Eclipx Group Limited

Governance Framework

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Version: 1.3

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GOVERNANCE FRAMEWORK
ECLIPX GROUP LIMITED (THE COMPANY)

1. Introduction and Principles

This document describes the corporate governance framework and guiding principles of the Company. It also describes our policies, practices and how we comply with the Government regulatory bodies across Australia and New Zealand. It also explains how the Board, individual Directors, the CEO and Management work and interact together, plus their roles and responsibilities.

The Company's underlying commitment to excellence is enshrined in our approach to governance. We believe sound governance is fundamental to the ongoing success and growth of the Company's participation in the financial services market. As the Board has elected to engage in this market segment, the Company is committed to complying with all Government regulatory authorities relating to the activities the Company is permitted to perform.

- Our governance model is characterised by the following tenets:
    - o The Board governs the Company and approves its strategy
    - o Management is responsible for the Company's day-to-day operations and execution of its strategy approved by the Board
    - o The Board monitors Management's performance and the financial performance of the Company
    - o Business is conducted in a manner consistent with the Company's operating plan and Board approved risk appetite statement

- A set of well-defined policies, procedures and processes are in place to ensure:
    - o Ethical and responsible decision making
    - o Integrity in financial reporting
    - o Risks are recognised and managed effectively
    - o Delegated authorities and limits are in place and adhered to
    - o Compliance with all application laws and regulations

2. Model and Functions

The constitution vests the management of the business and affairs of the Company in the Board. In carrying out its responsibilities, the Board can use a number of Board Committees to support it in matters that require more intense review. The Board of the Company has created the following committees with the nominated membership:

Audit & Risk Committee

- Trevor Allen – Chair
- Kerry Roxburgh
- Russell Shields
- Gail Pemberton

Remuneration & Nomination Committee

- Gail Pemberton – Chair
- Kerry Roxburgh
- Trevor Allen
- Linda Jenkinson

Directors may delegate their powers as they consider appropriate, however, ultimate responsibility for strategy and control rests with the Directors. In the absence of any indications to the contrary, Directors are

entitled to trust that the Company's officers and employees are properly performing their duties. A Director can also rely on information and advice given by those officers and employees. That is, provided the Director independently assesses the information or advice and reasonably believes that the officer or employee is reliable and competent in relation to the subject matter.

The Board delegates, on the terms set out in the Board Charter, the day to day responsibility for the management and operation of the Company to the CEO (within Board approved parameters) but the Board remains responsible for overseeing Management's performance.

Comprehensive delegation guidelines have been developed and have been reviewed by the Audit & Risk Committee governing the exercise of delegated authority. These guidelines have then been approved by the Board.

The Board approves corporate objectives for the CEO to satisfy and, jointly with the CEO, develops the duties and responsibilities of the CEO. The CEO is responsible for implementing strategic objectives, plans and budgets approved by the Board.

As outlined below, controls have been established at all levels of the business to safeguard the integrity of decision making processes and the Company's internal and external reporting procedures. These controls are designed to ensure that the Company continues to fully comply with all applicable regulations.

3. ASX Corporate Governance Principles

The Board is committed to implementing the highest possible standards of corporate governance. The Board's underlying commitment to excellence is enshrined in their approach to governance. The Board believes that sound governance is fundamental to the ongoing success and growth and wherever possible, that its practices are consistent with the Second Edition of the Australian Securities Exchange (ASX) Corporate Governance Council's Principles and Recommendations:

Principle 1: Lay solid foundations for management and oversight

Principle 2: Structure the board to add value

Principle 3: Act ethically and responsibly

Principle 4: Safeguard integrity in corporate reporting

Principle 5: Make timely and balanced disclosure

Principle 6: Respect the rights of security holders

Principle 7: Recognise and manage risk

Principle 8: Remunerate fairly and responsibly

In accordance with ASX Listing Rule 4.10.3, the Company will include in its annual report a corporate governance statement that discloses the extent to which the Company has followed the recommendations set by the ASX during the reporting period. If the Company has not followed a recommendation for any part of the reporting period, the corporate governance statement will 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.

4. Management Committees

To reflect the CEO's delegated authority, and to support the guiding principles described above, all day-to-day decision making is centralised under the CEO function in a series of Management Committees, each

established for a specific purpose.

Each committee has a dedicated charter which outlines the purpose, responsibilities, composition, guidelines and source of decision making authority.

The purpose of each Management Committee is outlined below and provides an overview of the Management Committee model that has been established to meet the requirement for an effective governance framework and enable the Company to execute its business vision.

The Management Committees and their Purpose are:

Asset Risk Committee

This committee reviews and approves the parameters in taking asset risk and residual values. Membership of the committee comprises CFO, MD's, CRO, and Head of Asset Risk.

Risk Committee

This committee identifies, assesses and reviews the key enterprise risks and the relevant mitigating control activities and their effectiveness in accordance with the Company's Risk Management Framework and regulatory compliance.

It is the primary committee for developing and reviewing the implementation of policies and frameworks throughout the Company and as a primary conduit of information between the Board and management via the Audit and Risk Committee.

The committee reports directly to the Audit and Risk Committee.

The committee meets quarterly or more often if required.

Work Health and Safety Committee

This committee performs the following functions:

- considers work health and safety (WHS) matters, including the implementation of safety measures;

- identifies, assesses and reviews the risks and the relevant mitigating control activities in relation to WHS and regulatory compliance;

- reports on incidents and remedial actions;

- develop and review the implementation of WHS risk and control related policies and frameworks throughout the Company; and

- act as a primary conduit of information between the Board and management in relation to WHS functions.

On critical WHS risks, the committee is responsible for overseeing that WHS risk and compliance processes are properly designed, in place, and operating effectively across the business.

The committee reports directly to the Audit and Risk Committee in relation to WHS functions to the Board.

The committee meets quarterly or more often if required.

Project Steering Committee

This committee governs the approval, scheduling and execution of new project initiatives and has oversight of all discretionary work undertaken in the Company. It is responsible for ensuring that change initiatives are executed in accordance with the defined project methodology including effective risk and issue management.

5. Policy and Procedure Framework

To meet the regulatory requirement for a sound governance framework a two level framework has been established which governs policies and procedures at the Company.

5.1 Level 1: Policies

There is a suite of Policies covering the operations of the Company. Approved by the Board, each Policy sets out at a high level the applicable principles and concepts in connection with that particular area of governance:

- Risk Management Policy
- Remuneration Policy
- Whistleblowers Policy
- Diversity Policy
- Continuous Disclosure Policy
- Securities Trading Policy
- Code of Conduct
- Conflicts of Interest Policy
- Environment and Sustainability Policy

The Board Committee Governance documents are also classified as Level 1 documents:

- Constitution
- Board Charter
- Audit & Risk Committee Charter
- Remuneration & Nomination Committee Charter

5.2 Level 2: Procedures

Level 2 documents or "Procedures", explain 'how to procedures' at various levels (the minimum standards) within each different division. The documents provide the detail that has been set by the Board in the Policies.

These Level 2 documents or "Procedures" can have different names (procedures, how to documents, processes, guidelines or standards) depending on the circumstances and are styled in different ways to suit the needs of the business and the subject matter. In general, they:

- Give helpful information and guidelines
- Set out roles and responsibilities
- Set out clear reporting and controls
- Set out clear step-by-step procedures, protocols and parameters
- Clarify codes of conduct
- Set out minimum standards
- Provide a uniform approach
- Help manage expectations
- Indicate where training is required
- Define various terms in order to have a common understanding
- List various tasks to be performed
- Detail our general regulatory requirements and compliance obligations to various industry bodies
- Create an understanding of the regulatory framework and their governing principles
- The Management Committee Charters are also classified as Level 2 documents.

6. Policies and Procedure: Approval Process

Level 1 Policies and the Board Committee Charters are reviewed and approved by the Board. The Risk Management Policy and the Remuneration Policy are reviewed annually and the remaining documents are reviewed on a needs be basis.

Level 2 Procedures and the Management Committee Charters require review and approval by the CEO and Risk Committee.

7. Other matters

7.1 Amendment of Governance Framework

This Governance Framework can only be amended with the approval of the Board.

7.2 Adoption of Governance Framework and Board review

This Governance Framework was adopted by the Board on the date specified in the table in paragraph 8, and takes effect from that date and replaces any previous Governance Framework in this regard.

The Board will review this Governance Framework periodically. The Company Secretary will communicate any amendments to employees as appropriate.

8. Document control

Version	Management Approval	Board Approval
1.0	Doc Klotz / 19 March 2015	26 March 2015
1.1	Doc Klotz / 17 October 2016	24 October 2016
1.2	Doc Klotz / 26 April 2017	3 May 2017
1.3	Doc Klotz / 30 October 2018	1 November 2018