

## **Credit Committee Charter**

## 1. INTRODUCTION

This is the charter of the Credit Committee (**Committee**) established by the board of directors (**Board**) of Zebit Inc. (the **Company**) in accordance with the Company's By Laws (**Constitution**) (**Charter**).

This Charter sets out the role, authority, responsibilities, composition and procedural requirements of the Committee.

## 2. REMIT

The Committee's remit is to assist the Board in fulfilling its responsibilities with respect to the Company's approach to managing credit losses and its impact on the Company's financial performance. The scope of these functions is set out in further detail in clauses 2.1 to 2.2 below.

### 2.1 Credit Risk

The Committee will:

- (a) Understand the Company's plans, approach, and initiatives for managing both fraud and credit losses;
- (b) Discuss and understand the Company's underwriting approach and testing strategies;
- (c) Validate the loss forecasting for credit losses in the annual budget and analyze the variances to such forecasts to ensure they are explainable and within acceptable tolerances;
- (d) Ensure Company tradeoffs between growth and credit losses meet the financial objectives of the business and are in the best interests for Shareholders;
- (e) Provide ongoing guidance on the implementation new data science models and testing strategies being contemplated, developed, and deployed for the business; and
- (f) Interpret results presented by Management to share and educate the larger Board.

### 2.2 Compliance

The Committee will:

- (a) consider and develop plans and processes to ensure the Company complies with all relevant legislation, regulations, codes, rules and best practice around credit underwriting (**Compliance Frameworks**);
- (b) obtain regular updates from the Company's executives, legal counsel, outside counsel, and any other advisors as it considers necessary in order to review the Company's Compliance Frameworks and regularly improve existing frameworks;
- (c) co-ordinate with and review the findings of any examinations or investigations conducted by federal or state regulatory bodies into the Company, its operations or the industry in which the Company operates; and
- (d) review and report to the Board as necessary and in any event, at least once annually, on the Company's Compliance Frameworks.

### **3. COMPOSITION**

#### **3.1 Composition**

The Committee will be of sufficient size, independence and technical expertise to discharge its remit effectively and, to the extent practicable given the size and composition of the Board from time to time, consist of:

- (a) at least three members;
- (b) be chaired by a director nominated by the Board who is an Independent Director and who is not the Chair of the Board (**Chair**).

#### **3.2 Appointment and Cessation of Members**

The Board may, by resolution, appoint a director to the Committee at any time (**Member**) and Members will cease to be a Member of the Committee if:

- (a) the Member gives 30 days written notice to the Chair of the Member's resignation from the Committee;
- (b) the Chair gives 30 days written notice that the Member is to cease to be a Member of the Committee;
- (c) The Board resolves to remove the Member of the Committee in carrying out its functions under the Company's Board Charter; or
- (d) the Member ceases to be a director of the Company, at which point they will automatically cease to be a Member of the Committee.

#### **3.3 Members**

Members of the Committee are expected to be literate in analyses as they relate to credit losses and bad debt, with the ability to interpret statistical analyses and results and a general understanding of the industry within which the Company operates.

To the extent practicable given the size and composition of the Board from time to time, the Committee should consist of:

- (a) at least one Member who has expertise in data science, statistics, and financial performance and reporting; and
- (b) at least one Member who has substantial experience in, or an understanding of, the industry within which the Company operates.

### **4. GOVERNANCE**

#### **4.1 Meetings**

The Committee will meet as frequently as required to undertake its role effectively. The Chair or any two Members may call a meeting of the Committee at their discretion by providing reasonable notice in advance to all Members. Any director of the Company may attend a meeting of the Committee.

#### **4.2 Quorum**

The quorum for any meeting of the Committee is two (2) Members, attending in person or by any electronic means allowing simultaneous communication.

### **4.3 Procedure at Meetings**

At Meetings of the Committee:

- (a) the Chair will chair all Meetings of the Committee and, in the event the Chair is absent, the Members will nominate a Member in attendance to fulfil the role of Chair for that Meeting.
- (b) resolutions considered by the Committee will be determined via a simple majority of votes, with each Member having one vote;
- (c) the Chair will not have a casting vote, with any motion subject to a tied vote lapsing; and
- (d) the Chair will cause minutes of the Meeting to be taken and provided to the Board at the next Board meeting occurring after the Meeting.

### **4.4 Committee Reports**

The Chair will be responsible for, and may delegate as they think fit, the preparation of reports pertaining to resolutions and recommendations of the Committee to be brought to the Board's attention for approval or action.

### **4.5 External Parties**

The Committee may:

- (a) invite outside regulatory counsel to attend and contribute to Meetings;
- (b) invite non-Members such as the Company's executives or external advisors to attend and contribute to Meetings; and
- (c) seek advice from any external advisors as the Members consider necessary or desirable to fulfil the Committee's objectives.

## **5. AUTHORITY**

The Committee and any Member may, in fulfilling its purpose and within the scope of its remit:

- (a) conduct or authorize investigations into any matter;
- (b) retain lawyers or other advisers to assist in the conduct of its investigations or recommendations;
- (c) have unrestricted access to and seek any information it requires from:
  - (i) Company staff; and
  - (ii) the outside regulatory counsel; and
- (d) ensure the attendance of Company officers, executives or the outside regulatory counsel at Meetings as it considers appropriate.

## **6. MISCELLANEOUS**

### **6.1 Inconsistency with Constitution**

To the extent that there is any inconsistency between this Charter and the Company's Constitution, the Constitution will prevail.

### **6.2 Adoption of Charter**

The Board adopted this Charter on August, 20 2020. It takes effect from that date and replaces any previous board charter in this regard.

### **6.3 Review of Charter**

The Board will review and amend this Charter periodically and will communicate any amendments as appropriate.