

FINZSOFT SOLUTIONS LIMITED

CORPORATE GOVERNANCE CHARTER

*The Board of Directors ("**Board**") is accountable to shareholders for the performance of Finzsoft Solutions Limited ("**Finzsoft**" or the "**Company**") (including subsidiaries of Finzsoft, being the "**Group**").*

In carrying out its responsibilities, the Board undertakes to serve the interests of shareholders, employees, customers and the broader stakeholders honestly, fairly, diligently and in accordance with applicable laws.

1. ROLE OF THE BOARD

1.1 The Board's responsibilities encompass the following:

- (a) approve the strategic direction of Finzsoft and monitor management's implementation of that strategy and Finzsoft's performance;
- (b) select and appoint (and, if appropriate, remove from office) the Managing Director and/or executive suite members, determine their conditions of service and monitor their performance against established objectives;
- (c) ratify the remuneration of senior management consistent with their employment agreements;
- (d) monitor financial outcomes and the integrity of reporting, in particular approve annual budgets and longer-term strategic and business plans;
- (e) set specific limits of authority for management to commit to new expenditure, enter contracts or acquire businesses without prior Board approval;
- (f) ensure that effective audit, risk management and compliance systems are in place to protect the Company's assets and to minimise the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;
- (g) monitor compliance with regulatory requirements (including continuous disclosure) and set ethical standards and then monitor compliance with those standards;
- (h) review data on relevant Diversity information, including gender Diversity, at Finzsoft at the employee, senior management and Board level as at the last balance date, and six monthly thereafter
- (i) set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the Company
- (j) review, on a regular basis, senior management succession planning and development; and
- (k) ensure effective and timely reporting to shareholders, ensure that shareholder rights are respected and foster relationships with the shareholders to encourage them to engage with the Company.

- 1.2 The Board delegates, to the Managing Director, responsibility for recommending and implementing the strategic direction and for managing the day-to-day operations of Finzsoft.

The Managing Director consults with the Chair, in the first instance, on matters that are sensitive, extraordinary or of a strategic nature.

Directors take into Account

- 1.3 In fulfilling their role directors must:
- (a) be objective in assessing management's performance, while working with management as a team;
 - (b) be prepared to engage in vigorous debate between one another and with management;
 - (c) ensure clear delegation between the Board and management (regularly monitoring and reviewing this position);
 - (d) commit the necessary time to be well briefed and able to fully participate in Board discussions;
 - (e) ensure the focus is on Company priorities rather than simply compliance matters;
 - (f) ensure potential conflicts of interest for Directors and management are recognised and seriously and openly addressed;
 - (g) be cognisant of material value issues concerning the Company, supporting the retention or growth of those values, including brand value; and
 - (h) ensure decisions taken are for the benefit of the Company as a whole
 - (i) at all times adhere to the Conflict of Interests Policy and all other Board Policies.

2. BOARD COMPOSITION

- 2.1 Board size and composition will be determined by the Board subject to limits imposed by the Company's Constitution which incorporates the NZX Listing Rules. The Constitution provides for a maximum of nine Directors.
- 2.2 The Board will review succession planning on an annual basis. In considering potential new directors, the Board seeks to identify candidates with appropriate skills and experience to contribute to the effective governance of the Company.
- 2.3 The Chair is appointed by the Board.

3. ROLE OF THE CHAIR

- 3.1 The Chair presides over Board and general meetings of the Company. The Chairperson has the task of ensuring that the Board is well informed and effective; that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Company.
- 3.2 The Chair is responsible for ensuring that the meetings are conducted competently and ethically and is expected to provide effective leadership in formulating the strategic direction for Finzsoft.

- 3.3 The Chair must ensure that general meetings of shareholders are conducted efficiently and that shareholders have adequate opportunity to express their views and obtain answers to their questions.
- 3.4 The Chair's other responsibilities are to:
- (a) see that new Board members are well briefed and have access to information on all relevant aspects of the Company's operations;
 - (b) be the Board's representative in dealings with management ensuring that its views are communicated clearly and accurately;
 - (c) act as the primary contact to the Managing Director and any executive suite officer; and
 - (d) represent the views of the Board to the public and government on appropriate occasions.

4. BOARD MEETINGS

- 4.1 The Board meets formally at least **six** times per annum and whenever it is considered necessary so as to deal with urgent matters as they arise.
- 4.2 As required, senior management attend Board meetings to present reports on, or seek approvals within, their areas of responsibility.
- 4.3 Where management issues or matters of a particularly sensitive nature are to be discussed, part of a Board meeting may be taken up in private session (with only the Board members present).

5. BOARD COMMITTEES

- 5.1 To assist it in carrying out its responsibilities, the Board has established an Audit and Risk Committee and a Remuneration Committee, comprising some of its members. The Board may also establish committees on an ad hoc basis for special projects or issues as the need arises. Board committees must not result in the abdication of responsibilities by those Board members not on those committees. Each committee should produce a written charter that outlines the Board committee's authority, duties, responsibilities and relationship with the Board. The Board should annually review the committees' performance objectives and responsibilities in accordance with that written charter.
- 5.2 The NZX Corporate Best Practice Code provides that the Company should establish a Nominations Committee to recommend Director appointments to the Board. The Board has determined not to establish a Nominations Committee as it believes that nominations can be more effectively administered by the Board.
- 5.3 The Board will not establish a separate committee for Health and Safety. The Board believes that this issue is too important and will be overseen by the entire Board.

6. AUDIT AND RISK COMMITTEE

- 6.1 The Board will appoint the Audit and Risk Committee having regard for the following:
- (a) The Audit and Risk Committee Chairperson may not be the Board Chairperson.
 - (b) Membership on the Audit and Risk Committee shall be majority independent directors.

- (c) Membership on the Audit and Risk Committee should comprise solely of non- executive directors.
- (d) At least one director appointed to the Audit and Risk Committee must have significant financial and accounting knowledge and experience.
- (e) The responsibilities of the Audit and Risk Committee include:
 - (i) overseeing and appraising the quality of the audits conducted by the external auditors of Finzsoft Solutions Limited ("**Finzsoft**" or the "**Company**") and its wholly owned subsidiaries (being the "Group");
 - (ii) ensuring the external audit process is independent
 - (iii) maintaining open lines of communication among the Board, management and the external auditors, to exchange views and information, as well as confirm their respective authority and responsibilities;
 - (iv) reviewing the financial information presented by management to shareholders, regulators and the general public;
 - (v) determining the adequacy of the Group's administrative, operating internal and accounting controls;
 - (vi) monitoring compliance with statutory and regulatory matters relating to financial and corporate reporting;
 - (vii) providing strategic guidance and feedback to the Board and management on the Group's risk management framework; and
 - (viii) assisting the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to the oversight of the effective management of the Group's material business risks.

7. REMUNERATION COMMITTEE

7.1 The Board will appoint a Remuneration Committee. At least a majority of the Remuneration Committee should be independent directors.

7.2 The responsibilities of the Remuneration Committee include:

- (a) enabling Finzsoft to attract, retain and motivate executives and directors who will create value for shareholders;
- (b) fairly and reasonably rewarding executives having regard to the performance of Finzsoft, the performance of the executives and the general pay environment; and
- (c) complying with the provisions of the Employment Relations Act 2000, the Companies Act 1993, the NZX Listing Rules and any other relevant legal requirements.

7.3 In addition, the Remuneration Committee shall examine any other matters referred to it by the Board.

8. REVIEW OF BOARD PERFORMANCE

- 8.1 An annual review of the performance of the Board and individual Directors will be undertaken by the Chair.

This Policy was adopted by the Board on 12 March 2019



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