



**iCash Payment Systems Limited
ACN 061 041 281**

Board Charter

Board Adopted July 2012



This document is a statement of governance process by the Board of iCash Payment Systems Limited (**Company**). In this document, references to the term '**Board**' are to the Board of iCash Payment Systems Limited.

INTRODUCTION

The **objective** of iCash Payment Systems Limited is to create long term value for shareholders and the Board will actively review new transactions that may or may not be in the same sector (**Corporate Objective**).

The **role** of the iCash Payment Systems Limited Board is to represent the shareholders and to promote and protect the interests of the Company. It does so by governing the Company.

The Board has developed processes relating to:

- A.** its own tasks and activities (**Board Membership and Process**)
- B.** the matters specifically reserved for Board decision-making, the authority delegated to the Chief Executive Officer (**CEO**), the accountability of the CEO for that authority, and guidance on the management of the relationship between the Board and the CEO (**Board and CEO Relationship**); and
- C.** the boundaries on CEO action (**CEO Limits**).

This Board Governance Document outlines these processes.

A. BOARD MEMBERSHIP AND PROCESS

Shareholders

1. The Board is appointed by the shareholders.
2. The Board will ensure that it receives regular information regarding the issues and concerns of shareholders.
3. The Chair (or other non-executive Director nominated by the Chair), iCash Payment Systems Limited will represent the Board to the shareholders and will communicate the Board's position.

Composition

4. The Board will always have a majority of Directors who are non-executive and are assessed by the Board to be independent of judgment and character and free of material relationships with the Company and other entities and people that might influence or would be perceived by shareholders to influence such judgment.



5. The Board will have the balance of non-executive and executive Directors that is effective for the promotion of shareholder interests and the governance of the Company.
6. The qualifications for Directors of the Company are: unquestioned honesty and integrity; a proven track record of creating value for shareholders; time available to undertake the responsibilities; an ability to apply strategic thought to matters in issue; a preparedness to question, challenge and critique; and a willingness to understand and commit to the high standards of governance of the Company.
7. The Board will review the skills represented by Directors on the Board and determine whether the composition and mix of those skills remain appropriate to achieve the Corporate Objective.
8. Non-executive Directors will be engaged through a letter of appointment.
9. The Board will determine the level of remuneration paid to its members within any limits approved by shareholders.
10. Directors will be expected to participate in all induction or orientation programmes, and any continuing education or training arranged for them.

Conduct

11. Each Director will ensure that no decision or action is taken that has the effect of placing his or her interests in priority to the interests of the Company.
12. Directors commit to the collective, Company decision-making processes of the Board. Individual Directors will always respect the contributions of other Directors, and strive to understand their perspective and contributions to Board debate and discussion. Directors will debate issues openly and constructively and be free to question or challenge the opinions presented at meetings where their own judgement differs from that of other Directors.
13. All Directors are expected to utilise their range of relevant skills, knowledge and experience for all matters discussed at Board meetings. Executive Directors will ensure that they bring to all Board debate and discussion their unique knowledge, experience, and perspective on the Company's businesses.
14. Directors will use all reasonable endeavours to attend Board meetings in person. Members unable to attend a meeting must advise the Chair and Company Secretary as soon as practicable with an explanation for non-attendance.
15. Non-executive Directors will periodically meet alone without Executive Directors or representatives of executive management present.

Support

16. Directors may, with the consent of the Chair and with the assistance of the Company Secretary, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. A copy of any advice so received will be made available to all Directors.



Chair

17. The Board will select one of its members to be Chair.
18. The Board will develop a plan for the succession of the Chair, and will periodically evaluate the plan.
19. The Board will identify an independent non-executive Director to act as Chair in the event that the Chair is unable to do so for any reason. The Board will periodically keep the shareholders informed through appropriate disclosure of its choice in this regard.
20. The Chair will facilitate the work of the Board at its meetings, and be responsible for ensuring that the principles and processes of the Board are maintained.
21. The Chair will set the agenda for each meeting in consultation with the CEO and the Company Secretary. Any Director may request that an item be added to the agenda.
22. The Chair has authority to act and speak for the Board between its meetings, including engaging with the CEO, and conducting the monitoring activities set out below. The Chair will report to the Board and Committee Chairs as appropriate on decisions and actions taken between meetings of the Board.

Secretary

23. The Company Secretary is accountable to the Board and his or her appointment and removal is a matter for the Board as a whole.
24. The Company Secretary will advise the Chair, and through the Chair, the Board and individual Directors on all matters of governance process.
25. The Company Secretary's advice and services shall be available to all Directors and Board Committees.
26. The Company Secretary will retain independent advisory services at the request of the Board or Board Committees.
27. The Company Secretary will develop and maintain the information systems and processes that are appropriate for the Board to fulfil its role and to achieve the Corporate Objective.

Board Evaluation

28. The Board will conduct annual performance evaluations of the Board as a whole, its Committees, the Chair, individual Directors, and the governance processes which support Board work.
29. All evaluations will have regard to the collective nature of Board work, and the operation of the governance processes established in this document.
30. The Board will conduct evaluations of the performance of Directors retiring and seeking re-election to the Board. The Board will use the results of these evaluations in considering the endorsement of Directors for re-election by shareholders.

The Board and its Committees

31. The Board will establish Committees to assist the Board in exercising its authority.



32. The permanent committees of the Board are the Audit & Risk Management Committee and the Remuneration Committee. A Project Oversight Committee has been established and will operate for the duration of the development of any major company projects.
33. Each Committee will be composed of the individuals the Board considers best suited to fulfil the role of each Committee. The Chair of each Committee will be a non-executive Director. The requirements for composition are:
 - Audit & Risk Management Committee – At least three non-executive Directors, a majority of whom are independent.
 - Nomination & Remuneration Committee – At least three non-executive Directors, a majority of whom are independent.
 - Health Safety & Environment Committee – A combination of non-executive and executive Directors and such other employees and independent experts as the Board considers appropriate
 - Project Oversight Committee – A combination of non-executive and executive Directors and such other employees and independent experts as the Board considers appropriate.
34. Committees will have access to sufficient resources to carry out their activities effectively.
35. The Board may establish more detailed documents to set the constitutional base for each Committee, to record their activities and to provide guidance to Board officers.
36. Committees will assist the Board by focusing on the following activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations:
37. Audit & Risk Management Committee
 - The integrity of financial statements.
 - The appointment, reward, and performance of the external auditor, and the integrity of the audit process as a whole.
 - The effectiveness of the systems of internal control and risk management.
 - The performance and leadership of the internal audit function, if applicable.
 - The organisation's compliance with Board level policies.
38. Remuneration Committee
 - The identification of suitable candidates for appointment to the Board.
 - The plan for succession of the CEO, and periodic evaluation of it.
 - The assessment of the performance of individual Directors and recommendations to the Board on endorsement of retiring Directors seeking re-election.
 - The remuneration policy and its application to the CEO and executives reporting to the CEO.
 - The adoption of annual and longer-term incentive plans.
 - Determination of levels of reward to the CEO and approval of reward to executives reporting to the CEO.
 - Guidance to the Chair on the annual evaluation of the CEO.



- The communication to shareholders on the Committee's work on behalf of the Board.

B. BOARD AND CEO RELATIONSHIP

39. In appointing the Board, shareholders vest the management and control of the business and affairs of the Company in the Board. The Board has reserved some matters to itself for decision and, save for those matters, has delegated authority for all other matters to the CEO.

Powers reserved for the Board

40. The Board has reserved the following matters for its decision:
- appointments to the position of CEO and approval of the appointment of executives reporting to the CEO
 - approval of strategy and annual budgets
 - determination of capital and non-capital items in accordance with the Approvals Framework
 - determinations and adoption of documents (including the publication of reports and statements to shareholders) that are required by the Company's constitutional documents, by statute or by other external regulation.

Subject to the limitations imposed by the Company's constitutional documents, statute and other external regulation, the Board remains free to alter the matters reserved for its decision.

Delegation

41. Beyond the items in Paragraph 40 the Board delegates to the CEO all authority to achieve the Corporate Objective. The CEO is free to take all decisions and actions which further the Corporate Objective, and which in his or her judgement are reasonable having regard to the CEO Limits.

Accountability and monitoring

42. The CEO is accountable to the Board for the authority that is delegated to the CEO, and the performance of the Company.
43. The Board will monitor the decisions and actions of the CEO and the performance of the Company to gain assurance that progress is being made towards the Corporate Objective within the spirit of the CEO Limits.
44. Throughout the annual Board cycle, the CEO will report systematically in a spirit of openness and trust on the progress being made by the Company's businesses towards the Corporate Objective and towards shorter and medium-term plans.
45. The CEO will determine the format and system of reporting, which will address material developments in the following areas, and will describe for each of them the potential impact on the achievement of the Corporate Objective:



- the development and implementation of strategy, and the annual plan;
 - the business and financial performance of the Company, and material events in markets which are critical to the achievement of the Corporate Objective;
 - the activities covered by the CEO Limits.
46. The CEO will keep the Board informed in writing of decisions and actions that the CEO reasonably interprets to exceed the CEO Limits but are necessary and appropriate for the achievement of the Corporate Objective and the medium and short-term plans of the Company.
47. The Board will also monitor performance through the Board committees where it is more effective to do so, or necessary to avoid potential conflicts of interest. The Committees will focus on gaining assurance that the conduct and performance of the CEO and the Company comply with the CEO Limits.
48. The Board and its committees will determine the information required. They may make direct requests for information including from the CEO, any employee of the Company, the external auditor or any third party.
49. The CEO (and his or her nominees) will supply the Board and its Committees with the information in a form that is appropriate to enable the Board and committees to make assessments and judgements, to conduct inquiries, and to gain assurance that the decisions and actions of the CEO, and the performance of the Company, are directed toward the Corporate Objective and fall within the CEO Limits.
50. The Chair of the Board, the chairs of Committees, the CEO and the Company Secretary will strive collaboratively to ensure that effective systems are in place for the production and transmission of information and reports.
51. Relationships and dialogue between individual members of the Board and the CEO and senior executives that focuses on gaining a better understanding of the Company's business will be encouraged but will not alter the roles, accountabilities and divisions of authority in this Board Governance Document.

Reward and evaluation

52. The Board will ensure that the structure of remuneration for the Company (including for the CEO) is linked to the achievement of the Corporate Objective.
53. The Board will ensure that performance requirements of the CEO are linked to the achievement of the Corporate Objective, and that systems of evaluation for the performance of the CEO and members of the Executive Team are based on previously stated criteria that are transparent.
54. The Chair of the Board, drawing on guidance of the Remuneration Committee, will lead, on behalf of all the non-executive Directors, an annual formal evaluation of the performance of the CEO.

C. CEO LIMITS

55. The achievement of the Corporate Objective will guide all CEO decisions and actions.
56. The CEO will not engage in, cause or permit any activity or behaviour that is in violation of commonly accepted standards of business practice and ethics.



57. The CEO will not allow the culture of the Company to develop or subsist in a way that condones dishonest conduct, or lack of integrity, respect or dignity in relationships amongst those involved in or affected by the Company's activities.
58. The CEO will not allow the Company's resources to be allocated without assessing the impact of the change in the portfolio of Company assets on the achievement of the Corporate Objective.
59. The CEO will not allow capital and operating expenditure, or financing decisions, to be made without addressing the impact on the financial condition of the Company and on the achievement of the Corporate Objective. The CEO has the authority below the limits set out in the Approvals Framework.
60. The CEO will not allow decisions or actions to be taken without assessing their health, safety and environmental consequences and the impact on the achievement of the Corporate Objective.
61. The CEO will not allow decisions or actions to be taken without assessing the effect on the reputation of iCash Payment Systems Limited and the impact on the achievement of the Corporate Objective.
62. The CEO will not permit the Company to operate unless there is in place a system of control for identifying and managing the risks that are material to the achievement of the Corporate Objective and strategy and plans.
 - a. The CEO will ensure that a system of internal financial control and internal audit is maintained for the protection of the Company's assets and the application of the Company's resources.
 - b. The CEO will ensure that each of the businesses that make up the Company has an identifiable system for sharing the results of the assurance processes of each business.
 - c. The CEO will ensure that a system is maintained for evaluating changes in the level of satisfaction of customers with the Company's products and services.
63. The CEO will not permit the Company's management to be organised without a plan and process for the development and succession of senior management for guarding against the unforeseen loss of those members for the equal opportunity for development of all staff.
64. The CEO will not cause or permit the Company to operate without appropriate policies, information systems, and procedures to ensure that all shareholders receive (through the appropriate channels) timely and accurate information concerning progress towards the Corporate Objective, and the current activities and results of the Company.
 - a. The CEO will ensure that the system extends to cover information extending to statutory reporting, semi-annual reporting to the financial community, release of material price sensitive information, and other company announcements.
 - b. The CEO will ensure that the system extends to the timely provision to shareholders of relevant information to enable them to make informed decisions concerning the exercise of the rights, powers and privileges



available to them under the companies' articles of association and constitution and applicable law, regulation or codes of practice.