

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Pioneer Credit Limited

ABN / ARBN:

44 103 003 505

Financial year ended:

30 June 2015

Our corporate governance statement² for the above period above can be found at:³

These pages of our annual report:

This URL on our website: www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/

The Corporate Governance Statement is accurate and up to date as at 30 June 2015 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 20 August 2015

Name of Director or Secretary authorising lodgement:



Keith R John, Managing Director

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> <p>Post the reporting period, the Board conducted an internal performance evaluation performed by the Chairperson; following which a roundtable discussion on the results of the performance evaluation.</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> at page 10 of the 2015 Directors' Report (Meetings of Directors)</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> <p>... and, where applicable, the information referred to in paragraph (b):</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> <p>... and the length of service of each director:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/ ... and the information referred to in paragraphs (4) and (5): <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at pages 7 to 9 of the Directors' Report (Information on Directors) and page 10 of the 2015 Directors' Report (Meetings of Directors) [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at www.pioneercredit.com.au/corporate/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>During the reporting period, the Company's risk function and responsibilities were allocated to the Audit and Risk Management Committee. A copy of the Committee's Charter is located at: www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/</p> <p>The information referred to in paragraphs (4) and (5) are located in our Corporate Governance Statement, pages 7 to 9 of the Directors' Report (Information on Directors) and page 10 of the 2015 Directors' Report.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement.</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p><i>During the reporting period, the Company implemented an accredited internal audit function based on implementation of an Integrated Management System.</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> at page 10 of the 2015 Directors' Report (Meetings of Directors)</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at pages 11 to 23 of the 2015 Remuneration Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



pioneercredit

CORPORATE GOVERNANCE STATEMENT

August 2015





PIONEER CREDIT LIMITED ACN 103 003 505

The Board of Directors (the Board) of Pioneer Credit Limited (Pioneer, the Company) is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Corporate Governance Statement.

The 3rd edition of the ASX Corporate Governance Council Principles and Recommendations (ASX Principles) was released on 27 March 2014. The ASX Principles as amended apply to reporting periods commencing on or after 1 July 2014. During the reporting period, the Company's corporate governance framework complied with the 2nd edition of the ASX Principles and pursuant to requirements of the ASX Principles, the Company subsequently adopted the 3rd edition ASX Principles. Despite the Company's transition from 2nd edition to 3rd edition during the reporting period, its corporate governance practices were consistent with the 3rd edition.

This Corporate Governance Statement discloses the extent to which the Company has followed the ASX Principles. Where the Company's corporate governance practices follow the ASX Principles, the Board has made appropriate statements reporting on the adoption of the ASX Principles. Where the Company's corporate governance practices have not followed the ASX Principles, the Board has provided its reasons for not following the ASX Principles and disclosed what, if any, alternative practices the Company has or will adopt instead of those in the ASX Principles.

This Corporate Governance Statement is current as at 30 June 2015 and was approved by the Board on 20 August 2015 and is available on the Company's website at www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/

The following governance-related documents referenced in this Corporate Governance Statement can be found on the Company's website at: www.pioneercredit.com.au/corporate/investor-centre/corporate-governance-policies/:

Charters

- Board
- Audit and Risk Management Committee
- Nomination Committee
- Remuneration Committee

Policies and Procedures

- Code of Conduct
- Continuous Disclosure and Shareholder Communications Policy
- Diversity Policy
- Risk Management Policy
- Securities Trading Policy
- Whistleblower Policy
- Policy and Procedure for Selection and (Re)Appointment of Directors
- Procedure for Selection, Appointment and Rotation of External Auditor
- Process for Performance Evaluations



Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the functions reserved to the Board, the Managing Director and Senior Executives, and these are set out in the Board Charter.

The Board is responsible for promoting the success of the Company through its key functions of:

- overseeing the management of the Company;
- appointing and removing the Chief Executive Officer, Chief Financial Officer and Company Secretary;
- overseeing the overall corporate governance of the Company;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- monitoring the financial performance of the Company and approving the annual budget of the Company;
- reviewing and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
- monitoring compliance with all of the Company's legal and regulatory obligations, including its obligations under its Australian Credit Licence issued under the National Credit Consumer Protection Act 2009 (Cth); and
- ensuring the Board is appropriately skilled.

The Board has delegated authority and responsibility to the Managing Director for running the affairs of the Company and to implement the policies and strategy set by the Board.

Senior Executives are responsible for supporting the Managing Director, and assisting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

The functions delegated to the Managing Director and Senior Executives are set out in the Board Charter.

Recommendation 1.2

In determining candidates for the Board, the Nomination Committee follows a prescribed process where it will evaluate the mix of skills, experience, expertise and diversity of the existing Board. In particular, the Nomination Committee is to identify the particular skills and diversity that will best increase the Board's effectiveness.

Consideration will also be given to the balance of independent Directors. Potential candidates will be identified and, if relevant, the Nomination Committee will recommend an appropriate candidate for appointment to the Board. Any appointment made by the Board will be subject to approval by shareholders.

At commencement of the Non-Executive Director selection process, the Company undertakes appropriate checks on potential candidates to consider their suitability to fill a casual vacancy on the Board or for election as a Non-Executive Director.



Prior to appointment, candidates are required to provide the Chairperson with details of other commitments and an indication of time involved, and to acknowledge that they will have adequate time to fulfil his or her responsibilities as a Non-Executive Director of the Company.

Directors available for re-election at a general meeting will be reviewed by the Nomination Committee and recommended to the Board. Directors are re-elected in accordance with the Company's Constitution and the ASX Listing Rules. Shareholders will be provided with all material information for a Director's election in the Notice of Meeting that would be relevant for shareholders to make a decision on whether or not to elect or re-elect a Director, such as the Director's qualifications, experience and contribution to the Board.

Recommendation 1.3

Newly appointed Non-Executive Directors receive formal letters of appointment setting out the key terms, conditions, responsibilities and expectations of their appointment. Additionally, the Company enters into employment contracts with each newly employed Senior Executive, setting out in further detail the responsibilities specifically delegated to them.

Recommendation 1.4

The Company Secretary is accountable to the Board, through the Chairperson on all governance matters to do with the proper functioning of the Board.

Recommendation 1.5

The Company has established a Diversity Policy, which provides that the Board will set measurable objectives for achieving gender diversity that are appropriate for the Company, and for the Board to assess annually the objectives set and progress towards achieving them.

The Company reports its measurable objectives set for the reporting period and its progress for achieving them as at 30 June 2015:

	Objective		Actual	
	Number	%	Number	%
Number of women employees in the whole organisation	172	50	205	64
Number of women in Senior Executive positions	1	50	1	50
Number of women on the Board	1	30	1	20



The table below outlines the proportion of women and men employed by the Company as at 30 June 2015:

	Women		Men	
	Number	%	Number	%
Board	1	20	4	80
Senior Executives ¹	1	50	1	50
Whole organisation	205	64	114	36

The Company's Diversity Policy is disclosed on the Company's website.

Recommendation 1.6

The Chairperson has the overall responsibility for evaluating the performance of the Board, Board Committees and individual Directors. The process employed by the Chairperson for evaluating the performance may involve:

- meeting with and interviewing each Director;
- facilitating a roundtable discussion by the Board;
- ongoing observation and discussion;
- circulation of questionnaires; and
- outsourcing to independent specialist consultants.

Measures against which the performance of the Board, Committees and individual Directors will be measured include:

- assessment of the skills, performance and contribution of individual members of the Board;
- the performance of the Board as a whole and of its various Committees;
- awareness of Directors of their responsibilities and duties as Directors of the Company and of corporate governance and compliance requirements;
- awareness of Directors of the Company's strategic direction;
- understanding by the Directors of the Company's business and the industry and environment in which it operates; and
- avenues for continuing improvement of Board functions and further development of Director skill base.

The Board undertakes a performance evaluation of the Board and its Committees at least annually. Periodically this review is undertaken with the assistance of an external facilitator. After the reporting period and before 20 August 2015, the Board conducted an internal performance evaluation conducted by the Chairperson. Following which, the Board conducted a roundtable discussion on the results of the performance evaluation. Given the relative age of the Board since the commencement of the public listing of the Company, the discussion was focussed on how to improve communication between the Board members and how to improve the interaction between the Board and the Executive of the Company. The outcomes of the performance evaluation will also be considered in the

¹ Senior Executives includes all executives reporting directly to the Managing Director.



context of the Company's Strategic Planning Day to be held in September 2015 and to be attended by the full Board, the Executive and Senior Management and select advisors to the Company.

Recommendation 1.7

The Managing Director's performance evaluation is reviewed by the Nomination Committee. The Nomination Committee undertakes a performance evaluation of the Managing Director annually by roundtable discussion with the Managing Director to review performance against KPIs set in the previous year, and to establish KPIs for the forthcoming year.

The Managing Director reviews the performance of the Senior Executives. The Managing Director conducts a performance evaluation of the Senior Executives by meeting individually with each Senior Executive on a six-monthly basis to review performance against the Senior Executive's responsibilities as outlined in his or her contract with the Company.

During the reporting period, performance evaluations were conducted for the Managing Director and Senior Executives in accordance with the processes outlined above. The outcome of the performance evaluations were reported to the Remuneration Committee to consider remuneration changes based on Senior Executive performance and external benchmarking recommendations. Subsequently, these recommendations were recommended to the Board for approval.



Principle 2: Structure the board to add value

Recommendation: 2.1

The Board has a Nomination Committee comprising;

Mr Michael Smith (Chairperson);
Mr Rob Bransby; and
Mr Mark Dutton.

The majority of the members of the Committee are Independent Non-Executive Directors and the Committee is chaired by an Independent Non-Executive Director.

The Company has a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. The Company's Nomination Committee Charter is disclosed on the Company's website.

A profile of each of the Nomination Committee members and their attendance at Nomination Committee meetings during the reporting period are set out in the Directors' Report.

Recommendation: 2.2

The Nominations Committee assists the Board in developing a Board skills matrix to identify and assess necessary and desirable Director skills and competencies, and provide advice to the Board on the skills and competency levels of Directors with a view to enhancing the Board composition.

The following table summarises the key skills and experience of the Directors:

Skills and Experience	Number of Directors
Significant experience as non-executive directors of public companies	4
Marketing experience	3
Accounting and financial expertise	4
Experience in the management and growth of businesses	5
Extensive experience in the industry in which the Company operates	5

The Board considers these skills and experience are appropriate for the Company.

Recommendation: 2.3

For part of the reporting period, the independence of Directors was measured having regard to the Company's Policy on Assessing the Independence of Directors. During the reporting period, the Policy on Assessing the Independence of Directors was updated to reflect the relationships listed in Box 2.3 of the 3rd edition ASX Principles and incorporated into the Board Charter.



The following table sets out the Directors of the Company during the reporting period, including their length of service and non-executive and independent status.

Name	Appointment Date	Current Length of Service	Non-Executive?	Independent?
Mr Michael Smith	7 February 2014	1 year, 6 months	✓	✓
Mr Keith John	2 March 2009	6 years, 5 months		
Mr Rob Bransby	7 February 2014	1 year, 6 months	✓	✓
Mr Mark Dutton	3 May 2010	5 years, 3 months	✓	
Ms Anne Templeman-Jones	23 September 2014	10 months	✓	✓

The Board has five Directors comprising one Executive Director and four Non-Executive Directors, three of which are independent. The members of the Board are:

- Mr Michael Smith – Independent Non-Executive Chairperson
- Mr Keith John – Managing Director
- Mr Rob Bransby – Independent Non-Executive Director
- Mr Mark Dutton – Non-Executive Director
- Ms Anne Templeman-Jones – Independent Non-Executive Director

Recommendation 2.4

The Board has a majority of Directors who are independent.

The non-independent Directors of the Company are the Company's Managing Director, Mr Keith John and Non-Executive Director, Mr Mark Dutton. Mr Mark Dutton is a director at Banksia Capital, a substantial shareholder of the Company.

Recommendation 2.5

The Chairperson of the Board, Mr Michael Smith is an Independent Non-Executive Director, and is not the same person as the Managing Director of the Company.

Recommendation: 2.6

New Directors undergo a formal induction program in which they are given a full briefing on the Company, its operations and the industry in which it operates. This includes meeting members of the existing Board, Company Secretary and the Senior Management for new Directors to familiarise themselves with the Company and Board practices and procedures. The Nominations Committee is responsible for reviewing induction procedures for newly appointed Directors to facilitate their ability to discharge their responsibilities.



To achieve continuing improvement in Board performance and to enhance the skills of Board members, all Directors have access to ongoing education and professional development. On a periodic rotational basis, different parts of the business are required to present to the Board and Committees key developments in the Company and in the industry and environment in which it operates.



Principle 3: Promote ethical and responsible decision making

Recommendation 3.1

Code of Conduct

The Company has a Code of Conduct that establishes the standards of behaviour expected of the Board, Senior Executives, employees, contractors and consultants (Personnel) of the Group when dealing with each other, shareholders, other stakeholders and the broader community.

The Code of Conduct prescribes the practices necessary to maintain confidence in the Company and its subsidiaries' integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Board monitors implementation of the Code of Conduct. Any breach of compliance with the Code of Conduct is to be reported directly to the Managing Director, Chairperson or Report and Investigation Officer, as appropriate. Anyone breaching the Code of Conduct may be subject to disciplinary action, including termination.

Whistleblower Policy

The Company has a Whistleblower Policy. The aim of the policy is to ensure that all Personnel of the Group comply with the obligations set out in the Code of Conduct and to encourage reporting of contraventions (or suspected contraventions) and provide effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling.

Securities Trading Policy

The Securities Trading Policy applies to all Personnel of the Company (as defined in the Securities Trading Policy). The Securities Trading Policy prohibits Personnel from dealing in the Company's securities while in possession of price-sensitive or inside information.

In addition, Restricted Persons (as defined in the Securities Trading Policy), may deal in the Company's securities during trading windows, but are prohibited from dealing in Company's Securities (subject to exceptional circumstances) during certain prohibited periods.

Restricted Persons are prohibited from entering into hedging arrangements or otherwise permitting a grant of a charge over the Company's Securities.

Senior Executives Non-Executive Directors are not permitted to enter into transactions with securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration plan currently in operation or which will be offered by the Company in the future.



Principle 4: Safeguard integrity in financial reporting

Recommendation 4.1

The Board has an Audit and Risk Management Committee comprising;

Ms Anne Templeman-Jones (Chairperson);
Mr Michael Smith; and
Mr Mark Dutton.

The majority of the members of the Committee are Independent Non-Executive Directors and the Committee is chaired by an Independent Non-Executive Director who is not the Chairperson of the Board.

The Company has an Audit and Risk Management Committee Charter which describes the role, composition, functions and responsibilities of the Audit and Risk Management Committee. The Company's Audit and Risk Management Committee Charter is disclosed on the Company's website.

All Audit and Risk Management Committee members consider themselves to be financially literate and have industry knowledge. Further, Ms Templeman-Jones and Mr Dutton are members of the Institute of Chartered Accountants. A profile of each of the Audit and Risk Management Committee members and their attendance at Audit and Risk Management Committee meetings during the reporting period are set out in the Directors' Report.

Recommendation 4.2

Prior to Board approval of the half-year and annual financial statements, the Managing Director and the Chief Financial Officer must provide a declaration to the Board in accordance with section 295A of the Corporations Act 2001 (Cth) and the statement under Recommendation 4.2 of the ASX Principles.

For the financial year ended 30 June 2015, the Managing Director and Chief Financial Officer provided the Board with declarations that, in their opinion, the financial records of Company had been properly maintained and that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Company and that the opinion had been formed on the basis of a sound system of risk management and internal control which was operating effectively.

An equivalent declaration will be given by the Managing Director and Chief Financial Officer for the half-year ended 31 December 2015.

Recommendation 4.3

The Company's external auditor attends each Annual General Meeting (AGM) and is available to answer shareholder questions about the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit. The Company believes this is important in both promoting and encouraging shareholder participation in the meeting and providing balanced and understandable information. The Company also considers that this reflects and underlines the role of the auditor and the auditor's accountability to shareholders.



Principle 5: Make timely and balanced disclosures

Recommendation 5.1

During the reporting period, the Company rationalised a number of its policies and procedures, and as a result, a new Continuous Disclosure and Shareholder Communication Policy was adopted to remove the need for a separate Continuous Disclosure Policy, Compliance Procedures and Shareholder Communication Policy.

The Board adopted a Communications and Continuous Disclosure Policy to ensure the Company's compliance with its disclosure obligations under the Corporations Act 2001 (Cth) and ASX Listing Rules. The Continuous Disclosure and Shareholder Communications Policy outlines the procedures that apply to the central collection, control, assessment and if required, release to ASX, of material information.

The only persons authorised to speak to ASX or externally (such as analysts, investors, brokers or shareholders) in relation to the Company are the:

- Chairperson;
- Managing Director;
- Company Secretary; and
- Chief Financial Officer.



Principle 6: Respect the rights of shareholders

Recommendation 6.1

The Board is committed to providing shareholders with sufficient information to enable them to assess the performance of the Company, and to inform shareholders of major developments affecting the state of affairs of the Company. Information is communicated to shareholders by lodging all relevant financial and other information with the ASX and publishing information on the Company's website, www.pioneercredit.com.au.

The Company's corporate website contains an overview of the Company's profile and business. The following Company and governance information is available on the website:

- Company profile;
- Board and Management profiles;
- community profile;
- ASX announcements;
- financial reports;
- presentations;
- corporate directory;
- Board and Committee Charters and Policies;
- equity incentive plan;
- broker research;
- key dates; and
- share price information.

Recommendation 6.2

The Company will hold its AGM by 30 November 2015 and the Chairperson, Managing Director and Company Secretary will engage with shareholders in advance of the AGM, as appropriate.

Should shareholders wish to contact the Company, the contact details of the Company and its Share Registry (refer to Recommendation 6.4) are available on the Company's website.

The Company recognises the importance of its relationships with investors and analysts. The Managing Director is the primary contact for communicating with the investment community. Further details are contained in the Continuous Disclosure and Shareholder Communications Policy available on the Company's website.

Following the Company's release of its half-year and annual financial statements, the Managing Director and Chief Financial Officer conduct investor roadshows.

Recommendation 6.3

To encourage shareholder engagement and participation at the AGM, shareholders have the opportunity to attend the AGM, ask questions on the floor, participate in voting and meet the Board and Management in person.



Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the Notice of Meeting. Shareholders have the opportunity to submit written questions to the Company and external auditor, or make comments on the management of the Company and access AGM presentations and speeches made by the Chairperson and Managing Director prior to the commencement of the meeting. The Company will publish results of the meeting to the ASX and on its website following the conclusion of the AGM.

Recommendation 6.4

Shareholders have the option of receiving all shareholder communications (including notification that the Annual Report is available to view, Notices of Meeting and dividend payment statements) by email. Shareholders can also elect to subscribe to Company news and updates via the Company's website. Electronic communications have the added advantage of being more timely and cost effective, which benefits all shareholders.

The Company and Share Registry's contact details are available on the Company's website under "Contact Us". Shareholders have the option of contacting the Company and Share Registry via email.



Principle 7: Recognise and manage risk

Recommendation 7.1

During the reporting period, the Company's risk function and responsibilities were allocated to the Audit Committee. The Board has an Audit and Risk Management Committee comprising;

Ms Anne Templeman-Jones (Chairperson);
Mr Michael Smith; and
Mr Mark Dutton.

The majority of the members of the Committee are Independent Non-Executive Directors and the Committee is chaired by an Independent Non-Executive Director.

The Company has adopted an Audit and Risk Management Committee Charter which describes its role, composition, functions and responsibilities of the Audit and Risk Management Committee. The Company's Audit and Risk Management Committee Charter is disclosed on the Company's website.

The Company's Risk Management Policy was updated during the reporting period following the allocation of risk functions and responsibilities to the Audit Committee.

For part of the reporting period, the Company did not have a separate risk committee. The Managing Director was responsible for reporting to the Board on all matters associated with risk management and the Board was responsible for the oversight of the Company's risk function and framework.

Recommendation 7.2

During the reporting period, the Board conducted an annual review of the Company's risk management framework and is satisfied that it continues to be sound.

Recommendation 7.3

Given the size and development of the Company following its listing in May 2014, the Company did not have an accredited internal audit function for the entire duration of the reporting period. The Managing Director, Chief Financial Officer and Chief Operating Officer were responsible for oversight of the Company's internal processes and practices and assessing the effectiveness of the Company's risk management and internal control processes. Site certification audits have been conducted throughout the year.

The Company implemented an accredited internal audit function during the last quarter of financial year 2015 based on implementation of an Integrated Management System. The internal audit function is carried out by a team of up to 12 team members selected from across different parts of the business and each member has completed accredited internal auditor training with an accredited registered training organisation. The team has prepared and commenced executing on a rotation plan to carry out activities/projects, reporting to the Managing Director. A summary report of activities conducted and key findings has been tabled to the Audit and Risk Management Committee.



Recommendation 7.4

The Board recognises that material risks facing the Company are the more significant areas of uncertainty or exposure to the Company that could adversely affect the achievement of the Company's objectives and successful implementation of its business strategies.

The material risks, facing the Company are as follows:

- availability and pricing of debt portfolios;
- purchase of debt portfolios;
- existing portfolio and recovery of accounts;
- retaining key personnel;
- loss of key relationships;
- regulatory and legislative risks;
- funding to purchase new portfolios;
- forward flow agreements;
- forecasts;
- management of financial growth;
- growth opportunities requiring Australian Credit Licence variation; and
- increased competition.

The Board will consider these material risks as part of its periodic risk management review, on an as required basis upon advices from Audit and Risk Management Committee and/or Senior Management, including the Managing Director.



Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The Board has a Remuneration Committee comprising;

Mr Michael Smith (Chairperson);
Mr Rob Bransby; and
Mr Mark Dutton.

The majority of the members of the Committee are Independent Non-Executive Directors and the Committee is chaired by an Independent Non-Executive Director.

The Company has a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee. The Company's Remuneration Committee Charter is disclosed on the Company's website.

A profile of each of the Remuneration Committee members and their attendance at Remuneration Committee meetings during the reporting period are set out in the Directors' Report.

Recommendation 8.2

The Company's policy is to remunerate Non-Executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by shareholders. There are no termination or retirement benefits for Non-Executive Directors other than for superannuation entitlements. From time to time the Company may permit Non-Executives to participate in equity-based remuneration plans.

Executive remuneration consists of a base salary and performance incentives. Long term performance incentives may include options, performance rights, share appreciation rights or other equity-based products granted at the discretion of the Board on the recommendation of the Remuneration Committee and subject to obtaining the relevant approvals.

The grant of equity-based products is designed to recognise and reward efforts as well as to provide additional incentive to continue those efforts for the benefit of the Company, and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies), which are reviewed at least annually to ensure market competitiveness.

Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms part of the Directors' Report. The Company's remuneration policies are reflected in the Company's Remuneration Philosophy (as set out at the start of the Remuneration Report).

Recommendation 8.3

Under the Company's Security Trading Policy, Restricted Persons are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration plan.