

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

SHRIRO HOLDINGS LIMITED

ABN / ARBN

29 605 279 329

Financial year ended:

31 December 2017

Our corporate governance statement² for the above period above can be found at:³

This page of our annual report: Page 14

This URL on our website: http://www.shriro.com.au/investor/corporate_governance

The Corporate Governance Statement is accurate and up to date as at 19 April 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 19th of April 2018



Shane Booth

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at http://www.shriro.com.au/investor/corporate_governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at internal intranet – currently working on a summary version for public scrutiny</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at http://www.shriro.com.au/investor/corporate_governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration 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 entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input type="checkbox"/> at http://www.shriro.com.au/investor/corporate_governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>http://www.shriro.com.au/investor/corporate_governance... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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<p>7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at http://www.shriro.com.au/investor/corporate_governance... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES		
<p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

SHIRO HOLDINGS LIMITED CORPORATE GOVERNANCE STATEMENT

The Board of Shiro Holdings Limited is responsible for the direction and supervision of the Company's business and for its overall corporate governance. The Board recognises the need to maintain the highest standards of behaviour, ethics and accountability.

The Board is committed to effective corporate governance in order to ensure accountability and transparency to shareholders and other stakeholders, including customers, employees, staff and regulatory bodies. This includes ensuring that internal controls and reporting procedures are adequate and effective. Responsibility for the management of the day to day operations and administration of the Company is delegated to the Managing Director.

This Corporate Governance Statement of Shiro Holdings Limited (the 'company') has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations') and is included on the Company's website pursuant to ASX Listing Rule 4.10.3. This listing rule requires the company to disclose the extent to which it has followed the recommendations during the financial year, including reasons where the company has not followed a recommendation and any related alternative governance practice adopted.

The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 - A listed entity should disclose:

- (a) the respective roles and responsibilities of its board and management; and
(b) those matters expressly reserved to the board and those delegated to management.***

The company's Board maintains the following roles and responsibilities:

- being accountable for the performance of the company;
- providing leadership and setting the strategic objectives of the company;
- appointing the Chair and, if the company has one, the Deputy Chair and/or the "senior independent director";
- appointing, and when necessary replacing, the Chief Executive Officer ('CEO') and other senior executives including the Company Secretary;
- assessing the performance of the Managing Director and CEO and overseeing succession plans for senior executives;
- overseeing management's implementation of the company's strategic objectives;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the company's accounting and corporate reporting systems, including the external audit;
- overseeing the company's process for market disclosure of all material information concerning the company that a reasonable person would expect to have a material effect on the price or value of the company's securities;
- ensuring that the company has in place an appropriate risk management framework and setting the risk parameters within which the Board expects management to operate;
- approving the company's remuneration framework;
- monitoring the effectiveness of the company's governance practices; and
- reporting to, and communications with, shareholders.

The Board has delegated the day-to-day management of the company to the CEO and other senior executives ('management'). The company's management is responsible for the following:

- implementing the strategic objectives set by the Board;
- operating within the risk parameters set by the Board;
- operational and business management of the company;
- managing the company's reputation and operating performance in accordance with parameters set by the Board;
- day-to-day operating of the company;
- providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities; and
- approving capital expenditure (except acquisitions) within delegated authority levels.

Senior executives have their roles and responsibilities defined in specific position descriptions.

Recommendation 1.2 - A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and***
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.***

Before appointing a director, or putting forward to shareholders a director for appointment, the company undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history, qualifications, criminal history, bankruptcy history, and disqualified officer status. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission ('ASIC').

An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting ('AGM'). At least one-third of directors, other than the Managing Director, must retire and seek re-election at each annual general meeting of the Company.

The company provides to shareholders for their consideration information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision. Such information includes the person's biography, which include experience and qualifications, details of other directorships, adverse information about the person that the Board is aware of including material that may affect the person's ability to act independently on matters before the Board, and whether the Board supports the appointment or re-election.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required committee work and other special duties, requirements to disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

Executive directors and senior executives are issued with service contracts which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

Recommendation 1.4 - The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors. The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes:

- advising the Board and its Committees on governance matters;
- monitoring compliance of the Board and associated committees with policies and procedures;
- coordinating all Board business;
- retaining independent professional advisors;
- ensuring that the business at Board and committee meetings is accurately minuted; and
- assisting with the induction and development of directors.

Recommendation 1.5 - A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;**
- (b) disclose that policy or a summary of it; and**
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:**
 - (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or**
 - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.**

The Company has a written Diversity policy approved by the Board. The policy aims to provide a work environment where employees have equal access to career opportunities, training and benefits. It also aims to ensure that employees are treated with fairness and respect, and are not judged by unlawful or irrelevant reference to gender, age, ethnicity, race, cultural background, disability, religion, sexual orientation or caring responsibilities. This commitment enables the company to attract and retain employees with the best skills and abilities.

The Company's objectives in relation to gender diversity are:

- (1) To recruit from a diverse range of people.
- (2) To ensure all employees have equal access opportunities in the workplace.
- (3) To ensure there is equal pay for equal work.
- (4) To continue to build an environment that is accepting of a diverse range of backgrounds and views.

The respective proportion of women and men in the company including its subsidiaries ('consolidated entity') as at 31 December 2017 are as follows:

	Portion of women	Proportion of men
On the Board	0%	100%
In senior executive positions	0%	100%
Across the whole organisation	42%	58%

For this purpose, the Board defines a senior executive as a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the company's financial standing. This therefore includes all senior management and senior executive designated positions as well as senior specialised professionals.

Recommendation 1.6 - A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Board reviews its performance annually, as well as the performance of individual Committees and individual directors (including the performance of the Chairman as Chairman of the Board). This is achieved by collective and individual discussions. The use of an external facilitator may be utilised periodically to assist in the review process.

Recommendation 1.7 - A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Board conducts an annual performance assessment of the CEO against agreed performance measures determined at the start of the year. The CEO undertakes continuous assessments of senior executives. In assessing the performance of the individual, the review includes consideration of the senior executive's function, individual targets, group targets, and the overall performance of the company.

The CEO reports to the Board on the performance of senior executives together with remuneration recommendations which must be approved by the Board after consultation with the Remuneration and Nomination Committee.

Principle 2: Structure the board to add value

Recommendation 2.1 - The board of a listed entity should:

(a) have a nomination committee which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director,

and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board maintains a combined Remuneration and Nomination Committee, whose members during the financial year, were as follows:

Director's name	Executive status	Independence status
John Ingram	Non-Executive Chairman	Independent
Vasco Fung	Non-Executive Director	Not-independent
Greg Laurie (Chairman)	Non-Executive Director	Independent

The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.

The Committee operates under a Charter approved by the Board. The Charter details the roles and responsibilities of the Committee in relation to nomination, which include the following:

- identification of skills and competencies required for the Board and related committees;
- nomination, selection and performance evaluation of directors;
- designing of succession plans and induction programs for directors; and
- setting and monitoring the gender diversity policy.

The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report of the company's Financial Statements.

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board does not have a skills matrix, however it currently believes that its membership adequately represents the required skills and whilst it does not presently intend to seek any new or alternative candidates, the composition of the Board is reviewed periodically. External consultants may be brought in with specialist knowledge to address areas where there is an attribute deficiency in the Board.

In addition to the specific areas of expertise that are deemed relevant to the company, including financial competency, required at Board level, all members of the Board are assessed for the following attributes before they are considered an appropriate candidate.

Board Member Attributes

Leadership	Represents the company positively amongst stakeholders and external parties; decisively acts ensuring that all pertinent facts considered;
Ethics and integrity	Awareness of social, professional and legal responsibilities at individual, company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation.
Communication	Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; an effective communicator with executives.
Negotiation	Negotiation skills which engender stakeholder support for implementing Board decisions.
Corporate governance	Experienced director that is familiar with the mechanisms, controls and channels to deliver effective governance and manage risks

Recommendation 2.3 - A listed entity should disclose:

- (a) the names of the directors considered by the Board to be independent directors;**
- (b) if a director has an interest, position, association or relationship of the type described in 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and**
- (c) the length of service of each director.**

The Board assesses annually the independence of each director to ensure that those designated as independent do not have any alliance to the interests of management, substantial shareholders or other relevant stakeholders. They must be free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the company and its security holders generally.

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

Director's name	Appointment date	Independence status
John Ingram	14 April 2015	Independent
Vasco Fung	14 April 2015	Not-independent
Greg Laurie	14 April 2015	Independent
Tim Hargreaves	31 December 2017	Not-independent

In addition, an alternate director for Mr Vasco Fung, has been appointed:

The Board may determine that a director is independent notwithstanding the existence of an interest, position, association or relationship of the kind identified in the examples listed under Recommendation 2.3 of the ASX Principles and Recommendations. Where it is determined that a non-executive director should no longer be considered independent, the company shall make an announcement to the market.

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

Having regard to the response to Recommendation 2.3 above, the Board comprises two independent directors and two non-independent directors, including the CEO. Under the company's constitution the Chairman has a casting vote.

Recommendation 2.5 - The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

John W Ingram is Chair of the Board and is considered to be an independent director of the company. Mike Westrup is the Managing Director and Chief Executive Officer.

Recommendation 2.6 - A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

New directors undertake an induction program coordinated by the Company Secretary on behalf of the Remuneration and Nomination Committee. The program includes strategy briefings, explanations of company policies and procedures, governance frameworks, cultures and values, company history, director and executive profiles and other pertinent company information.

Principle 3: Act ethically and responsibly

Recommendation 3.1 - A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and**
- (b) disclose that code or a summary of it.**

The company maintains a code of conduct for its directors, senior executives and employees. In summary, the code requires the following of each relevant person:

- act honestly, in good faith and in the best interests of the company as a whole;
- exercise a duty to use care and diligence in fulfilling the functions of office or position and in exercising the powers attached to that office or position;
- use the powers of office for a proper purpose and in the best interests of the company as a whole;
- recognise that the primary responsibility is to the company as a whole but may, where appropriate, have regard for the interest of other stakeholders of the company;
- not to make improper use of information acquired as a director or employee;
- not take improper advantage of their position as a member of the Board or employee;
- properly manage and declare any conflict of interest with the company;
- directors to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board;
- confidential information received in the course of the exercise of their duties remains the property of the company and, unless appropriate authority has been granted, it is improper to disclose it, or allow it to be disclosed;
- not to engage in conduct likely to affect the reputation of company; and
- to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 - The board of a listed entity should:

(a) have an audit committee which:

- (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
- (2) is chaired by an independent director, who is not the chair of the board, and disclose:**
- (3) the charter of the committee;**
- (4) the relevant qualifications and experience of the members of the committee; and**
- (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board maintains an Audit, Risk and Compliance Committee, the members of which are:

Director's Name	Executive Status	Independence Status
Greg Laurie - Chairman	Non-Executive Director	Independent
John Ingram	Non-Executive Chairman	Independent
Vasco Fung	Non-Executive Director	Non-independent

The Majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.

Details of the qualifications and experience of the members of the Committee are set out in the 'Information of directors' section of the Directors' report of the company's financial statements.

Audit, Risk and Compliance Committee meetings are held regularly throughout the year. The CEO, CFO and the Auditor may be invited to attend committee meetings. The Audit, Risk and Compliance Committee operates under a Charter approved by the Board. The Committee's responsibilities under the Charter are to:

- assist the Board to discharge fiduciary responsibilities with regard to the Company's accounting, control and reporting practices by monitoring the internal control environment and management over corporate assets;
- review and recommend to the Board the adoption of the Company's annual and half-yearly financial statements;
- review internal controls and any changes thereto approved and submitted by the Company's Chief Financial Officer;
- provide assurance regarding the quality and reliability of financial information used by the Board;
- review the Company's risk management policies and internal control processes;
- liaise with and review the performance of the external auditor, who is invited to attend Audit Committee meetings to report on audit findings and other financial and control matters; and
- ensure that information systems, processes and technology are reviewed periodically for future sustainability and the adequacy of controls.

The Audit, Risk and Compliance Committee aims to meet at least four times per annum. The actual number of meetings held in a year is set out in the Directors Report included in the Financial Statements of the company. In addition to these meetings the Chairman of the Committee meets periodically and separately with management and the external auditors to discuss matters relevant to the Committee's responsibilities.

The Charter provides details in relation to the Committee's role, confers on it all necessary powers to perform that role, and explains how the Committee achieves its main objectives, which include carrying out the following functions:

- review and monitor the integrity of Annual Report including the financial statements;
- review and oversee systems of risk management, internal control and legal compliance;
- review the adequacy of the corporate reporting processes;
- oversee the process for identifying significant risks facing the Company and implementing appropriate and adequate control, monitoring and reporting mechanisms; and
- liaise with and monitor the performance and independence of the external auditor.

Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration 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 entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

In relation to the company's financial statements, the company's CEO and CFO provide to the Board prior to the Directors approving the Financial Statements of the company, declarations, that in their opinion:

- the financial records of the company have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company; and
- has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 - A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The engagement partner for the company's audit attends the AGM and is available to answer shareholder questions relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and***
- (b) disclose that policy or a summary of it.***

Listing Rule 3.1 requires a listed entity, subject to certain exceptions, to disclose to the ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The company is committed to providing the market with complete and timely information about disclosure events in compliance with its continuous disclosure obligations and the Corporations Act 2001.

The company maintains a policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company's disclosure obligations. Where any such person is of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company Secretary immediately, in the first instance, so that appropriate analysis and internal consultation can be conducted. Legal advice may also be sought internally or from the company's external counsel.

The Company Secretary is required to consult with the CEO in relation to matters brought to his or her attention for potential announcement. Where the matter is urgent and the CEO is not contactable, the Chairman is contacted. Where the Chairman is not contactable, the Company Secretary may decide whether an announcement is made, or whether a trading halt is warranted.

Generally, the CEO is ultimately responsible for decisions relating to the making of market announcements. The Company Secretary is responsible for ensuring that the Board is aware of items of business that could result in an announcement. The Board is required to authorise announcements of significance to the company such as significant acquisitions, disposals and closures, material profit upgrades or downgrades, dividend declarations and buybacks, and any other transaction flagged by the Chairman as being fundamentally significant.

The Company Secretary is responsible for advising when announcements are not required due to either circumstances such as where the information relates to matters of supposition or is insufficiently definite, it concerns an incomplete proposal or negotiation, the information is confidential or would represent a breach of law if disclosed, and where a reasonable person would not expect the disclosure of the information to have a material effect on the value of the company's securities.

No member of the company shall disclose market sensitive information to any person unless they have received acknowledgement from the ASX that the information has been released to the market.

Principle 6: Respect the rights of security holders

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The company maintains on its website, information in relation to its annual reports, privacy policy, diversity policy, ASX announcements, Corporate Governance Statement, contact details and other information.

Recommendations 6.2 and 6.3

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

In order for the investors to gain a greater understanding of the company's business, governance practices, financial performance and future prospects, the company schedules interactions during the year where it engages with institutional and private investors, analysts and the financial media.

Meetings and discussions with analysts must be approved by the CEO and are generally conducted by the CEO/ Managing Director and/or the CFO. The discussions are restricted to explanations of information already within the market or which deal with non-price sensitive information. These meetings are not held within a four week blackout period in advance of the release of interim or full-year results.

The company encourages shareholders to attend the company's AGM and to send in questions prior to the AGM so that they may be responded to during the meeting. It also encourages ad hoc enquiry via email which are responded to. Written transcripts of the meeting are made available on the company's website.

The Company's auditor is invited to attend the Annual General Meeting in order to be available to answer shareholder queries.

As an accompaniment to the Annual Report and Half Year Financial Report, the Company prepares and releases to the market a Results Presentation which provides additional information for shareholders.

The Annual Report and announcements to the ASX Limited, including the Results Presentation are included on the Company's website.

Recommendation 6.4 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Link Market Services Limited at www.linkmarketservices.com.au.

Principle 7: Recognise and manage Risk

Recommendations 7.1 and 7.2

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director, and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).

The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

The Audit, Risk and Compliance Committee recommends to the Board the policy and overall direction of risk management for the Company. Responsibility for day to day management of risk rests with Management. The Audit Committee reports to the Board in relation to matters relevant to its responsibilities. During the 2015 year the company undertook an IPO and Listing on the ASX. The Prospectus associated with this IPO and Listing includes information on risk.

The members of the Audit, Risk and Compliance Committee are detailed in Recommendation 4.1 above.

The Audit, Risk and Compliance Committee operates under a Charter approved by the Board. The charter sets out the committee's responsibilities which include procedures for general risk oversight and monitoring, internal control and risk management, risk transfer and insurance and other responsibilities. The key aspects of the charter are:

The Committee assists the Board by providing independent and objective review, advice and assistance in developing Board policy and monitoring corporate activity within the scope of its remit, making recommendations to the Board for resolution, and assisting the Board understand risks which may:

- impede the company from achieving its goals and objectives;
- impact on the company's performance;
- affect the health, safety or welfare of employees, visitors and others in relation to the company's operations;
- threaten compliance with the company's regulatory and legal obligations;
- impact on the community and the environment in which the company operates;
- impact on the company's reputation, or that of its people; and
- result in personal liability for company officers arising from the company's operations.

The Committee's responsibilities include review of the following elements:

- company risk appetite and risk tolerance, as determined by the Board across the company and within specific operational segments;
- the likelihood of occurrence, severity of impact, and any mitigating measures affecting those risks;
- responsibility for risk oversight and management of specific risks to ensure a common understanding of accountabilities and roles;
- procedures for periodic and critical reporting of matters to the Board and the audit committee;
- communication of risk management policies and strategies throughout the company to ensure it is embedded as part of the company's corporate culture;
- internal communication and control systems to encourage the timely flow of risk-related information to personnel;
- reports from management, external auditors, internal auditors, legal counsel, regulators, and consultants as appropriate, regarding risks the company faces and the company's management of those risks;
- assessment of the internal processes for determining and managing key risk areas, with particular focus on compliance with laws, regulations, standards and best practice guidelines, important judgments and accounting estimates, litigation and claims, and fraud and theft;

- assessment of effectiveness of the internal controls, risk management and performance management systems after consultation with management and the internal and external auditors;
- assessment of effectiveness of, and compliance with, the corporate code of ethical conduct and compliance with internal plans, policies and procedures;
- obtaining regular updates from management and company lawyers about compliance matters;
- ensuring the chief executive officer (or equivalent) and the chief financial officer (or equivalent) are reasonably able to state that their declarations under section 295A of the Corporations Act 2001 relating to financial statements and reports of the company are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects, in relation to the financial reporting risks;
- how certain risks of the company have been mitigated by risk transfer strategies;
- the scope, adequacy and cost of the company's insurance arrangements;
- ensure appropriate corporate governance is in place within the scope of its remit; and
-

The Audit, Risk and Compliance Committee reviews the company's risk management framework at least annually to ensure that it is still suitable to the company's operations and objectives and that the company is operating within the risk parameters set by the Board. As a consequence of the last review undertaken for the year ended 31 December 2017, there were no significant recommendations made.

Share Trading Policy

The Company also has a Share Trading Policy for directors and employees. Subject at all times to not being in possession of inside information, directors, officers (and their related entities) may deal in Shriro Holdings Limited securities during the eight 6 week period commencing on the business day following:

- an announcement of Shriro Holdings Limited's full year financial results, and
- an announcement of Shriro Holdings Limited's half year financial results, and
- the Annual General Meeting of Shriro Holdings Limited, and

Approval to trade outside these windows will only be granted in exceptional personal circumstances, upon prior notice to and approval from:

- in the case of directors, the Chairman;
- in the case of the Chairman, the Chairman of the Audit, Risk and Compliance Committee;
- in the case of officers, the CEO.

Directors and designated employees are encouraged to give prior notification of any proposed dealing in the Company's securities and in any event must advise the Company Secretary as soon as possible after a trade has occurred.

The Board recognises that it is the individual responsibility of each director and employee to ensure he or she complies with the spirit and the letter of insider trading laws and that notification to the Company Secretary in no way implies approval of any transaction.

Work, Health and Safety (WHS)

An important focus for the Board is to ensure the safety and wellbeing of all our employees.

The Company has a WHS committee, made up of representatives from operations, warehouse and Head Office.

The WHS Committee meets regularly to oversee and manage the WHS risk for the Company. During these meetings the WHS Committee will report on, review and follow up any WHS issues or incidents that occurred.

Recommendation 7.3 - A listed entity should disclose:

- if it has an internal audit function, how the function is structured and what role it performs; or***
- if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.***

There is not a dedicated internal audit function, however, considerable importance is placed on maintaining a strong control environment in the Consolidated Entity. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Internal control reviews are undertaken on a periodic basis and the results are reported to the Audit Committee.

The external audit function is separate and independent of the above processes.

Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

The management of the company and the execution of its growth strategies are subject to a number of risks which could adversely affect the company's future development. The following is not an exhaustive list or explanation of all risks and uncertainties associated with the company (and its subsidiaries), but those considered by management to be the principal material risks:

Deterioration of economic conditions	As some of Shiro's products are viewed by consumers to be 'discretionary' items rather than 'necessities', Shiro's financial performance is sensitive to the current state of, and future changes in, economic conditions. A change in economic conditions includes an increase in unemployment rates, new legislation, negative consumer and business sentiment and an increase in interest rates, amongst other factors.
Contraction in housing market	There may be a contraction in the housing construction and renovation markets, which may lead to a drop in building approvals or which may affect developers', contractors' and end consumers purchasing decisions, including reducing the dollar value spent on kitchen appliances, switching to lower priced products, or delaying the timing of the expenditure. The company monitors housing statistics closely and also strives for a balance of exposure between new housing construction and replacement markets.
Relationships with third party brand owners	Shiro relies on relationships with third party brand owners for the right to market and distribute certain branded products in Australia and New Zealand. There can be no guarantee or assurance that these relationships will continue or, if they do continue, that these relationships will continue to be successful. The company places considerable emphasis on maintaining its relationships with brand owners and also develops its own brands.
Increase in competition	The Kitchen Appliances and Consumer Goods markets are highly competitive and are subject to customer preferences (which impact upon major Retailer purchasing decisions). Competition in the Kitchen Appliances and Consumer Goods markets is based on a variety of factors including product range, price, design specification and features, product presentation, quality, innovation and customer service. The company has a strong focus on product development and innovation to protect its market share and in addition, cost control is important to ensure price competitiveness.
Brand names may diminish in reputation or value	Brand names are key assets of Shiro's business. The reputation or value of brands could be diminished by a number of factors, such as product failures and recalls, disputes or litigation with third parties such as employees, suppliers and customers, failure to protect intellectual property or adverse media coverage. Quality control, product development and innovation mitigates this risk.
Adverse movements in exchange rates	<p>The majority of Shiro's purchases are made in foreign currency including the Japanese Yen, US dollars and the Euro. Adverse movements in these exchange rates may materially adversely affect Shiro's financial position and performance.</p> <p>Any adverse exchange rate fluctuations or volatility may adversely affect Shiro's operations and financial position and performance, to the extent that the foreign exchange risk is not appropriately hedged or Shiro is not able to adjust its prices to compensate accordingly. The company manages its foreign exchange risk within guidelines approved by the Board.</p>

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should:

(a) have a remuneration committee which:

- (1) has at least three members, a majority of whom are independent directors; and**
- (2) is chaired by an independent director, and disclose:**

- (3) the charter of the committee;**
- (4) the members of the committee; and**

- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board has a Remuneration and Nomination Committee and the members are detailed in Principle 2 above. The Chairman of the Committee is an independent non-executive director.

Details of the qualifications and experience of the members of the Committee are set out in the 'Information of directors' section of the Directors' report within the company's Financial Statements.

The Remuneration and Nomination Committee oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining employees.

The Committee's charter, which is approved by the Board, sets out the roles and responsibilities, composition and structure of the Committee. In summary, the charter provides for the committee to monitor and advise upon the following matters:

- the company's remuneration structure including long term incentives and superannuation arrangements;
- remuneration and incentives of the Board, CEO and Company Secretary;
- performance and remuneration of senior management;
- remuneration strategies, practices and disclosures generally;
- workplace health and safety;
- workplace diversity;
- employee share payment plans;
- recruitment, retention and termination strategies;
- management succession, capability and talent development; and
- the Remuneration Report, contained within the Directors' report.

When considered necessary, the Committee may obtain external advice from independent consultants in determining the company's remuneration practices including remuneration levels.

The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report within the company's Financial Statements.

Recommendation 8.2 - A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report of the company's Financial Statements.

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it

The use of derivatives or other hedging arrangements for unvested securities of the company or vested securities of the company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the company, this will be disclosed.

SHIRO HOLDINGS LIMITED CORPORATE GOVERNANCE STATEMENT

The Board of Shiro Holdings Limited is responsible for the direction and supervision of the Company's business and for its overall corporate governance. The Board recognises the need to maintain the highest standards of behaviour, ethics and accountability.

The Board is committed to effective corporate governance in order to ensure accountability and transparency to shareholders and other stakeholders, including customers, employees, staff and regulatory bodies. This includes ensuring that internal controls and reporting procedures are adequate and effective. Responsibility for the management of the day to day operations and administration of the Company is delegated to the Managing Director.

This Corporate Governance Statement of Shiro Holdings Limited (the 'company') has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations') and is included on the Company's website pursuant to ASX Listing Rule 4.10.3. This listing rule requires the company to disclose the extent to which it has followed the recommendations during the financial year, including reasons where the company has not followed a recommendation and any related alternative governance practice adopted.

The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 - A listed entity should disclose:

- (a) the respective roles and responsibilities of its board and management; and
(b) those matters expressly reserved to the board and those delegated to management.***

The company's Board maintains the following roles and responsibilities:

- being accountable for the performance of the company;
- providing leadership and setting the strategic objectives of the company;
- appointing the Chair and, if the company has one, the Deputy Chair and/or the "senior independent director";
- appointing, and when necessary replacing, the Chief Executive Officer ('CEO') and other senior executives including the Company Secretary;
- assessing the performance of the Managing Director and CEO and overseeing succession plans for senior executives;
- overseeing management's implementation of the company's strategic objectives;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the company's accounting and corporate reporting systems, including the external audit;
- overseeing the company's process for market disclosure of all material information concerning the company that a reasonable person would expect to have a material effect on the price or value of the company's securities;
- ensuring that the company has in place an appropriate risk management framework and setting the risk parameters within which the Board expects management to operate;
- approving the company's remuneration framework;
- monitoring the effectiveness of the company's governance practices; and
- reporting to, and communications with, shareholders.

The Board has delegated the day-to-day management of the company to the CEO and other senior executives ('management'). The company's management is responsible for the following:

- implementing the strategic objectives set by the Board;
- operating within the risk parameters set by the Board;
- operational and business management of the company;
- managing the company's reputation and operating performance in accordance with parameters set by the Board;
- day-to-day operating of the company;
- providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities; and
- approving capital expenditure (except acquisitions) within delegated authority levels.

Senior executives have their roles and responsibilities defined in specific position descriptions.

Recommendation 1.2 - A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and***
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.***

Before appointing a director, or putting forward to shareholders a director for appointment, the company undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history, qualifications, criminal history, bankruptcy history, and disqualified officer status. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission ('ASIC').

An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting ('AGM'). At least one-third of directors, other than the Managing Director, must retire and seek re-election at each annual general meeting of the Company.

The company provides to shareholders for their consideration information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision. Such information includes the person's biography, which include experience and qualifications, details of other directorships, adverse information about the person that the Board is aware of including material that may affect the person's ability to act independently on matters before the Board, and whether the Board supports the appointment or re-election.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required committee work and other special duties, requirements to disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

Executive directors and senior executives are issued with service contracts which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

Recommendation 1.4 - The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors. The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes:

- advising the Board and its Committees on governance matters;
- monitoring compliance of the Board and associated committees with policies and procedures;
- coordinating all Board business;
- retaining independent professional advisors;
- ensuring that the business at Board and committee meetings is accurately minuted; and
- assisting with the induction and development of directors.

Recommendation 1.5 - A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;**
- (b) disclose that policy or a summary of it; and**
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:**
 - (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or**
 - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.**

The Company has a written Diversity policy approved by the Board. The policy aims to provide a work environment where employees have equal access to career opportunities, training and benefits. It also aims to ensure that employees are treated with fairness and respect, and are not judged by unlawful or irrelevant reference to gender, age, ethnicity, race, cultural background, disability, religion, sexual orientation or caring responsibilities. This commitment enables the company to attract and retain employees with the best skills and abilities.

The Company's objectives in relation to gender diversity are:

- (1) To recruit from a diverse range of people.
- (2) To ensure all employees have equal access opportunities in the workplace.
- (3) To ensure there is equal pay for equal work.
- (4) To continue to build an environment that is accepting of a diverse range of backgrounds and views.

The respective proportion of women and men in the company including its subsidiaries ('consolidated entity') as at 31 December 2017 are as follows:

	Portion of women	Proportion of men
On the Board	0%	100%
In senior executive positions	0%	100%
Across the whole organisation	42%	58%

For this purpose, the Board defines a senior executive as a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the company's financial standing. This therefore includes all senior management and senior executive designated positions as well as senior specialised professionals.

Recommendation 1.6 - A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Board reviews its performance annually, as well as the performance of individual Committees and individual directors (including the performance of the Chairman as Chairman of the Board). This is achieved by collective and individual discussions. The use of an external facilitator may be utilised periodically to assist in the review process.

Recommendation 1.7 - A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Board conducts an annual performance assessment of the CEO against agreed performance measures determined at the start of the year. The CEO undertakes continuous assessments of senior executives. In assessing the performance of the individual, the review includes consideration of the senior executive's function, individual targets, group targets, and the overall performance of the company.

The CEO reports to the Board on the performance of senior executives together with remuneration recommendations which must be approved by the Board after consultation with the Remuneration and Nomination Committee.

Principle 2: Structure the board to add value

Recommendation 2.1 - The board of a listed entity should:

(a) have a nomination committee which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director,

and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board maintains a combined Remuneration and Nomination Committee, whose members during the financial year, were as follows:

Director's name	Executive status	Independence status
John Ingram	Non-Executive Chairman	Independent
Vasco Fung	Non-Executive Director	Not-independent
Greg Laurie (Chairman)	Non-Executive Director	Independent

The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.

The Committee operates under a Charter approved by the Board. The Charter details the roles and responsibilities of the Committee in relation to nomination, which include the following:

- identification of skills and competencies required for the Board and related committees;
- nomination, selection and performance evaluation of directors;
- designing of succession plans and induction programs for directors; and
- setting and monitoring the gender diversity policy.

The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report of the company's Financial Statements.

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board does not have a skills matrix, however it currently believes that its membership adequately represents the required skills and whilst it does not presently intend to seek any new or alternative candidates, the composition of the Board is reviewed periodically. External consultants may be brought in with specialist knowledge to address areas where there is an attribute deficiency in the Board.

In addition to the specific areas of expertise that are deemed relevant to the company, including financial competency, required at Board level, all members of the Board are assessed for the following attributes before they are considered an appropriate candidate.

Board Member Attributes

Leadership	Represents the company positively amongst stakeholders and external parties; decisively acts ensuring that all pertinent facts considered;
Ethics and integrity	Awareness of social, professional and legal responsibilities at individual, company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation.
Communication	Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; an effective communicator with executives.
Negotiation	Negotiation skills which engender stakeholder support for implementing Board decisions.
Corporate governance	Experienced director that is familiar with the mechanisms, controls and channels to deliver effective governance and manage risks

Recommendation 2.3 - A listed entity should disclose:

- (a) the names of the directors considered by the Board to be independent directors;**
- (b) if a director has an interest, position, association or relationship of the type described in 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and**
- (c) the length of service of each director.**

The Board assesses annually the independence of each director to ensure that those designated as independent do not have any alliance to the interests of management, substantial shareholders or other relevant stakeholders. They must be free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the company and its security holders generally.

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

Director's name	Appointment date	Independence status
John Ingram	14 April 2015	Independent
Vasco Fung	14 April 2015	Not-independent
Greg Laurie	14 April 2015	Independent
Tim Hargreaves	31 December 2017	Not-independent

In addition, an alternate director for Mr Vasco Fung, has been appointed:

The Board may determine that a director is independent notwithstanding the existence of an interest, position, association or relationship of the kind identified in the examples listed under Recommendation 2.3 of the ASX Principles and Recommendations. Where it is determined that a non-executive director should no longer be considered independent, the company shall make an announcement to the market.

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

Having regard to the response to Recommendation 2.3 above, the Board comprises two independent directors and two non-independent directors, including the CEO. Under the company's constitution the Chairman has a casting vote.

Recommendation 2.5 - The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

John W Ingram is Chair of the Board and is considered to be an independent director of the company. Mike Westrup is the Managing Director and Chief Executive Officer.

Recommendation 2.6 - A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

New directors undertake an induction program coordinated by the Company Secretary on behalf of the Remuneration and Nomination Committee. The program includes strategy briefings, explanations of company policies and procedures, governance frameworks, cultures and values, company history, director and executive profiles and other pertinent company information.

Principle 3: Act ethically and responsibly

Recommendation 3.1 - A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and**
- (b) disclose that code or a summary of it.**

The company maintains a code of conduct for its directors, senior executives and employees. In summary, the code requires the following of each relevant person:

- act honestly, in good faith and in the best interests of the company as a whole;
- exercise a duty to use care and diligence in fulfilling the functions of office or position and in exercising the powers attached to that office or position;
- use the powers of office for a proper purpose and in the best interests of the company as a whole;
- recognise that the primary responsibility is to the company as a whole but may, where appropriate, have regard for the interest of other stakeholders of the company;
- not to make improper use of information acquired as a director or employee;
- not take improper advantage of their position as a member of the Board or employee;
- properly manage and declare any conflict of interest with the company;
- directors to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board;
- confidential information received in the course of the exercise of their duties remains the property of the company and, unless appropriate authority has been granted, it is improper to disclose it, or allow it to be disclosed;
- not to engage in conduct likely to affect the reputation of company; and
- to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 - The board of a listed entity should:

(a) have an audit committee which:

- (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
- (2) is chaired by an independent director, who is not the chair of the board, and disclose:**
- (3) the charter of the committee;**
- (4) the relevant qualifications and experience of the members of the committee; and**
- (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board maintains an Audit, Risk and Compliance Committee, the members of which are:

Director's Name	Executive Status	Independence Status
Greg Laurie - Chairman	Non-Executive Director	Independent
John Ingram	Non-Executive Chairman	Independent
Vasco Fung	Non-Executive Director	Non-independent

The Majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.

Details of the qualifications and experience of the members of the Committee are set out in the 'Information of directors' section of the Directors' report of the company's financial statements.

Audit, Risk and Compliance Committee meetings are held regularly throughout the year. The CEO, CFO and the Auditor may be invited to attend committee meetings. The Audit, Risk and Compliance Committee operates under a Charter approved by the Board. The Committee's responsibilities under the Charter are to:

- assist the Board to discharge fiduciary responsibilities with regard to the Company's accounting, control and reporting practices by monitoring the internal control environment and management over corporate assets;
- review and recommend to the Board the adoption of the Company's annual and half-yearly financial statements;
- review internal controls and any changes thereto approved and submitted by the Company's Chief Financial Officer;
- provide assurance regarding the quality and reliability of financial information used by the Board;
- review the Company's risk management policies and internal control processes;
- liaise with and review the performance of the external auditor, who is invited to attend Audit Committee meetings to report on audit findings and other financial and control matters; and
- ensure that information systems, processes and technology are reviewed periodically for future sustainability and the adequacy of controls.

The Audit, Risk and Compliance Committee aims to meet at least four times per annum. The actual number of meetings held in a year is set out in the Directors Report included in the Financial Statements of the company. In addition to these meetings the Chairman of the Committee meets periodically and separately with management and the external auditors to discuss matters relevant to the Committee's responsibilities.

The Charter provides details in relation to the Committee's role, confers on it all necessary powers to perform that role, and explains how the Committee achieves its main objectives, which include carrying out the following functions:

- review and monitor the integrity of Annual Report including the financial statements;
- review and oversee systems of risk management, internal control and legal compliance;
- review the adequacy of the corporate reporting processes;
- oversee the process for identifying significant risks facing the Company and implementing appropriate and adequate control, monitoring and reporting mechanisms; and
- liaise with and monitor the performance and independence of the external auditor.

Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration 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 entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

In relation to the company's financial statements, the company's CEO and CFO provide to the Board prior to the Directors approving the Financial Statements of the company, declarations, that in their opinion:

- the financial records of the company have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company; and
- has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 - A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The engagement partner for the company's audit attends the AGM and is available to answer shareholder questions relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and***
- (b) disclose that policy or a summary of it.***

Listing Rule 3.1 requires a listed entity, subject to certain exceptions, to disclose to the ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The company is committed to providing the market with complete and timely information about disclosure events in compliance with its continuous disclosure obligations and the Corporations Act 2001.

The company maintains a policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company's disclosure obligations. Where any such person is of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company Secretary immediately, in the first instance, so that appropriate analysis and internal consultation can be conducted. Legal advice may also be sought internally or from the company's external counsel.

The Company Secretary is required to consult with the CEO in relation to matters brought to his or her attention for potential announcement. Where the matter is urgent and the CEO is not contactable, the Chairman is contacted. Where the Chairman is not contactable, the Company Secretary may decide whether an announcement is made, or whether a trading halt is warranted.

Generally, the CEO is ultimately responsible for decisions relating to the making of market announcements. The Company Secretary is responsible for ensuring that the Board is aware of items of business that could result in an announcement. The Board is required to authorise announcements of significance to the company such as significant acquisitions, disposals and closures, material profit upgrades or downgrades, dividend declarations and buybacks, and any other transaction flagged by the Chairman as being fundamentally significant.

The Company Secretary is responsible for advising when announcements are not required due to either circumstances such as where the information relates to matters of supposition or is insufficiently definite, it concerns an incomplete proposal or negotiation, the information is confidential or would represent a breach of law if disclosed, and where a reasonable person would not expect the disclosure of the information to have a material effect on the value of the company's securities.

No member of the company shall disclose market sensitive information to any person unless they have received acknowledgement from the ASX that the information has been released to the market.

Principle 6: Respect the rights of security holders

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The company maintains on its website, information in relation to its annual reports, privacy policy, diversity policy, ASX announcements, Corporate Governance Statement, contact details and other information.

Recommendations 6.2 and 6.3

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

In order for the investors to gain a greater understanding of the company's business, governance practices, financial performance and future prospects, the company schedules interactions during the year where it engages with institutional and private investors, analysts and the financial media.

Meetings and discussions with analysts must be approved by the CEO and are generally conducted by the CEO/ Managing Director and/or the CFO. The discussions are restricted to explanations of information already within the market or which deal with non-price sensitive information. These meetings are not held within a four week blackout period in advance of the release of interim or full-year results.

The company encourages shareholders to attend the company's AGM and to send in questions prior to the AGM so that they may be responded to during the meeting. It also encourages ad hoc enquiry via email which are responded to. Written transcripts of the meeting are made available on the company's website.

The Company's auditor is invited to attend the Annual General Meeting in order to be available to answer shareholder queries.

As an accompaniment to the Annual Report and Half Year Financial Report, the Company prepares and releases to the market a Results Presentation which provides additional information for shareholders.

The Annual Report and announcements to the ASX Limited, including the Results Presentation are included on the Company's website.

Recommendation 6.4 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Link Market Services Limited at www.linkmarketservices.com.au.

Principle 7: Recognise and manage Risk

Recommendations 7.1 and 7.2

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director, and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).

The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

The Audit, Risk and Compliance Committee recommends to the Board the policy and overall direction of risk management for the Company. Responsibility for day to day management of risk rests with Management. The Audit Committee reports to the Board in relation to matters relevant to its responsibilities. During the 2015 year the company undertook an IPO and Listing on the ASX. The Prospectus associated with this IPO and Listing includes information on risk.

The members of the Audit, Risk and Compliance Committee are detailed in Recommendation 4.1 above.

The Audit, Risk and Compliance Committee operates under a Charter approved by the Board. The charter sets out the committee's responsibilities which include procedures for general risk oversight and monitoring, internal control and risk management, risk transfer and insurance and other responsibilities. The key aspects of the charter are:

The Committee assists the Board by providing independent and objective review, advice and assistance in developing Board policy and monitoring corporate activity within the scope of its remit, making recommendations to the Board for resolution, and assisting the Board understand risks which may:

- impede the company from achieving its goals and objectives;
- impact on the company's performance;
- affect the health, safety or welfare of employees, visitors and others in relation to the company's operations;
- threaten compliance with the company's regulatory and legal obligations;
- impact on the community and the environment in which the company operates;
- impact on the company's reputation, or that of its people; and
- result in personal liability for company officers arising from the company's operations.

The Committee's responsibilities include review of the following elements:

- company risk appetite and risk tolerance, as determined by the Board across the company and within specific operational segments;
- the likelihood of occurrence, severity of impact, and any mitigating measures affecting those risks;
- responsibility for risk oversight and management of specific risks to ensure a common understanding of accountabilities and roles;
- procedures for periodic and critical reporting of matters to the Board and the audit committee;
- communication of risk management policies and strategies throughout the company to ensure it is embedded as part of the company's corporate culture;
- internal communication and control systems to encourage the timely flow of risk-related information to personnel;
- reports from management, external auditors, internal auditors, legal counsel, regulators, and consultants as appropriate, regarding risks the company faces and the company's management of those risks;
- assessment of the internal processes for determining and managing key risk areas, with particular focus on compliance with laws, regulations, standards and best practice guidelines, important judgments and accounting estimates, litigation and claims, and fraud and theft;

- assessment of effectiveness of the internal controls, risk management and performance management systems after consultation with management and the internal and external auditors;
- assessment of effectiveness of, and compliance with, the corporate code of ethical conduct and compliance with internal plans, policies and procedures;
- obtaining regular updates from management and company lawyers about compliance matters;
- ensuring the chief executive officer (or equivalent) and the chief financial officer (or equivalent) are reasonably able to state that their declarations under section 295A of the Corporations Act 2001 relating to financial statements and reports of the company are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects, in relation to the financial reporting risks;
- how certain risks of the company have been mitigated by risk transfer strategies;
- the scope, adequacy and cost of the company's insurance arrangements;
- ensure appropriate corporate governance is in place within the scope of its remit; and
-

The Audit, Risk and Compliance Committee reviews the company's risk management framework at least annually to ensure that it is still suitable to the company's operations and objectives and that the company is operating within the risk parameters set by the Board. As a consequence of the last review undertaken for the year ended 31 December 2017, there were no significant recommendations made.

Share Trading Policy

The Company also has a Share Trading Policy for directors and employees. Subject at all times to not being in possession of inside information, directors, officers (and their related entities) may deal in Shriro Holdings Limited securities during the eight 6 week period commencing on the business day following:

- an announcement of Shriro Holdings Limited's full year financial results, and
- an announcement of Shriro Holdings Limited's half year financial results, and
- the Annual General Meeting of Shriro Holdings Limited, and

Approval to trade outside these windows will only be granted in exceptional personal circumstances, upon prior notice to and approval from:

- in the case of directors, the Chairman;
- in the case of the Chairman, the Chairman of the Audit, Risk and Compliance Committee;
- in the case of officers, the CEO.

Directors and designated employees are encouraged to give prior notification of any proposed dealing in the Company's securities and in any event must advise the Company Secretary as soon as possible after a trade has occurred.

The Board recognises that it is the individual responsibility of each director and employee to ensure he or she complies with the spirit and the letter of insider trading laws and that notification to the Company Secretary in no way implies approval of any transaction.

Work, Health and Safety (WHS)

An important focus for the Board is to ensure the safety and wellbeing of all our employees.

The Company has a WHS committee, made up of representatives from operations, warehouse and Head Office.

The WHS Committee meets regularly to oversee and manage the WHS risk for the Company. During these meetings the WHS Committee will report on, review and follow up any WHS issues or incidents that occurred.

Recommendation 7.3 - A listed entity should disclose:

- if it has an internal audit function, how the function is structured and what role it performs; or***
- if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.***

There is not a dedicated internal audit function, however, considerable importance is placed on maintaining a strong control environment in the Consolidated Entity. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Internal control reviews are undertaken on a periodic basis and the results are reported to the Audit Committee.

The external audit function is separate and independent of the above processes.

Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

The management of the company and the execution of its growth strategies are subject to a number of risks which could adversely affect the company's future development. The following is not an exhaustive list or explanation of all risks and uncertainties associated with the company (and its subsidiaries), but those considered by management to be the principal material risks:

Deterioration of economic conditions	As some of Shiro's products are viewed by consumers to be 'discretionary' items rather than 'necessities', Shiro's financial performance is sensitive to the current state of, and future changes in, economic conditions. A change in economic conditions includes an increase in unemployment rates, new legislation, negative consumer and business sentiment and an increase in interest rates, amongst other factors.
Contraction in housing market	There may be a contraction in the housing construction and renovation markets, which may lead to a drop in building approvals or which may affect developers', contractors' and end consumers purchasing decisions, including reducing the dollar value spent on kitchen appliances, switching to lower priced products, or delaying the timing of the expenditure. The company monitors housing statistics closely and also strives for a balance of exposure between new housing construction and replacement markets.
Relationships with third party brand owners	Shiro relies on relationships with third party brand owners for the right to market and distribute certain branded products in Australia and New Zealand. There can be no guarantee or assurance that these relationships will continue or, if they do continue, that these relationships will continue to be successful. The company places considerable emphasis on maintaining its relationships with brand owners and also develops its own brands.
Increase in competition	The Kitchen Appliances and Consumer Goods markets are highly competitive and are subject to customer preferences (which impact upon major Retailer purchasing decisions). Competition in the Kitchen Appliances and Consumer Goods markets is based on a variety of factors including product range, price, design specification and features, product presentation, quality, innovation and customer service. The company has a strong focus on product development and innovation to protect its market share and in addition, cost control is important to ensure price competitiveness.
Brand names may diminish in reputation or value	Brand names are key assets of Shiro's business. The reputation or value of brands could be diminished by a number of factors, such as product failures and recalls, disputes or litigation with third parties such as employees, suppliers and customers, failure to protect intellectual property or adverse media coverage. Quality control, product development and innovation mitigates this risk.
Adverse movements in exchange rates	<p>The majority of Shiro's purchases are made in foreign currency including the Japanese Yen, US dollars and the Euro. Adverse movements in these exchange rates may materially adversely affect Shiro's financial position and performance.</p> <p>Any adverse exchange rate fluctuations or volatility may adversely affect Shiro's operations and financial position and performance, to the extent that the foreign exchange risk is not appropriately hedged or Shiro is not able to adjust its prices to compensate accordingly. The company manages its foreign exchange risk within guidelines approved by the Board.</p>

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should:

(a) have a remuneration committee which:

- (1) has at least three members, a majority of whom are independent directors; and**
- (2) is chaired by an independent director, and disclose:**

- (3) the charter of the committee;**
- (4) the members of the committee; and**

- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board has a Remuneration and Nomination Committee and the members are detailed in Principle 2 above. The Chairman of the Committee is an independent non-executive director.

Details of the qualifications and experience of the members of the Committee are set out in the 'Information of directors' section of the Directors' report within the company's Financial Statements.

The Remuneration and Nomination Committee oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining employees.

The Committee's charter, which is approved by the Board, sets out the roles and responsibilities, composition and structure of the Committee. In summary, the charter provides for the committee to monitor and advise upon the following matters:

- the company's remuneration structure including long term incentives and superannuation arrangements;
- remuneration and incentives of the Board, CEO and Company Secretary;
- performance and remuneration of senior management;
- remuneration strategies, practices and disclosures generally;
- workplace health and safety;
- workplace diversity;
- employee share payment plans;
- recruitment, retention and termination strategies;
- management succession, capability and talent development; and
- the Remuneration Report, contained within the Directors' report.

When considered necessary, the Committee may obtain external advice from independent consultants in determining the company's remuneration practices including remuneration levels.

The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report within the company's Financial Statements.

Recommendation 8.2 - A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report of the company's Financial Statements.

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it

The use of derivatives or other hedging arrangements for unvested securities of the company or vested securities of the company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the company, this will be disclosed.