

Environmental, Social and Governance (ESG) Committee

Terms of Reference

Authority

The ESG Committee is accountable to and acts primarily as an advisory body to the Boards of Zagga Holdings Pty Ltd, Zagga Investments Pty Ltd, Zagga Property Lending ("the Board"). The ESG Committee does not, of itself, have the power or authority of the Board.

The ESG Committee will work with the Compliance Committee, the Investment Risk Committee, and the Credit Oversight Committee, to assist the Board in fulfilling its responsibilities.

Objectives

The objective of the ESG Committee is to consider the material environmental, social and governance issues relevant to the Zagga group's business activities and support the group in developing its ESG foot-print in its chosen business activities.

The role of the ESG Committee is to support the Board in:

- understanding the expectations of key Zagga stakeholders
- understanding how Zagga's ability to create value is impacted by environmental, social and governance issues
- recommending policies and procedures to be implemented by Zagga in approving loans to borrowers and deploying funds from investors, such that ESG principles are given due respect and visibility
- monitoring external ESG trends and understanding associated risks and opportunities

The ESG Committee acknowledges that the Credit Oversight Committee also assists the Board in meeting its ESG responsibilities.

Terms of Reference

General responsibilities of the ESG Committee include:

- Reviewing the performance and results of key ESG investor surveys and global benchmarks
- Overseeing the implementation of recommendations made by the ESG Committee
- Considering emerging ESG issues to understand their materiality with regard to Zagga's long term value creation.

Environmental

- Recommend and oversee initiatives to position the group as an environmentally-friendly corporate citizen
- Recommend and oversee initiatives to be included in borrower terms sheets and facility agreements regarding compliance with environmentally-friendly practices
- Assist the group in developing appropriate communication protocols and materials regarding its approach to environmental issues.

Terms of Reference
(continued)

Social

- Oversee the implementation of group social sustainability initiatives or commitments, including performance, challenges and opportunities, with a view to their effectiveness in delivering social impact
- Oversee and monitor Zagga's processes and mechanisms for building relationships with borrowers, investors, professional services providers and other key stakeholders and understanding their expectations
- Review the effectiveness of the group's initiatives and policies that support human rights (including modern slavery), where necessary
- Review the group's inclusion, diversity and general people & culture practices and related frameworks
- Assist the group in developing appropriate communication protocols and materials regarding its approach to social issues.

Governance

- Oversee the reputational impacts of the group's business strategies and practices
- Monitor the group's policies and initiatives to ensure appropriate safeguards are in place for dealing fairly and ethically with borrowers, investors, third-party services providers and all key stakeholders
- Review and endorse to the Board the group's Governance Management Framework
- In collaboration with the Board, review and endorse to the Board on an annual basis the material issues that define the boundary for Zagga's ESG strategy and reporting
- Review and endorse to the Board on an annual basis Zagga's Sustainability Performance Pack, Zagga's Corporate Governance Statement and the group's ESG achievements and future commitments

The ESG Committee acknowledges that the Board has oversight of Zagga's corporate governance practices and will keep abreast of key focus areas.

Members

- At least three Members, including a external committee chair, a non-executive director, and in all instances, a majority of external/non-executive members
- Members of the ESG Committee have the ability to engage the services of external advisers, independent of Management

By Invitation

- CEO
- Representative, Zagga Compliance Committee
- Representative, Zagga Credit Oversight Committee
- Representative, Zagga Investment Risk Committee

Secretary

As appointed by the ESG Committee Chair or the CEO

Meetings

At least quarterly

Quorum

Any two members

Decisions

Simple majority

Minutes Circulation

- All Board Committee Members
- External Responsible Managers
- Zagga Holding Board

Standing Reports

- Quarterly reporting on ESG strategy and initiatives
- Draft Annual Reporting Suite - Zagga achievements and commitments