

CORPORATE GOVERNANCE STATEMENT

Advanced Share Registry Ltd (**Group**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Group has referred to the ASX Corporate Governance Council Principles and Recommendations 3rd edition (**Principles & Recommendations**).

The Group has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Group's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Group's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Group has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Group's website at www.advancedshare.com.au/about-us/corporate-governance, under the section marked '**COMPANY**', "Corporate Governance":

Charters

Board

Audit and Risk Committee

Remuneration and Nomination

Policies and Procedures

Code of Conduct

Diversity Policy

Securities Trading Policy

Risk Management Policy

Continuous Disclosure and Shareholder Communication Policy

Board

Roles and responsibilities of the Board

The Board has delegated authority for the operations and administration of the Group to the Managing Director.

The Board is responsible for promoting the success of the Group in a manner designed to create and build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them by the Constitution, and the law, while having due regard to other stakeholder interests and the requirements of the ASX Listing Rules.

In addition to matters it is expressly required by law to approve, the Board is responsible for:

- a) providing leadership and setting the strategic direction of the Group, establishing goals to ensure these strategic objectives are met and monitoring the performance of management against these goals and objectives;
- b) providing operating frameworks and budgets of the Group and monitoring management's performance within those frameworks;
- c) determining the high-level health and safety strategy for the Group, including providing a statement of vision, belief and policy and actively monitoring management's implementation of that policy, processes and procedures;
- d) approving significant and or material investments and projects, and monitoring the progress, outcomes and return on those investments and projects;
- e) ensuring that the available financial and operational resources are sufficient to meet the Group's objectives;
- f) appointing and removing the Chief Executive Officer or Managing Director and other senior executives (as the case may be) and the determination of their terms and conditions including remuneration and termination;
- g) evaluating the performance of the Board and its Directors on an annual basis;
- h) determining remuneration levels of Directors;
- i) ensuring that appropriate policies and procedures are in place for recruitment, training remuneration and succession planning;
- j) approving and monitoring financial reporting, annual budget and capital management;
- k) ensuring the Group satisfies its continuous disclosure obligations under the ASX Listing Rules and that the market has available all relevant information required to make informed investment decisions and assessments of the Group's prospects, in accordance with the Group's Continuous Disclosure Policy.
- l) monitoring the financial solvency of the Group;
- m) ensuring that effective audit controls and systems, and other risk management procedures are in place and are being adhered to;
- n) overseeing the integrity of the Group's procedures for ensuring the Group's compliance with the law, and financial and audit responsibilities, including the appointment of an external auditor and reviewing the Board's financial statements, accounting policies and management processes.
- o) approving the issue of securities in the Group (subject to compliance with the ASX Listing Rules).
- p) ensuring the adequacy of the Group's risk management framework and setting the risk appetite within which the Board expects management to operate.
- q) providing a specific governance focus on risks relating to the Group's physical operations, health and safety policy and risk mitigation programs;
- r) reviewing performance, operations and compliance reports from the Managing Director and CFO, including reports and updates on strategic issues and risk management matters;
- s) overseeing the Group's process for making timely and balanced disclosure of all material information concerning the Group that a reasonable person would expect to have a material impact on the price or value of the Group's shares;
- t) promoting and authorising ethical and responsible decision-making by the Group;

- u) ensuring that any necessary statutory licenses are held, and compliance measures are maintained to ensure compliance with the law and license(s);
- v) ensuring that the Group has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility and monitoring the effectiveness of those governance practices; and
- w) ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Group.

Composition of the Board

Composition of the Board is determined by the following principles:

- Directors appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment and thereafter are subject to re-election in accordance with the Group's constitution;
- The Chair will be a non-executive independent Director;
- The Board will comprise at least three Directors, increasing where additional expertise is considered desirable in certain areas, or when an outstanding candidate is identified; and
- The Board should comprise Directors with an appropriate range of qualifications and expertise.

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

The Board will review its composition on an annual basis to ensure it has the appropriate mix of expertise and experience. Where a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will select the appropriate candidates with the relevant qualifications, skills and experience.

The names of the independent Directors of the Group are Mr Simon Cato and Mr Alvin Tan.

When determining whether a non-executive Director is independent, the Director must not fail any of the following materiality thresholds:

- less than 10% of the Group shares held by the Director and any entity or individual directly or indirectly associated with the Director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the Director; and
- none of the Directors' income, or the income of an individual or entity directly or indirectly associated with the Director, is derived from a contract with any member of the Economic Entity other than the income derived as a Director of the entity.

Independent Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Group's expense. Written approval must be obtained from the Chairperson prior to incurring any expenses on behalf of the Group.

Whilst the current composition of the Board includes 2 independent and 2 non-independent Directors, which is contrary to the Council's recommendation that the majority of the Board should be independent Directors, the Board believes that the current size and stature of the Group does not warrant the addition of any new independent Directors to the Board. The Board is of the opinion that the objectives and current strategy of the Group are best served and achievable by members of the current Board irrespective of their degree of independence. It is, however, the Board's intention to continually review and assess the benefits associated with the introduction of external independent non-executive Directors.

Board Committees

Once the Board is of a sufficient size and structure, and the Group's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties the Board will establish the following committees, each with written terms of reference:

- a) Audit and Risk Committee; and
- b) Remuneration and Nomination Committee.

The charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes.

The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.

Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.

The minutes of each Committee meeting shall be made available to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

Where the Board considers that the Group will not gain any benefit from a particular separate committee, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

Audit and Risk Committee

The Group has setup an Audit and Risk Committee Charter. But it has not yet established an Audit and Risk Committee. This role will be assumed by the full Board of Directors. The Board has strong skills and experience in area of finance and corporate management and considers these skills adequate to enable the board to fulfil the requirements of an Audit and Risk Committee.

The role of the Audit and Risk Committee will be assumed by the full Board operating under the Corporate Governance Policies until such time as the Board determines that is appropriate.

Whilst not in accordance with the best practice recommendation, the Group is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are addressed and actioned. Further, the Board does not consider that the Group is of sufficient size to justify the appointment of additional directors, and to do so for the sole purpose of satisfying this requirement would be cost prohibitive and counter productive.

The Board resolved that it would be beneficial to adopt and implement the Charter that clearly sets out the Audit and Risk Committee's role and responsibilities, composition and structure.

The Board will annually review the necessity to establish an Audit and Risk Committee.

This Policy, and any updates, is made available on the Group's website in a clearly marked "Corporate Governance" section.

Remuneration and Nomination Committee

The Group has setup a Remuneration and Nomination Committee Charter. The Group is not of size, nor are its financial affairs of such complexity, to justify the establishment of a Remuneration and Nomination Committee. The role of this Committee will be assumed by the full Board of Directors.

Notwithstanding its reasons for not establishing a Remuneration and Nomination Committee, the Board resolved that it would be beneficial to adopt and implement a formal Charter that clearly sets out the Remuneration and Nomination Committee's role and responsibilities, composition, structure and membership requirements. The Board undertakes the functions of the Remuneration and Nomination Committee as appropriate.

All reviews of remuneration packages and policies applicable to Executive Directors, Non-Executive Directors and Senior Executive are normally conducted on an annual basis by the Board undertaking the role of the Remuneration Committee.

The total maximum remuneration of Non-Executive Directors was the subject of a Shareholder resolution in accordance with the Group's Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board, having regard to inputs and value to the Group of the responsible contributions by each Non-Executive Director. The current limit, which may only be varied by Shareholders in general meeting, is an aggregate amount of \$250,000 per annum.

The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or who make special exertions on behalf of the Group.

Items that are usually required to be discussed by a Nomination Committee are discussed at Board meetings from time to time as required.

The full Board did not officially convene in its capacity as a Nomination Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

The Board will annually review the necessity to establish a Remuneration and Nomination Committee.

This Policy, and any updates, is made available on the Group's website in a clearly marked "Corporate Governance" section.

Performance Review

The Chair will conduct an annual performance review of the Board that:

- a) compares the performance of the Board with the requirements of its Charter;
- b) critically reviews the mix of the Board;
- c) suggests any amendments to the Charter as are deemed necessary or appropriate;
and
- d) reviews the performance of non-executive Directors.

Share Trading Policy

The Group is committed to complying with the Corporations Act and the ASX Listing Rules to create a transparent market in the trading of its securities on the ASX.

ASX Listing Rule 12.9 requires the Group, as a listed entity, to have a trading policy that regulates trading in its securities by its Key Management Personnel during certain prohibited periods and to give a copy of that trading policy to ASX for release to the market.

Whilst the Board encourages its Directors and employees to own securities in the Group, it is also mindful of its responsibility that the Group complies with the Corporations Act 2001 pertaining to 'Insider trading' and its 'proper duties in relation to the use of Insider trading'.

To ensure that the above issues comply with the requirements of the Corporations Law, the Board has established a policy on share trading in the Group's securities by Directors and employees. Essentially, the policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the securities prices. Active trading in Group shares with a view to derive profit related income is prohibited at all times.

This Policy, and any updates, is made available on the Group's website in a clearly marked "Corporate Governance" section.

Diversity Policy

The Board is committed to achieving the goals of:

- providing access to equal opportunities at all levels of work based on merit; and
- fostering corporate culture that embraces and values diversity.

The Group has formed a committee of three directors, two independent, and one executive director to establish and monitor its diversity policy as required under ASX Corporate Government Principles. At the date of this report the Group has:

Total female employees are 11 which is 52% of all employees.

Total female operational managers are 1, which is 50% of the employees at this level.

Total female senior customer service managers are 3, which is 50% of the employees at this level.

Total female board members, nil.

Continuous Disclosure

As a publicly listed company, the Group has obligations under the Corporations Act and the ASX Listing Rules to keep the market fully informed of all information which may have, or could reasonably be expected to have, a material effect on the price or value of its securities.

The ASX Listing Rules contain provisions requiring the continuous disclosure of information to keep the market informed of events and developments as they occur.

ASX Listing Rule 3.1 provides that once an entity becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately disclose that information to the ASX.

Listing Rule 3.1 has statutory force in section 674 of the Corporations Act 2001(Cth).

ASX Listing Rule 15.7 requires that an entity not release information intended for release to the market to anyone until it has given the information to the ASX, and has received an acknowledgement from the ASX that the information has been released to the market.

The Group is committed to complying with the disclosure obligations under the Corporations Act and the ASX Listing Rules to keep the market fully informed of all information which may have, or could reasonably be expected to have, a material effect on the price or value of its securities.

Shareholder Communication

The Group recognises the importance of engagement with its Shareholders and providing them with appropriate information and facilities to allow them to exercise their rights as shareholders effectively. This includes:

- giving them ready access to information about the entity and its governance;
- communicating openly and honestly with them; and
- encouraging and facilitating their participation in meetings of Shareholders.

Information about the Group and its governance is available on the Group's website at: www.advancedshare.com.au

This Policy provides that information will be communicated to Shareholders and the market through:

- the Annual General Meeting and other general meetings called to seek Shareholder approval;
- the Annual Report which is available to Shareholders;
- the Half-Year Report; and
- other announcements released to the ASX as required by the continuous disclosure requirements of the ASX Listing Rules and other information that may be distributed to Shareholders.

This Policy, and any updates, has been made available on the Group's website in a clearly marked "Corporate Governance" section.

Risk Management

The Board has adopted a Risk Management Policy that sets out a framework for a system of risk management and internal compliance and control.

The Group views effective risk management as key to achieving and maintaining its operational and strategic objectives. The purpose of this Policy is to provide guidance and direction as to the management of risk within the Group.

Risk Management occurs at all levels within the Group. The Group is committed to ensuring that it establishes appropriate risk management systems and processes to ensure its strategic goals and corporate governance responsibilities are met.

This Policy recognises that risk is an inherent part of the business, presenting both threats and opportunities. To achieve the Group's corporate goals, including meeting the economic expectations of shareholders, the Group must pursue opportunities and make decisions that involve some degree of risk.

This Policy provides guidance in relation to a transparent and consistent consideration of risk and uncertainty when these opportunities are pursued and decisions made.

The objectives of this Policy are:

- to ensure compliance with applicable laws and regulations;
- prepare reliable financial information; and
- to implement risk transfer strategies where appropriate, such as insurance.

Every Employee within the Group is responsible for the effective management of risk, including identifying risks, responding to risks and reporting risks. The Board is ultimately responsible for supervising the framework of control and accountability systems to enable risk to be assessed and managed.

The Board delegates day-to-day management of risk to the Managing Director. The Managing Director, with the assistance of other directors as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

The Board is responsible for supervising the management's framework of control and accountability systems to enable risk to be assessed and managed.

In addition, the following risk management measures have been adopted by the Board to manage the Group's material business risks:

- the Board has established defined guidelines for capital expenditure. These include levels of authority, appraisal procedures and due diligence requirements on potential acquisitions or disposals;
- the Board has adopted a continuous disclosure policy for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and

The Group's risk management strategy is evolving and will be an ongoing process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Group's activities.

The Group's process of risk management and internal compliance and control includes:

- Identifying and measuring risks that might impact upon the achievement of the Group's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.
- Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls;
- Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

As the Board has responsibility for the monitoring of risk management it has not required a formal report regarding the material risks and whether those risks are managed effectively. However, the Board receives regular reports from Managing Director as to the effectiveness of the Group's management of its material business risks, and the Board believes that Managing Director is effectively communicating its significant and material risks to the Board. The categories of risk reported on as part of the Group's systems and processes for managing materials business risks are financial and operational.

The Board will review this Policy annually and this Policy may be amended by resolution of the Board.

This Policy, and any updates, is made available on the Group's website in a clearly marked "Corporate Governance" section.

Code of Conduct

The Group has Code of Conduct policy and this is disclosed on the Group's website.

Managing Director Certification of financial statements

The Board before it approves the Group's financial statements for a financial period, receives from the Managing Director and Company Secretary a declaration under section 295A of the Corporations Act that in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Auditor available at AGM

At the AGM the Group's external auditor will be present and is available to answer questions from security holder's relevant to the audit.

Other Information

Further information relating to the Group's Corporate Governance practices and policies will be made publicly available on the Group's website www.advancedshare.com.au