board skills and experience***

As set out in the Board Charter, the Board aims to have a mix of skills, experience, expertise and diversity appropriate to the Group's business and sufficient to allow the Board to discharge its duties and responsibilities effectively.

During the Reporting Period, the RNC and the Board developed a Board skills matrix to assist in identifying any gaps in the skills and experience of the directors on the Board. The skills matrix is set out below and notes against each category of skills and experience the total number of directors, out of five, who have that skill or qualification. Further details of the experience of each director are set out in the director biographies contained on the Company's website.

<b>Skills and experience</b>	<b>Explanation</b>	<b>Directors</b>
Financial services experience	Expertise and experience working in or advising participants in the financial services industry	3
Executive leadership	Held senior executive position in a listed company or another organisation of significant size	5
Listed company or equivalent experience	Experience as a director on a listed company board or member of governance bodies of other large organisations	4
Financial reporting	Senior executive or advisory experience in financial accounting and reporting, corporate finance and internal controls	1
Risk management	Experience in identifying, assessing and managing strategic, operational and financial risks and monitoring compliance frameworks	5
Strategy	Developing strategy and implementing plans to achieve an organisation's long-term strategic objectives	5

Skills and experience	Explanation	Directors
Sales, marketing and customer focus	Developing and implementing consumer-facing sales and marketing strategies and delivering improved customer outcomes	4
Digital technologies	Developing and leveraging digital technologies, including digital disruption	4
Capital management	Capital management strategies, including debt financing, securitisation or equity capital raisings	4
People and culture	Building workforce capability, setting remuneration frameworks to attract and retain high calibre executives, developing workplace culture	5
Governance	Establishment and oversight of governance frameworks, policies and processes appropriate to a listed company	3
Mergers, acquisitions and partnerships	Evaluating and implementing mergers, acquisitions, divestments and strategic partnerships	4

The Board recognises the relative lack of skills and experience in the financial reporting area noted above and has determined to seek an additional director to join the Board with particular strength in this area by 30 June 2022.

### ***Independence and tenure***

A director is considered independent by the Company if the director is a non-executive director who is not a member of management and is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

The Board assesses on an ongoing basis whether each non-executive director is independent having regard to the criteria for independence set out in the Recommendations. The directors are required to provide all information to the Board which may be relevant to this assessment.

The Board currently considers each of Peter Coad, Jonathan Lechte and Susan Wynne to be independent directors when assessed in accordance with the criteria set out in the Recommendations.

The Board does not consider non-executive director Scott Emery to be independent by reason of his substantial shareholding in the Company. The Board does not consider executive director Clayton Howes to be independent by reason of his role as CEO and his substantial shareholding in the Company.

All of the current directors were appointed upon the Company's incorporation on 11 October 2019 and accordingly have a tenure of 1 year and 10 months as at the date of this Corporate Governance Statement.

### ***Nomination Committee***

The Board has a Remuneration and Nomination Committee (**RNC**). The RNC currently consists of three non-executive directors, Peter Coad, Scott Emery and Susan Wynne, of whom two are independent. It is chaired by independent non-executive director Peter Coad.

The RNC has a Charter approved by the Board which establishes the Committee's terms of reference and operating procedures. The RNC Charter was reviewed by the Board and updated during the Reporting Period. The RNC Charter is disclosed on the Company's website.

The RNC meets as frequently as required to undertake its role effectively. The RNC met six times during the Reporting Period. The attendance of the members of the RNC at each meeting held during the Reporting Period is set out in the FY21 Annual Report.

### ***Director induction, training and professional development***

The Board Charter provides that new directors will be briefed on their roles and responsibilities and the minutes and papers of Board and committee meetings will be made available to them.

The Board Charter also provides that time will be allocated at Board and committee meetings for the continuing education of directors on significant issues facing the Company and changes to the regulatory environment. In the Board performance evaluation conducted during the Reporting Period, a number of areas for professional development for the forthcoming year were identified, and appropriate professional development opportunities in these areas will be provided to directors.

### **Principle 3 – Instil a culture of acting lawfully, ethically and responsibly**

#### ***Values and Code of Conduct***

The Group's core business values, which have been approved by the Board, are as follows:

- **We innovate, always** – we're truly passionate about creating incredible technology-led experiences
- **We build products of the future, today** – we're creating trust and fairer credit for the next generation
- **We get sh\*t done!** - we're agile, collaborative & accountable which is the way we love to work
- **We stand together** – we're proud that our diversity and inclusion give us an edge
- **We are here for purpose and profit** – we're committed to having a positive impact on our community and environment

The Company has a Code of Conduct which applies to, among others, its directors and senior executives and all other employees of the Group. The Code of Conduct is disclosed on the Company's website.

The Code of Conduct requires that material breaches of the Code of Conduct are brought to the attention of the Group's Human Resources function and, where required, the Board.

#### ***Whistleblower Policy and Anti-Bribery and Corruption Policy***

The Company has a Whistleblower Policy and an Anti-Bribery and Corruption Policy which are disclosed on the Company's website.



The Company has engaged an external whistleblowing service provider to provide a secure and confidential means for people to make whistleblowing disclosures. Information about the number and nature of whistleblowing disclosures received is reported to the Board on a quarterly basis.

Any material breaches of the Anti-Bribery and Corruption Policy are required to be reported to the Board. None were reported in the Reporting Period.

#### **Principle 4 – Safeguard the integrity of corporate reports**

##### ***Audit and Risk Management Committee***

The Board has an Audit and Risk Management Committee (**ARC**). The ARC currently consists of three non-executive directors, Jonathan Lechte, Peter Coad and Scott Emery, of whom two are independent. It is chaired by independent non-executive director Jonathan Lechte, who is not the Board Chair.

The qualifications of the directors on the ARC are set out in the FY21 Annual Report. The Board considers that the ARC is an appropriate size and is sufficiently independent.

The ARC has a Charter approved by the Board which establishes the Committee's terms of reference and operating procedures. The ARC Charter is disclosed on the Company's website.

The ARC meets as frequently as required to undertake its role effectively. The ARC met four times during the Reporting Period. The attendance of the members of the ARC at each meeting held during the year is set out in the FY21 Annual Report.

The Company's external auditor is also invited to present to the ARC throughout the year. They presented at all four meetings in the Reporting Period. The ARC also has arrangements in place to meet with its external auditors without management present with a number of in camera meetings held with the external auditors during the Reporting Period.

##### **CEO and CFO declarations**

Before approving the financial statements for the financial year ended 30 June 2021, the Board received written declarations from the Managing Director and CEO and from the CFO meeting the requirements of section 295A of the Corporations Act and Recommendation 4.2 of the Recommendations. Before the approval of the financial statements for the half year ended 31 December 2020, the Board received written declarations from the Managing Director and CEO, and the CFO, however, due to an administrative oversight, these declarations covered some, but not all, of the matters referred to in Recommendation 4.2. The Company intends to ensure that it is fully compliant with Recommendation 4.2 in future years.

##### ***Verification of integrity of periodic corporate reports***

All periodic corporate reports of the Company released to the market that have not been subject to audit review by an external auditor are reviewed and approved prior to release by the Disclosure Committee. Verification processes include a segregation of duty between the area or person providing the initial information or drafting and the person or area completing the review. Financial information in particular is reviewed and approved by the CFO or his delegate and when appropriate by reference to an internal or external source document. Disclosure Committee members confirm approval in writing before a release is made to the market.

## **Principle 5 – Make timely and balanced disclosure**

### ***Disclosure Policy***

The Company has in place a Disclosure Policy designed to ensure that the Company complies with its continuous disclosure obligations under the ASX Listing Rules and to ensure accountability at a Board and senior executive level for such compliance. The Disclosure Policy is disclosed on the Company's website.

The Board has appointed a Disclosure Committee consisting of the Chair, the Managing Director and CEO, the CFO and the Company Secretary to review drafts of all material ASX announcements and the Company Secretary releases those announcements once the Disclosure Committee has approved them for release. Announcements of a routine nature are approved for release by the Managing Director and CEO or the Company Secretary prior to release.

### ***Circulation of material announcements to the Board***

The Company Secretary is responsible for circulating to the Board copies of all material ASX announcements released by the Company promptly after their release.

### ***Investor and analyst presentations***

All substantive investor and analyst presentations are released to ASX.

## **Principle 6 – Respect the rights of security holders**

### ***Information on website***

The Company provides the necessary information about the Group and its governance on its website pursuant to its Shareholder Communication Policy.

### ***Investor relations program***

The Company's Shareholder Communication Policy provides for an investor relations program which actively encourages two-way communication:

- through the Company's AGM, where shareholder participation is actively encouraged and facilitated; and
- by providing shareholders with information via the investor section of the Company's website including copies of all ASX announcements, copies of relevant corporate governance documents, and presentations, webcasts and videos relating to the Company's financial results and material business initiatives; and
- by allowing shareholders to receive email communications and send email communications directly to the Company and to the Company's share registry.

### ***Participation and voting at shareholder meetings***

The Board encourages shareholder participation in shareholder meetings by enabling shareholders to ask questions both before and during each meeting, and by including details of how shareholders may do this in each notice of meeting.

As a result of the restrictions on gatherings enacted in response to COVID-19, the Company's AGM held in November 2020 was held as a fully virtual meeting. Although shareholders could not attend

the AGM in person, all shareholders and proxies who logged in to the virtual AGM were given the opportunity to ask questions online during the meeting.

All substantive resolutions considered at the AGM in November 2020 were decided by a poll rather than by a show of hands.

#### ***Electronic communication with shareholders***

The Company's Shareholder Communication Policy provides securityholders the option to receive and send electronic communications directly to the Company and to the Company's share registry.

### **Principle 7 - Recognise and manage risk**

#### ***Risk oversight and management***

The Company recognises risk management as a fundamental part of good corporate governance and a key driver in achieving its strategic and operational objectives. The Board is ultimately responsible for approving the Group's risk management framework and setting the risk appetite within which the Board expects management to operate. The Board is assisted by the Audit and Risk Management Committee (**ARC**) which oversees the Company's risk management activities.

#### ***Key risks***

The Company maintains a register of key risks which are monitored by the Board and ARC under the risk management framework. MoneyMe accepts a level of risk that allows it to successfully implement its business plan and continue to increase its market value, grow its business and operate as a Going Concern. It requires management to prioritise taking ongoing and pro-active actions to support positive outcomes and minimise the risk of sub-optimal or adverse outcomes in the key risk areas noted below.

<b>Key Risk Area</b>	<b>Risk Description</b>
Credit Risk	<p>MoneyMe's customers may not pay the principal, interest and fees owing to MoneyMe under their contract, which could result in a decrease in revenue and operating cash flows received, and an increase in expenses (including an increase in impairment expenses). Customer non-payment is a significant component of MoneyMe's expenses at present. If MoneyMe's excessive exposure to bad debts as a result of customers failing to repay their financial obligations to MoneyMe is higher than expected, it will have a material adverse effect on MoneyMe's profitability.</p> <p>MoneyMe's funding arrangements also contain limits on the arrears or loss rates of receivables in the Warehouse Trusts which, if exceeded, may result in drawdowns being refused by the funders of those facilities. MoneyMe's ability to access funding is also predicated on its ability to generate stable Static Loss Rates over time, so if funders lose confidence in MoneyMe's ability to underwrite credit to the standard expected MoneyMe may find it more difficult to obtain funding or obtain funding on satisfactory terms.</p>

Key Risk Area	Risk Description
Liquidity and Funding	<p>MoneyMe's ability to write new loans on favourable terms depends, in turn, on its ability to access funding and the terms on which such funding is obtained. Accordingly:</p> <ul style="list-style-type: none"> <li>• if MoneyMe is not able to secure additional funding (as and when it is required), MoneyMe may not be able to write new loans or its ability to do so may be restricted; and</li> <li>• if there is a loss or an adverse impact (for instance an increase in the cost of capital) to MoneyMe's current funding sources (including the Horizon Warehouse and the Velocity Warehouse), or any future funding sources, MoneyMe's ability to write new loans on favourable and/or competitive terms will be limited.</li> </ul> <p>MoneyMe may not be able to extend the financing term or increase the funding capacity of its Warehouse Trusts beyond their existing terms and/or, when renegotiating an extension or increase, may not be able to do so on the same or more favourable terms. In addition, MoneyMe may not be able to enter into new warehouse facilities or other funding arrangements (including as part of a refinancing) sufficient to meet its business requirements. This could impact MoneyMe's ability to write new loans or write new loans on competitive terms.</p>
Regulatory Compliance	<p>MoneyMe is subject to a range of laws, regulations and industry standards including (but not limited to) the National Consumer Credit Protection Act 2009 (Cth) (<b>NCCP Act</b>), the Financial Sector (Collection of Data) Act 2001 (Cth) (<b>FSCODA</b>) and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), each of which creates conduct and disclosure obligations applicable to MoneyMe, and are liable to change with developments in political, regulator and consumer expectations.</p> <p>Failure to comply with these laws, regulations and industry compliance standards could adversely impact MoneyMe's business through civil penalty proceedings, loss or suspension of licence, increased compliance costs, the cessation of certain business activities, restrictions on product and service expansion, litigation and disputes, regulatory enquiry or investigation and reputational damage.</p>
Operational Risk	<p>Overall, failure of MoneyMe's controls and procedures to manage operational risk could result in reputational damage and potential litigation for MoneyMe and may have a materially adverse impact on MoneyMe's business, operating and financial performance, and/or growth. Key specific operational risks are highlighted below.</p> <p><b>Human error/fraud:</b> MoneyMe is exposed to human error and fraud relating to employees not carrying out their duties responsibly and in line with agreed policy and process. These risks include employees providing a customer with misleading or inaccurate information in relation to the cost of their loan or their loan repayment options which could result in an unfair customer outcome.</p>

Key Risk Area	Risk Description
	<p><b>Processing failures:</b> MoneyMe is dependent on the Horizon Technology Platform to deliver fast and convenient access to finance for its customers and to successfully price credit risk. The Horizon Technology Platform may experience downtime or interruption due to system failures, service outages, corruption of information technology network or information systems as a result of computer viruses, bugs, worms or cyber-attacks, as well as natural disasters, fire, power outages or other events outside the control of MoneyMe. Any systemic failure could cause significant damage to MoneyMe's reputation, its ability to make informed credit decisions and assess the credit performance of its loan book, its ability to service customers in a timely manner, and its ability to retain existing customers and generate new customers, any of which could have a materially adverse impact on MoneyMe's business, operating and financial performance, and/or growth.</p> <p><b>Technology relevance:</b> MoneyMe's technology platform or product offering may also become obsolete or outdated through the investment of its peers in superior technology and/or product offerings, increased access to data through the introduction of positive credit reporting reforms or general market developments. This could necessitate MoneyMe to undertake substantial investment in updating or improving its current technology platform and product offering, which could have a material adverse impact on MoneyMe's business, operating and financial performance, and/or growth.</p> <p><b>Data security:</b> By their nature, information technology systems are susceptible to security issues, including cyber-attacks and other unauthorised access to data and information. Any data security breaches or MoneyMe's failure to protect private customer information (including through cyber-attacks) could result in a significant disruption to MoneyMe's systems, reputational damage, loss of system integrity and breaches of MoneyMe's obligations under applicable laws. An obligation under privacy laws to notify individuals and the Australian Information Commission of the breach could reduce MoneyMe's ability to retain existing customers and generate new customers, any of which could have a material adverse impact on its business, operating and financial performance and reputation.</p> <p><b>Reliance on third party systems suppliers:</b> The Horizon Technology Platform (and by extension the MoneyMe Business) relies on key inputs from third parties to operate, from third-party credit agencies and contracts with third-party information technology suppliers and software providers to use of third-party payment providers and third party for cloud-hosting and data repository services. MoneyMe's business is consequently exposed to the ongoing availability and quality of third party services and products at affordable price points. Disruption in relation to third party system providers could have a material adverse effect on MoneyMe's business, financial condition, operating and financial performance, customer reputation, cost of funding and/or growth.</p>

Key Risk Area	Risk Description
People	The successful operation of MoneyMe depends on the performance and expertise of its key management personnel and high performing employees with specialist skills (including technology and credit risk assessment). The loss of certain key personnel, and the inability to attract and retain replacements or new key personnel, may have a materially adverse impact on MoneyMe's business, operating and financial performance, and/or growth.
Customer and Brand Reputation	The strength of MoneyMe's brand and reputation is an important part of retaining and growing its customer bases and, accordingly, an event that has a negative impact on MoneyMe's brand could have a material adverse impact on the demand for MoneyMe's products. This may adversely impact MoneyMe's business, financial condition, operating performance, and/or growth.
Financial Performance	<p>MoneyMe has developed a number of growth strategies which include increasing MoneyMe's market penetration, increasing MoneyMe's Total Addressable Market through product innovation and entering new geographies. There is no guarantee that all or any of MoneyMe's growth strategies will be successfully implemented, deliver the expected returns or ultimately be profitable. There is also a risk that the growth strategies may be subjected to unexpected delays and additional implementation costs.</p> <p>Any change to MoneyMe's ability to achieve any or all of its growth strategies, or the market's perception of MoneyMe's ability to deliver growth to Shareholders, is likely to have a significant impact on MoneyMe's share price.</p>

#### ***Audit and Risk Management Committee***

The ARC currently consists of three non-executive directors, Jonathan Lechte, Peter Coad and Scott Emery, of whom two are independent. It is chaired by independent non-executive director Jonathan Lechte.

The qualifications of the directors on the ARC are set out in the FY21 Annual Report. The Board considers that the ARC is an appropriate size and is sufficiently independent.

The ARC has a Charter approved by the Board which establishes the Committee's terms of reference and operating procedures. The ARC Charter is disclosed on the Company's website.

The ARC meets as frequently as required to undertake its role effectively. The ARC met four times during the Reporting Period. The attendance of the members of the ARC at each meeting held during the year is set out in the FY21 Annual Report.

#### ***Risk management framework***

The Company has in place a Risk Management Policy which is disclosed on the Company's website. The Risk Management Policy is implemented through a risk management framework comprising:

- a risk appetite statement;
- a process for setting risk tolerances and for monitoring compliance with each tolerance, and taking appropriate action if any tolerance is breached; and

- a process for periodic review of risk appetite and risk tolerances.

This risk management framework is supported by a number of internal policies which are designed to enable the Group to manage material business risks within the risk appetite set by the Board.

Under its Charter, the ARC is responsible for reviewing the risk profile of the Company at least annually to satisfy itself that it continues to be sound, including whether there have been any changes to material business risks and whether the Company is operating within the risk appetite set by the Board. The ARC undertook a review of the risk management framework described above during the Reporting Period.

### ***Internal audit function***

Under the ARC Charter, the Committee is responsible for reviewing and recommending to the Board at least annually whether a specific internal audit function is required and, if such a function exists, for reviewing the effectiveness of that internal audit function.

No dedicated internal audit function was in place during the Reporting Period. Instead, the Company used a number of approaches to evaluate and continually improve the effectiveness of its governance, risk management and internal control processes. These include the completion of external audits, debt funder due diligence processes, oversight and advice from its externally appointed Company Secretary, the use of external legal counsel and tax advisers, regular reporting to its Board and Management Committees, Key Risk Indicator reporting against set Risk Appetite measures, regular review and update of a Risk, Issues and Opportunities Register and Policy Register and regular review and update of policy compliance checklists.

The ARC is to review the appointment of outsourced internal audit function in the coming year.

### ***Environmental and social risks***

The Company's key risks are described above under the heading "Key risks". The Board does not consider that the Company has a material exposure to environmental risks or social risks within the definitions set out in the Recommendations.

The Group appointed an Environmental, Social and Governance (ESG) officer during the Reporting Period to further support positive impacts in the ESG area.

## **Principle 8 – Remunerate fairly and responsibly**

### ***Remuneration Committee***

The Board has a Remuneration and Nomination Committee (**RNC**). The RNC currently consists of three non-executive directors, Peter Coad, Scott Emery and Susan Wynne, of whom two are independent. It is chaired by independent non-executive director Peter Coad.

The RNC has a Charter approved by the Board which establishes the Committee's terms of reference and operating procedures. The RNC Charter was reviewed by the Board and updated during the Reporting Period. The RNC Charter is disclosed on the Company's website.

The RNC meets as frequently as required to undertake its role effectively. The RNC met six times during the Reporting Period. The attendance of the members of the RNC at each meeting held during the year is set out in the FY21 Annual Report.

***Remuneration policies and practices***

Details of the Company's remuneration policies and practices for non-executive directors, executive directors and senior management are disclosed in the Remuneration Report which forms part of the FY21 Annual Report.

***Limitation of economic risks under equity-based remuneration schemes***

The Company's Securities Trading Policy prohibits directors and senior management (and their associated investment vehicles) from trading in financial products that limit the economic risk to those people of holding MoneyMe securities (for example, hedging arrangements). The Securities Trading Policy is disclosed on the Company's website.