



Collection House Limited

**Board of
Directors' Charter**

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25/08/10
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COLLECTION HOUSE LIMITED – BOARD OF DIRECTORS’ CHARTER

Objectives

The main objectives of the Board of Directors are to bring an independent and objective view to the Company’s decisions and to oversee the performance and activities of management.

Responsibilities

The specific responsibilities of the Board of Directors encompass the matters specified in the Constitution and the management of the Board’s affairs.

Performance

- Shareholder/Stakeholder communication;
- Creating sustainable value:
 - ensuring the Company’s long term viability and enhancing its financial position;
- Developing strategic foresight:
 - formulating the overseeing and implementation of corporate strategy; and
 - approving the business plan, budget and corporate policies;
- Measuring and monitoring performance;
- Ensuring the Company acts as and is seen as an industry leader in the area of compliance;
- Creating a reputation for cooperation, good communication with stakeholders and industry excellence in staff training;
- Agreeing to key performance indicators for incorporation into the management of the Company;
- Monitoring and assessing performance of the Company, the Board itself, management and major projects;
- Overseeing the risk management framework and monitoring business risks;
- Preserving and promoting corporate culture;
- Managing management; and
- Corporate Stewardship:
 - monitoring developments in the debt recovery, receivables management, debt purchase, credit reporting, consumer credit bureau, financial services and other core business activities of the Company.

Compliance/legal conformance

- Understanding and protecting the Company's financial position;
- Requiring and monitoring legal and regulatory compliance including compliance with accounting standards, trade practices legislation, corporations law, privacy law, occupational health and safety and other relevant laws and regulations;
- Approving annual accounts and annual reports;
- Approving all continuous disclosure, media releases, public policy statements, documents and sensitive reports;
- Periodically reviewing the Constitution; and
- Ensuring an efficient and effective system of internal controls exist and is operating as expected.

Overall Operations

- Establishing the Company's vision, mission, values and ethical standards;
- Delegating an appropriate level of authority to management;
- Demonstrating corporate stewardship;
- Assuming responsibility for the relationship with the CEO including his/her appointment, succession, performance, assessment, remuneration and dismissal;
- Overseeing aspects of the employment of the management team including remuneration, performance and succession planning;
- Reviewing performance of external Auditors;
- Ensuring effective communication to Shareholders and other Stakeholders; and
- Crisis management.

Authorities and Delegations

The Board of Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board, which Company matters are delegated to either specific Directors or to management.

As a consequence, individual Directors have no individual authority to participate in the day-to-day management of the Company. The exception to this principle occurs where the Board, through resolution, explicitly delegates an authority to the Director individually.

Delegations are recorded in the Minutes of the Board meeting at which the relevant delegation is made. A copy of the delegation form is also filed in a Register of Delegations maintained by the Company Secretary. All delegations are reviewed at least annually.

Chairman

The person elected to lead and manage the Board in accordance with the Constitution.

Chairman's Tenure

Subject to the provisions of the Constitution, the Chairman and/or Deputy Chairman are elected:

- to hold office for a period determined by the Board; or
- until their retirement; or
- until their resignation as a Director of the Company; or
- until a resolution of the Board appointing a replacement Chairman and/or Deputy Chairman.

Specific Role of the Chairman

The Chairman's (including the Deputy Chairman's) role and functions are:

- liaison and central point of contact with the Directors of the Board;
- chairing the Board meetings. If the Chairman is absent at a Board meeting, the Deputy Chairman or, in his/her absence, a Chairperson elected by the Directors at the relevant Board meeting, will preside over the relevant Board meeting;
- chairing the Annual and General Meetings of Shareholders;
- liaising with the Chief Executive Officer ("CEO") and Company Secretary on the agenda of Board Meetings and on the general business and management of the Company;
- evaluating the performance of the Board; and
- such other roles and functions as the Board may by resolution approve from time to time.

Lead Independent Director

The Board may elect from the Independent Directors, a Lead Independent Director.

Specific Role of the Lead Independent Director

The primary function of the Lead Independent Director is to lead the independent Directors of the Board.

Chief Executive Officer

The Chief Executive Officer is a key employee of the Company in general and the Board in particular. As such, a special relationship exists between the Chief Executive Officer and the Board.

Specific Role of the Chief Executive Officer

The Chief Executive Officer is responsible for the ongoing management of Collection House in accordance with the strategy, policies and performance plan approved by the Board. The Company will be managed to achieve the objectives agreed and endorsed by the Board.

The Chief Executive Officer's role and responsibilities include:

- developing, with the Board, a consensus for Collection House’s strategic and business vision and direction;
- constructing, with Collection House’s management team, a performance plan to implement this vision;
- agreeing with the Board the terms and conditions of appointment of senior executives for Board approval;
- appointing the senior management team;
- endorsing the terms and conditions of appointment of all other staff members;
- providing strong leadership to, and effective management of, the Company in order to:
 - maintain and enhance the reputation of Collection House;
 - encourage cooperation and teamwork;
 - maximise financial performance and business efficiency;
 - build and maintain staff morale at a high level; and
 - build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
- ensuring a safe workplace for all personnel;
- carrying out the day-to-day management of the Company;
- ensuring compliance with legal, regulatory and industry code requirements;
- forming task forces and steering committees from time to time to assist in the orderly conduct and operation of the Company; and
- keeping the Board informed, at an appropriate level, of the activities of the Company.

Board Composition

The Board shall consist of Directors (or their duly elected alternates) elected by the Shareholders in accordance with the Constitution.

Board Tenure

Subject to the provisions of the Constitution, to the contrary, Directors are elected for term of three years. At the end of their respective terms, Directors shall be eligible for re-election.

Review of the Board

The performance of the Board will be reviewed annually by the Board, by use of a combination of:

- assessment questionnaires;
- confidential (non-attribution) interviews;

- a workshop to discuss findings; and

or such other means as the Chairman and/or the Board may from time to time determine.

Meetings

The Board shall meet at least six times annually and at such other times as the Board may from time to time determine.

Quorum

Pursuant to the Constitution, a quorum shall consist of two (2) Directors.

Access

The Chief Executive Officer, Company Secretary(s) and the Chief Financial Officer may attend all open sessions of the Board upon invitation from the Chairman and such closed sessions as the Chairman may determine.

Board Decisions

Decisions of the Board shall be binding in accordance with their terms.

Budgets

The budget of the Board shall be determined by the Board following recommendation from the Chief Executive Officer and the Audit & Risk Management Committee and shall be administered by the Chief Executive Officer.

Reporting

Minutes of the Board shall be made available in accordance with the provisions of the corporations law from time to time. The Board shall report to Shareholders and Stakeholders annually through the provision of annual and half year accounts, an annual and half year report and at an Annual General Meeting called in accordance with the law.

Public Relations

The Chairman and/or the Managing Director and/or the Chief Executive Officer will act as primary spokespersons for the Board. The Board may delegate authority to designated members of management to comment on particular matters from time to time as may be required in accordance with such policies as the Board may determine.

Business Plan

The Board shall agree on a business plan for the Company which shall be agreed between the Board and Management.

Travel Arrangements

Travel arrangements for the Directors shall be in accordance with the travel policy established by management from time to time.

Committees

In accordance with the Constitution, the Board may appoint Committees with such powers (not exceeding its own) as it may determine, from time to time.

Commitment to this Charter

All Directors agree and commit to be bound by the terms and the spirit of this Charter, as amended, from time to time.