



Corporate Governance Statement

27/08/2024



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

The Company's corporate governance practices are consistent with the 4th edition of the ASX Corporate Governance Principles and Recommendations (ASX Principles), which were released in February 2019, and this statement discloses the extent to which the Company has followed them.

The Company acknowledges the proposed 5th edition of the ASX Principles and has included a number of statements to reflect the general intent of the amendments ahead of the proposed release in early 2025.

This Corporate Governance Statement is current as at 30 June 2024 (except where specifically stated otherwise) and was approved by the Board on 27 August 2024. This and the following corporate governance related documents are available on the Company's [website](#).

Charters

- [Board](#)
- [Audit & Risk Management Committee \('ARMC'\)](#)
- [People, Remuneration and Nomination Committee \(PRNC\)](#)

Policies and Procedures

- [Code of Conduct](#)
- [Conflicts of Interest Policy](#)
- [Continuous Disclosure and Shareholder Communications Policy](#)
- [Belonging Statement](#)
- [Policy and Procedure for Selection and \(Re\) Appointment of Directors](#)
- [Procedure for Selection, Appointment and Rotation of External Auditor](#)
- [Process for Performance Evaluations](#)
- [Risk Management Policy](#)
- [Securities Trading Policy](#)
- [Whistleblower Policy](#)

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Board has established the functions of the Board and the Executive which are set out in the Board Charter.

The Managing Director (**MD**) is responsible for the day-to-day activities of the Company and is supported by the Executive to execute on the strategic goals of the Company, approved by the Board.

The Company's Board Charter is available on the Company's [website](#).

Recommendation 1.2

Before appointing Directors or senior executives, appropriate checks are undertaken. Such checks usually include enquiries at least as to the person's character, experience, education, qualifications, criminal record and bankruptcy history.

For Directors specifically, during FY24 the PRNC evaluated the mix of background, skills and experience of Directors to identify the attributes that will best increase the Board's effectiveness. The selection process for Directors is set out in the Policy and Procedure for the Selection and (Re) Appointment of Directors, which is available on the Company's [website](#).

Recommendation 1.3

At appointment, Non-Executive Directors and senior executives enter a written agreement setting out the key terms, conditions and responsibilities of their role.

Recommendation 1.4

The Company Secretary is accountable to the Board, through the Chair, on all governance matters and for the proper functioning of it.

Recommendation 1.5

The Chair has responsibility for evaluating the performance of the Board, Board Committees and individual Directors. An individual Director is nominated by the Board to obtain feedback on the performance of the Chair from other Directors and discusses that feedback with him.

This process is further explained in the Company's Process for Performance Evaluations, which is available on the Company's [website](#).

A Board evaluation was conducted in February 2024 through the completion of a questionnaire containing a specific set of questions relating to topics including Board Skills, Board Effectiveness, Strategy, Meetings, Committees, Governance and Compliance Risk.

The objective of the evaluation determines how effective the Board and each Committee and Director is and to determine a shared understanding of what is most important for the Company to be successful.

Recommendation 1.6

The Chair meets regularly with the MD to discuss a number of objectives including his individual performance, which includes his adherence to and promotion of the Company's values and desired culture, strategy, executive leadership and management, and financial performance. The Chair also obtains feedback from other Directors on the performance of the MD at least twice each year and discusses that feedback with him.

The MD reviews the performance of the senior executives by meeting individually with each person at least quarterly, including whether the senior executive has acted in accordance with the Company's values and desired culture.

This process is further explained in the Company's Process for Performance Evaluations, which is available on the Company's [website](#).

During the reporting period, performance evaluations were conducted for the senior executives and the MD.

Principle 2: Structure the Board to be effective and add value

Recommendation: 2.1

During FY24 the Board had a People, Remuneration and Nomination Committee (PRNC) comprising;

Mr Stephen Targett (Chair);

Mr Keith John;

Mr Peter Hall;

Ms Suzan Pervan; and

Ms Pauline Gately

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

A copy of the PRNC Charter and is available on the Company's [website](#).

A profile of each PRNC member and their attendance at PRNC meetings during the reporting period is set out in the Directors' Report.

Recommendation: 2.2

The PRNC assists the Board in developing a skills matrix to identify necessary and desirable Director skills and competencies and to provide advice to the Board to enhance the Board's composition.

The skills matrix was reviewed for FY24 to ensure it covers the skills needed to address existing and emerging business and governance requirements.

The Board agreed on a number of desirable skills and experience required by a director of Pioneer. Following self-assessment based on a knowledge level scale, the collective results were as follows:-

Experience	Knowledge Level
Financial Services Experience	3
Debt Purchasing Experience	3
Marketing/Customer Experience	4
CEO/Senior Management Experience	4
Digital Technology / Cyber Security experience	2
Operations Experience	4
Mergers and Acquisitions Experience	3
Skills	
Leadership	4
Strategy development and implementation	4
Financial Acumen	4
Legal / Regulatory	3
Environmental, Social and Governance	2
Information Technology	2
People and Culture	4
Remuneration	3
Public Relations	4
Developing and implementing risk management systems.	3

Low /No Knowledge	1
General Knowledge	2
Proficient Knowledge	3
Expert Knowledge	4

The Board's Digital Technology/Cyber Security/Information Technology skills are complemented by the considerable skills and experience of the IT team with third party providers appointed as required.

The skills matrix is regularly reviewed by the Board and any gap in skills or experience is considered.

Recommendation 2.3

The Company has set and met measurable objectives for gender diversity in the composition of its Board.

The Company's Gender Diversity demographic is:

	Objective		Actual	
	Number	%	Number	%
Number of women on the Board	1	30	2	40

Recommendation: 2.4

During the reporting period, the independence of Directors was measured having regard to the Company's Policy on Assessing the Independence of Directors which is in accordance with the relationships listed in Box 2.4 of the ASX Principles and incorporated into the Board Charter.

The Board has one Executive Director and three Non-Executive Directors who are Independent. The members of the Board are:

Mr Stephen Targett – Independent Non-Executive Chair

Mr Keith John – Managing Director

Mr Peter Hall – Independent Non-Executive Director

Ms Suzan Pervan – Independent Non-Executive Director

Ms Pauline Gately – Independent Non-Executive Director

The Directors' length of service, Non-Executive and Independence status is:

Name	Appointment Date	Length of Service	Non-Executive	Independent
Mr Stephen Targett	7 June 2021	3 years	✓	✓
Mr Keith John	2 March 2009	15 yrs, 4 mths	No	No
Mr Peter Hall	11 January 2021	3 yrs, 6 mths	✓	✓
Ms Suzan Pervan	29 August 2023	10 mths	✓	✓
Ms Pauline Gately	29 August 2023	10 mths	✓	✓

The PRNC continues to review the independence of each Director on an annual basis. At its meeting held on 26 June 2024, the PRNC confirmed that it is satisfied that no independent Director's independence has been compromised.

Recommendation 2.5

The Board has 5 Directors, 4 of whom are Independent.

The non-independent Director is the Company's MD, Mr Keith John.

Recommendation 2.6

The Chair, Mr Stephen Targett is an Independent Non-Executive Director, and is not the same person as the MD of the Company.

Recommendation: 2.7

New Directors complete a formal induction during which they are provided a full briefing on the Company. The induction includes meeting other members of the Board, the Executive and other employees of the Company as well as ensuring the Director has an understanding of the Company's risk profile and key accounting and valuation framework that applies to it. The PRNC is responsible for maintaining and reviewing the induction program.

To continually improve the Board's performance and to enhance the skills of its members, all have access to ongoing professional development. This includes education through the Australian Institute of Company Directors, attending industry conferences, receiving informed commentary on the Company, its competitors and the industry sector such as analyst reports, press clippings and ASX Announcements.

Going forward, the PRNC will periodically review existing Directors' professional development ensuring that they maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1

The Pioneer culture and values continue to evolve to build trust and preference with the people we work with and do business with. Pioneer genuinely welcomes, encourages and champions each person's difference.

Pioneer's purpose is 'To put an end to debt stress'.

Our brand promise is 'With genuine care at the heart of everything we do.'

The Pioneer Principles are:-



Be human



Choose integrity



Act with purpose

To measure our employee engagement and alignment to the Pioneer Principles, the Company conducts regular and anonymous surveys. Participation is highly valued and Pioneer is committed to review feedback to inform Pioneer's ongoing improvement initiatives. In July 2023, the Company commenced quarterly pulse checks.

The Company has always been, and remains, an organisation that puts its culture and our employees' satisfaction and well-being first, and continues to work to improve all aspects and measures.

Recommendation 3.2

The Company has a Code of Conduct (**CoC**) that establishes the standards of behaviour expected of the Board, the Executive, employees, contractors and consultants of the Company (**Personnel**) when dealing with each other, shareholders, other stakeholders and the broader community. The CoC instils and continually reinforces a culture of acting lawfully, ethically and responsibly.

The CoC prescribes the practices necessary to maintain confidence in the Company's integrity, the practices necessary to meet its legal obligations, the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating any unethical practices.

The Board monitors implementation of the CoC and is kept informed of any significant breaches. Any breach of compliance is required to be reported directly to the Chair, the MD or the Report and Investigation Officer. Anyone breaching the CoC may be subject to disciplinary action.

The Code of Conduct is available on the Company's [website](#).

Recommendation 3.3

In addition to its CoC, the Company's Whistleblower Policy and its policy in relation to financial and other inducements creates awareness, informs the process and encourages the reporting of contraventions (or suspected contraventions) providing effective measures for all stakeholders.

The Board are informed of any material incidents reported under these policies. No incidents were reported for the period.

Recommendation 3.4

The Company has a Belonging Statement, which states that Pioneer welcomes diversity of all kinds, seeks to recognise, respect and value differences and ensures security, support, true acceptance and genuine consideration of an individual. This statement personifies the Company as an organisation that is genuinely diversified. For Pioneer, diversity includes more than just gender.

The Company's Belonging Statement is available on the Company's [website](#).

	Objective		Actual	
	Number	%	Number	%
Number of women employees	146	40	169	58
Number of women in senior executive positions	4	40	2	50
Number of women on the Board	1	30	2	40

The proportion of Australian employees by gender are:

	Women		Men		Non-binary	
	Number	%	Number	%	Number	%
Board	2	40	3	60	-	-
Senior executives	2	50	2	50	-	-
Whole organisation	169	58	118	41	3	1

The Company is a relevant employer of and is compliant with the Workplace Gender Equality Act 2012 and has lodged its report with the Workplace Gender Equality Agency (WGEA). All employees and shareholders have been informed of the lodgement of this report and can access a copy via our website.

Each year the Company undertakes a pay gap analysis. In FY24 the results demonstrated that the Company has maintained a high level of pay equity between male and female employees.

Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1

The Board has an Audit and Risk Management Committee (ARMC) comprising;

Ms Suzan Pervan (Chair)

Mr Peter Hall

Mr Stephen Targett

Ms Pauline Gately

All members of the Committee are Independent Non-Executive Directors and the Committee is chaired by an Independent Non-Executive Director, who is not the Chair.

The ARMC Charter describes the role, composition, functions and responsibilities of the Committee. All ARMC members are considered financially literate and have industry knowledge. A profile of each of the ARMC members and their attendance at Committee meetings during the reporting period is set out in the Directors' Report.

The ARMC Charter is available on the Company's [website](#).

Recommendation 4.2

Any periodic corporate report released to the market and not audited or reviewed by its external auditor is considered by the ARMC who in turn will recommend its adoption by the full Board to ensure that the report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions.

Recommendation 4.3

The Company's external auditor, RSM Australia Pty Ltd and its engagement partner were appointed on 2 November 2022. As at the end of the FY24 reporting period, Mr Matthew Beevers will have been the audit engagement partner for 2 years.

The ARMC review the performance of the external auditor on an annual basis following feedback from Management. The last performance review was conducted in August 2023 and the ARMC raised no issues or concerns.

Principle 5: Make timely, balanced and accurate disclosure

Recommendation 5.1

The Company has a Continuous Disclosure and Shareholder Communication Policy that sets out:

- the Company's disclosure obligations under the ASX Listing Rules and Corporations Act;
- how Personnel are required to deal with potentially price sensitive information;
- how Personnel are required to deal with communications with external stakeholders such as media, shareholders and the community to ensure that the Company meets its disclosure obligations; and
- the Company's shareholder communication policy generally.

The Company has an established procedure when releasing corporate documentation to the ASX. Administrative type ASX Announcements are approved by the MD prior to lodgement on the ASX.

The Continuous Disclosure and Shareholder Communication Policy is available on the Company's [website](#).

Recommendation 5.2

All Directors receive a copy of all ASX Announcements promptly after confirmation of lodgement to the ASX platform has been received from the ASX.

Recommendation 5.3

Copies of new investor or analyst presentations are released to the market ahead of that presentation. At the release of Pioneer's half yearly and annual results Pioneer may offer stakeholders the opportunity to participate in an investor briefing. Whenever an open investor briefing is held, transcripts of these briefings are lodged with the ASX promptly after that briefing has been held.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Board is committed to providing shareholders with appropriate information to enable them to properly assess the performance of the Company. Such information is communicated to shareholders by lodging it with the ASX and by publishing it on the Company's [website](#).

The following governance information is available on the Company's [website](#):

- [Company profile](#);
- [Pioneer Principles](#);
- [Board](#) and [Management](#) profiles;
- [Community profile](#);
- [Constitution](#);
- [ASX announcements](#);
- [Financial reports](#);
- [Presentations](#);
- [Corporate directory](#);
- [Board and Committee Charters and Policies](#);
- [Equity incentive plan](#);
- [Key dates](#); and
- [Share price](#).

Recommendation 6.2

The Company will hold its AGM by 30 November each year and recognises the importance of its relationships with the investment community. The MD, CFO, Chief Operating Officer and Company Secretary have delegated authority to communicate with them.

Following the release of the Company's financial statements, the MD and CFO conduct investor roadshows, generally facilitated by its corporate advisors who are familiar with the Company's share register and other interested investors. An investor briefing is generally held at the release of annual and half yearly results or for other Company matters as the Board sees fit, and shareholders are invited to attend and ask questions. A transcript of any open briefing is lodged with the ASX promptly after that briefing has been held.

Recommendation 6.3

The Company uses a mix of virtual and in-person shareholder meetings for convenience and to ensure the safety of its shareholders and employees. Whether the meetings are virtual or in-person, shareholders have the opportunity to attend, ask questions, participate in voting and meet the Board and Executive.

Shareholders who are unable to attend general meetings are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the Notice of Meeting. Shareholders also have the opportunity to submit written questions to the Company and external auditor, or make comments on the management of the Company and access general meeting presentations and speeches made by the Chair and MD 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 general meeting.

Principle 7: Recognise and manage risk

Recommendation 7.1

The Company's risk function and responsibilities have been delegated to the ARMC. Refer to Recommendation 4 for the composition of the ARMC.

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

Pioneer's ARMC has a standing agenda that addresses the oversight of the effectiveness of systems of risk management and internal controls. Regular reports are provided to the ARMC addressing various elements of risk including quarterly risk reviews, internal controls, internal audit, dispute resolution and governance.

The ARMC Charter describes its role, composition, functions and responsibilities and is available on the Company's [website](#).

Recommendation 7.2

The Board reviews the entity's risk management and internal control frameworks at least annually to satisfy itself that it continues to be sound and addresses the Company's material risks. During the reporting period, a review was undertaken and the Board is satisfied that it continues to be sound and is operating effectively. The Board has a documented Risk Appetite Statement within its Risk and Corporate Governance Framework which summarises the Company's risk appetite and outlines the processes and procedures in place in relation to managing risk and the Company continues to operate with due regard to the risk appetite.

Recommendation 7.3

The Company has an internal audit function to assist the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance frameworks. On a day to day basis, this position reports to the Head of Operational Risk and has a direct reporting line to the ARMC, who oversee the risk framework process. The Company also outsources the internal audit of certain functions where additional resources or differing expertise are required.

Recommendation 7.4

The Board ensures that risk management remains front of mind for the Company. The Company has identified that the following key risks could materially impact its ability to deliver on its strategy and has developed actions to mitigate such risks.

Capital management
Business continuity
Regulatory and policy

Data management

Accurate pricing, management and valuation of Purchased Debt Portfolios

Pioneer is committed to being a responsible corporate citizen and doing things to promote a positive influence in matters that improve society and our environment. By focussing on the environmental and social impact of our business, and the manner in which our business is managed, we are doing our part to improve sustainability, better serve our community and simultaneously deliver out-performance for our Company.

At the Company's 2021 Annual General Meeting, the Company amended its Constitution to affirm its purpose to deliver returns to shareholders whilst having an overall positive impact on society and the environment.

Refer to the Company's Environmental, Social and Governance Policy and the Company's Business Risks Statement in the Annual Report for further detail.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Remuneration strategy is overseen by the PRNC. Refer to Recommendation 2.1 above for further information.

While all directors are members of the PRNC, the Managing Director is not involved in deciding his own remuneration.

Recommendation 8.2

Non-Executive Directors receive a fixed fee for their services and are not entitled to any retirement benefits.

Recommendation 8.3

The Company has an equity-based incentive scheme.

Under the Pioneer Credit Equity Incentive Plan, securities are awarded to individuals on the achievement of certain financial targets. In relation to Rights or Options, the Board will determine whether and to what extent they vest, taking into consideration the test or measure of the vesting conditions and the extent to which they have been satisfied.

Subject to the Listing Rules and the Corporations Act the Board may waive, amend or replace any performance measure in a vesting condition if the Board determines that it is no longer appropriate or applicable, provided that the interests of the individual are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

Additional Recommendations

Additional recommendation 9 does not apply to Pioneer.

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credit