

CORPORATE GOVERNANCE STATEMENT 2018

Corporate Governance at Cash Converters

The Cash Converters Board is responsible for establishing the Company's corporate governance standards and ensuring that they comply not only with regulatory guidelines, but that they also reflect the expectations of the Company's stakeholders taking into consideration the Company's size, activities and geographical operations. The Board is continually monitoring all aspects of its corporate governance and new or improved policies and procedures are adopted as appropriate to ensure the highest possible standards are able to be attained and maintained.

The key components of the Company's corporate governance model are illustrated below.



The Company, as a listed entity, must comply with the Corporations Act 2001 (Cth), the ASX Listing Rules, and other Australian and international laws. The ASX Listing Rules require the Company to report to shareholders on the extent to which its corporate governance practices comply with the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("ASXCGC Recommendations") and to provide an "if not, why not" statement in those circumstances where it has not implemented an ASXCGC recommendation during the Reporting Period.

This Corporate Governance Statement ("Statement") is dated 25 October 2018 and reports on the key governance principles and practices that were in place during the year ended 30 June 2018 ("Reporting Period") and any changes to their status as at the date of this Statement. Subject to any exceptions outlined in this Statement, the Company has complied with the ASXCGC Recommendations throughout the Reporting Period.

The following governance documents are available on the Company's website under the "Corporate Governance" tab:

- Constitution
- Board Charter
- Code of Conduct
- Directors' Conflict of Interests Policy
- Market Communications Policy
- Audit and Risk Committee Charter
- Remuneration and Nomination Committee Charter
- Securities Trading Policy
- Diversity and Inclusion Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 Roles of Board and Management

The Board has approved and implemented a Board charter that formalises the functions and responsibilities of the Board, a copy of which is published on the Company's website. This charter clearly articulates the division of responsibilities between the Board and management.

The Board is responsible for determining the Company's vision to be the most trusted financial services provider in its sector and ensures that strategic priorities are set and actioned in order to achieve this vision over the long term. In doing so, directors are involved not only in determining, approving and monitoring initiatives aligned to strategic priorities, but also in ensuring robust processes and controls are established and operational to promote effective decision making across all aspects of the business.

As well as its role in setting the strategic direction, the Board is also, among its other functions, responsible for:

- the appointment and evaluation of the performance of the CEO and other key executives;
- approving financial budgets and monitoring performance against them;
- reviewing business operations and the progress of major capital expenditure projects;
- approving the Company's remuneration framework;
- approving and reviewing Board and executive succession plans;
- establishing corporate governance standards and monitoring their effectiveness;
- ensuring that the Company has in place an appropriate and effective risk management framework and internal controls and compliance systems;
- approving Company policies and monitoring compliance with them;
- oversight of the Company's disclosure processes to ensure disclosure is timely and balanced;
- protecting and enhancing the Company's reputation; and
- ensuring that the Company operates with high ethical standards, and in a legal and responsible manner.

Subject to prior approval of the Chairman, the Board charter provides that directors may obtain independent professional advice at the expense of the Company.

Recommendation 1.2 Director appointment

The Company undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director. These include checks as to the person's character, experience, education, criminal record and bankruptcy history, and may be conducted by external consultants assisting in the appointment process.

No new non-executive directors were appointed during the Reporting Period.

The Company provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. For those directors standing for election or re-election at an Annual General Meeting (AGM), this information is provided in the Notice of Meeting.

Information on all directors' qualifications and experience can be found under the Directors' Profiles section in the 2018 Annual Report.

Recommendation 1.3 Appointment documentation

New directors are provided with a letter of appointment setting out their roles and responsibilities and the Company's expectations of them. Senior executives are subject to written contracts setting out the terms of their appointment. A director's induction manual is provided to new directors for background.

Recommendation 1.4 Company Secretary

The Company Secretary is accountable to the Board, through the Chairman, on all matters relating to the proper functioning of the Board. Each director has a right of access to the Company Secretary at all times. The decision to appoint or remove the Company Secretary is made or approved by the Board.

Company Secretary details are reported in the Directors' Report in the 2018 Annual Report.

Recommendation 1.5 Diversity

Cash Converters understands that diversity in thought is crucial to higher performance levels, innovation, and the growth of our business. We seek to achieve diversity of thought through engagement and inclusion of a diverse workforce.

The principles of diversity and inclusion at Cash Converters are set out in our Diversity and Inclusion Policy which is available on the Cash Converters website. It details what diversity and inclusion means at Cash Converters and our approach to enable and facilitate a diverse and inclusive workforce.





We are committed to:

- Encouraging diversity of thought in all areas of business activity;
- Recognising and understanding the value of individual differences in the workplace, whether that be (but not limited to) ethnicity, gender, sexual orientation, age, physical disabilities, family status, religious beliefs, language or other ideologies;
- Developing an inclusive work environment open to and accepting of individual difference;
- Through inclusive practices, creating a sense of belonging enabling each employee to contribute to their full capability;
- Valuing and respecting the unique contributions of people with diverse backgrounds, experiences and perspectives and developing a workforce profile that leverages these differences to deliver competitive advantage;
- Developing a workplace in which the workforce can continue to grow to reflect the diversity of the Australian community; and
- Understanding the cultural environment in which we work with an aim to mitigate the impact of unconscious bias by increasing awareness of bias at an individual level.

GENDER EQUALITY PROGRESS FY 2018

Cash Converters has achieved female representation within our 2018 threshold target ranges at Board, Customer Facing Management and Whole of Organisation levels. Future initiatives will include focus on improvement of the participation of women at Senior Management level.

As at 30 June 2018, the status against existing targets is reported below:

Category	Target % of Female Representation Target % *	Results as at 30 June 2017	Result as at 30 June 2018		Aim	Status
Board	33%-66%	33%	33%		The next Board appointments desirably to include at least one female with appropriate skills and attributes.	Maintained: Two female directors appointed to the Board in February 2017.
Senior Management**	30%-40%	35%	30%		To increase the number of women in senior management positions with appropriate skills and attributes.	In progress: Drop in 2018 result is due to the loss of two females and numerous department restructures.
Customer Facing Management ***	25%-35%	24%	30%		To increase the number of women in customer facing management positions with appropriate skills and attributes.	Achieved: Strong progress made with 58% (15) of all promotions and new hires being female.
Whole of Organisation	45%-55%	46%	47%		At least 45% of employees should be female with appropriate skills and attributes.	Achieved: 47% of total workforce are females as at 30 June 2018.

* Targets date set: 1 July 2017 – 30 June 2020

** Senior Management defined as the CEO and direct reports, and other ELT members and their direct reports excluding Executive Support.

***Customer Facing Management defined as those positions which have: whole of store accountability; defined decision-making authority; will always have direct reports on the organisation structure; key deliverables to the Corporate Operations Manager.

KEY DIVERSITY AND INCLUSION INITIATIVES FY2018

During 2018, Cash Converters conducted a review of our work practices to establish how diverse we are and how inclusively we operate. Resulting from this review, a number of initiatives with the aim of creating work practices supporting attraction, retention, development and the utilisation of diversity thought were introduced, including:

- Implementation of a Diversity and Inclusion Policy;
- Diversity consultation with employees which was enabled through the Aon Hewitt engagement survey, exit interview questionnaires (ongoing) and gender diversity questionnaires (ongoing);
- Implementation of succession planning to identify and highlight gaps in the talent pipeline. Gaps in diversity of thought were included as part of those identified and highlighted;
- Development of talent management framework to identify, select, develop and retain top talent which included diversity considerations;
- On-going review and analysis of recruitment practices to support diversity with specific lens on gender; and
- Development of Gender Gap Analysis models for general employees and Enterprise Agreement employees with a commitment to review on an annual basis.

DIVERSITY AND INCLUSION TARGETS 2019-2021

After consideration of our progress in gender diversity and identified areas of opportunity, 2019 revised targets reflect our intention to maintain or improve gender diversity and best understand our diversity profile.

Category	Target	Rationale	Year
Board	33% - 66% female participation	Having achieved the AICD recommendation for female representation on boards of 30%, Cash Converters wishes to maintain, as a minimum, the target of 33% of female Board composition. This target has a range between 33% - 66% that allows for a change in composition based upon skill requirements and gender balance.	2019 - 2021
Senior Management	30% - 50% female participation	The Senior Management target has been set at a range between 30%-50% female which represents a realistic stretch target.	2019 - 2021
Customer Facing Management	25% - 50% female participation	Our broad target customer profile is 50/50 male/female, so it is appropriate that our workforce also reflects this demographic. The Customer Facing Management target measures the female representation in management positions that interact with our customers on a regular basis. Cash Converters aims to increase female participation in management within this customer facing group to between 25%-50% within the target timeframe.	2019 - 2021
Employees	45% - 55% female participation	A maintenance target of 45%-55% female across the whole of organisation has been set to align with Australian community standards and target customer demographics.	2019 - 2021
Workforce Profile Mix	Map the Cash Converters workforce profile and overlay with customer profile. Create a process for recording, maintaining and analysing this information.	An opportunity exists for Cash Converters to better understand its workforce and by doing so we should develop an appreciation of the needs of our employees as well as the needs of our varied customers, and community stakeholders.	2019

INITIATIVES SUPPORTING DIVERSITY AND INCLUSION 2019

In addition to furthering our progress towards gender equality, over the course of 2019, Cash Converters aims to introduce additional initiatives to support diversity and inclusion work practices and the achievement of targets. We will continue to execute the Cash Converters Diversity and Inclusion Action Plan, including formalising a holistic performance management process along with a review and analysis of attraction and retention strategies.

The implementation of these objectives and associated action plan is overseen by the Remuneration and Nomination Committee, with the Chief Human Resources Officer providing regular updates on diversity initiatives.

Recommendation 1.6 Board performance measurement

A process for periodically evaluating the performance of the Board, its committees and individual directors was developed during the second half of the Reporting Period. An evaluation was undertaken during July-August 2018 and involved completion by directors of detailed questionnaires assessing Board performance against responsibilities as set out in the Board and Committee charters. The results were compiled into a report for Board discussion.

The report concluded that several performance improvements had been made in response to the Board's 2017-18 action plan and that, overall, the Board was satisfied that it had met its obligations as set out in the charters. During the review, some performance areas were identified for additional improvement and these have been incorporated into the Board's 2018-19 action plan.

Recommendation 1.7 Executive performance measurement

The performance of senior executives is measured against prescribed criteria (Key Performance Indicators) as set by the Chief Executive Officer and approved by the Remuneration and Nomination Committee. In the case of the Executive Deputy Chairman and Chief Executive Officer, Key Performance Indicators are set and measured by the Remuneration and Nomination Committee and the Board. These criteria are set annually and individual performance is assessed annually. Performance assessments were undertaken during the Reporting Period.

Principle 2: Structure the Board to add value

Recommendation 2.1 Nomination Committee

Under Recommendation 2.1, the board of a listed entity should have a nomination committee with at least three members, a majority of whom are independent directors, and the committee should be chaired by an independent director. Nomination committee responsibilities are carried out by the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee had the following three members during the Reporting Period, all of whom are independent, non-executive directors:

- Ellen Comerford (Chair)
- Andrea Waters
- Kevin Dundo.

The Committee's membership met the requirements of Recommendation 2.1 throughout the Reporting Period. Ellen Comerford has subsequently resigned from the Board and this Committee effective 30 September 2018. As at the date of this Statement, the Board is undergoing a search for a replacement director and committee member.

The charter for the Remuneration and Nomination Committee is available on the Company's website.

The role of this Committee as it relates to nomination responsibilities is to assist the Board by:

- developing and implementing policy and procedures for nomination, selection, appointment and re-appointment, retention and termination of Directors;
- reviewing Board and executive succession plans;
- monitoring and appraising the size and composition of the Board and Board renewal matters;
- determining an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board;
- developing a Board skills matrix and ensuring it is utilised in the director recruitment process;
- identifying and evaluating individuals qualified to become a director on the Board, determining the terms and conditions for appointment and ensuring appropriate candidate checks are performed prior to appointment to the Board; and
- ensuring an effective induction and orientation program is available to new directors.

The experience and qualifications of each committee member is set out under Directors' Profiles in the 2018 Annual Report. Details of the number of meetings held during the Reporting Period by the Remuneration and Nomination Committee are provided in the Directors' Report in the 2018 Annual Report.

Recommendation 2.2 Board skills matrix

In December 2017, the Board developed a detailed skills matrix identifying the skills, experience and other attributes considered important for the Board to discharge its responsibilities. A review of the skills of Board members was then completed during the Reporting Period to identify if the critical skills were adequately covered and if there were any skills gaps in need of addressing.

In developing the matrix, the Board considered that the traditional financial services skills such as risk management, finance, strategy, and M&A were fundamental skills for the board of a company operating in the industry in which Cash Converters operates. However, in light of recent events and overall trends affecting the entire financial services sector, the Board agreed it was becoming increasingly clear that having robust skills in the areas of governance, stakeholder management, government relations and issues management are also critical if a company is to remain successful in this highly regulated industry sector. Furthermore, with digital disruption now an area of significant focus and concern for many companies, the Board concluded that data management and information technology skills are rapidly becoming the new essential skills for many boards.

Below is the combination of skills, experience and other attributes against which the Company's Board members were assessed during the review.

Technical skills	Risk Management	Risk management frameworks, setting risk appetite, building and adapting organisational risk culture, regulatory relationships, assessing the effectiveness of senior leadership. Credit skills with detailed understanding of retail lending parameters and ability to assess fundamental inherent risks of the business.
	Marketing/Distribution/CRM	Professional experience of creating, communicating and delivering offerings that have value to customers and partners. Experience of managing and operating through a range of different distribution channels.
	Corporate Finance/Asset Management/M&A	Implementation of financial, capital and asset management strategies, treasury and funding, corporate finance restructuring, capital raisings within risk appetite, M&A experience, analytic.
	Corporate Strategy	Reviewing and setting organisational strategy, organic growth opportunities, merger and acquisition opportunities (including joint ventures). Strong intellectual strategic capability with the ability to solve complex business problems in a highly competitive and dynamic market.
	Government Relations/Policy	Interaction with Government, Regulators and consumer advocates and at all levels, influencing public policy decisions and outcomes and in particular depth in skill in dealing with regulators/litigation (class actions)/politicians (Senate inquiries/Royal Commissions).
	Governance and Compliance	Implementing organisation-wide governance and compliance systems, processes and frameworks, regulatory compliance, assessing the effectiveness of senior leadership. Understanding of regulations that apply to retail lending and franchising.
	Health and Safety	Implementing health, safety and wellbeing strategies, proactive identification and prevention of health and safety risks.
	Remuneration	Detailed executive remuneration matters, incentive arrangements, staff superannuation. Understanding of the relevant legislative/contractual framework for remuneration. Experience in human resource management: culture, diversity and talent.
Experience	Financial Services	Extensive experience in, and knowledge of, financial services sector; ideally direct management (ie P&L implications) with potential to impact customers and operations across multiple geographies; retail merchandising and franchise experience including current landscape and underlying issues impacting the industry; risk management experience.
	Corporate Finance and Banking	Domestic and/or international experience in corporate finance, capital management, banking and funds management.
	Consumer Credit	Domestic and/or international experience in consumer credit businesses (especially unsecured lending) including the regulatory landscape and underlying issues impacting the industry.
	Finance/Accounting	Financial experience with strong technical skills (accounting/audit).
	CRM/Customer Data	Experience in driving strategic insights from the collection and analysis of customer data. Experience in customer relationship management.
	Information Technology and Digital	Domestic and/or international experience in IT strategies, IT networks, Internet disruptive applications, and the latest innovative technologies/offerings. Understanding the current drivers of innovation in the information technology market and specifically in the software delivery and licensing and cloud computing sectors and online distribution platforms.
	Issues/Event Management	Exposure to commercial issues. For example, Enforceable Undertaking, Credit Rating downgrade, media/social media events and other reputational events/catastrophes.
	Regulatory Compliance	Experience relating to ASX compliance regime, ASIC and other applicable regulatory bodies.
Capabilities	Leadership	Driving engagement and enablement, evaluating employee and executive performance, strategic workforce planning, leading organisation change and talent development.
	Financial Acumen	Demonstrated ability in understanding and dealing with business opportunities in a manner that is likely to lead to good results in the short-term and long-term bringing risk appetite focus to all decision-making.
	Collegiate	An ability to work with other members of the Board, respecting different views, approaches and styles. Demonstrating focus on the collective good as more important than individual view.
	Shareholder Management	Ability to understand the power, influence and interest of various stakeholders. Understanding of key stakeholders (i.e. shareholders, analysts, fund managers, ASX).
	Corporate Emotional Intelligence (EQ)	Personal attributes/characteristics relevant to the Board environment including communication skills, the ability to constructively challenge, championing an environment that effectively deals with complex issues and seeking/engendering continuous improvement. Be able to balance appropriate levels of governance with the need to keep the business progressing.
Diversity	Age, Gender, Term in office, Ethnicity, Overseas experience	

The findings of the assessment were that, overall, the skills base of the Board is generally broad and deep with a good geographical reach of experience. The Board's greatest strengths were considered to be in the traditional financial

services sector skills. It was also considered that some members brought specialist skills in the governance and related realms, but additional skills enhancement for all members in these areas could be beneficial in the long term. The Board identified data management and information technology as less prevalent, but nevertheless, desirable skill sets for the Board that could be acquired in part through future strategic appointments, and in part, by providing existing members with additional information on the relevant changes and challenges occurring in this space.

Recommendation 2.3 Independence of directors

A listed entity should disclose the names of the directors considered to be independent directors and if any director has an interest, position, association or relationship of the type described under Box 2.3 of Recommendation 2.3 of the ASXCGC Recommendations. If a director has an interest of the nature described in Box 2.3, but the Board is of the opinion that this interest does not compromise the independence of the director, then the Board is required to describe in this Statement the nature of that interest and the reason why it has formed that opinion.

Details of directors on the Board during the Reporting Period and as at the date of this Statement are provided below, along with their independence status and terms in office.

Name of Director	Non-executive	Independent	Term in office
Stuart Grimshaw (Chairman)	Yes	No	Director since 1 November 2014
Peter Cumins	No	No	Director since 26 April 1995
Lachlan Given	Yes	No	Director since 22 August 2014
Kevin Dundo	Yes	Yes	Director since 20 February 2015
Andrea Waters	Yes	Yes	Director since 9 February 2017
Ellen Comerford	Yes	Yes	Director from 9 February 2017 to 30 September 2018

Ellen Comerford resigned effective 30 September 2018. A search for a replacement director is underway as at the date of this Statement.

The Board has in place an approved Independence of Directors Policy. The Policy sets out the procedures and the disclosure principles applied by the Board when assessing the independence of directors.

In accordance with this Policy, the Board considers whether a director is non-executive, not a member of management and is free of any other business relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. In making this assessment, the Board considers all relevant factors and circumstances, including the relevant factors for assessing independence of directors as listed under Recommendation 2.3 of the ASXCGC Recommendations.

The Board has reviewed the independence of each of the directors in office and confirmed that, during the Reporting Period, three of the six directors were independent. However, following Ellen Comerford's resignation on 30 September 2018, and as at the date of this Statement, the number of independent directors has reduced to two of five directors.

Peter Cumins is an executive director and a member of management and is therefore not considered independent.

Lachlan Given is the Executive Chairman of EZCORP Inc. and Stuart Grimshaw is the CEO of EZCORP Inc. EZCORP Inc is a substantial shareholder in the Company. As officers of a substantial shareholder, both directors are not considered by the Board to be independent.

Recommendation 2.4 Independent majority

Recommendation 2.4 requires that a majority of the board of a listed entity should be independent directors.

During the Reporting Period, three of the Board's six directors were independent. As at the date of this Statement, the number of independent directors has reduced to two out of the current five directors on the Board. This is considered to be short term and the Board is expecting to redress this with its next appointment. The Board also remains committed to achieving a majority of independent directors in a timely but orderly manner and will utilise its skills matrix to assist it to meet its succession planning objectives.

Recommendation 2.5 Independent Chairman

The Chairman of the Board, Stuart Grimshaw, is considered by the directors to be the person most qualified to chair the Board. He was appointed to the Board originally to represent the interests of the Company's major shareholder (EZCORP Inc.) and accordingly is not considered independent.

Under the Directors' Conflict of Interests Policy, the Board has protocols and processes in place for dealing with conflicts or potential conflicts of interest. If the Board considers that a matter for consideration by the Board might place the Chairman in a position of conflict, the directors appoint a lead independent director, who considers the matter in consultation with the Chief Executive Officer, and makes a determination as to whether the Chairman may receive papers, vote, or be in attendance during the discussion of that matter. The Chairman may also give the Board prior notice of those matters in which he intends to withdraw from the meeting and not receive papers relating to those matters.

The Chairman of the Board is not the same person as the CEO of the Company.

Recommendation 2.6 Director inductions

The Company has a program for inducting new directors and providing appropriate professional development opportunities for directors. The program includes reference to an induction manual. No new directors were appointed during the Reporting Period.

Oversight of this program is the responsibility of the Remuneration and Nomination Committee.

Principle 3: Act ethically and responsibly

Recommendation 3.1 Code of Conduct

The Board and the Company's employees are expected to maintain the highest level of corporate ethics and personal behaviour. The Company's Code of Conduct provides all of its directors and employees with an ethical and legal framework for their decisions and actions in relation to the conduct of their employment by establishing the minimum standard of conduct expected. It is published on the Company's website.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 Audit Committee

Under ASXCGC Recommendation 4.1, a board of a listed entity should have an audit committee with at least three members, all of whom are non-executive directors and a majority of whom are independent. The committee should be chaired by an independent director.

The Audit and Risk Committee had the following three members during the Reporting Period, all of whom are independent, non-executive directors:

- Andrea Waters (Chair)
- Ellen Comerford
- Kevin Dundo.

The Committee's membership met the requirements of Recommendation 4.1 throughout the Reporting Period. As a result of Ellen Comerford's resignation effective 30 September 2018, the Board is, as at the date of this Statement, undergoing a search for a replacement director and committee member.

The Audit and Risk Committee operates under a formal charter approved by the Board. A copy of the charter is published on the Company's website.

As set out in the charter, the role of the Audit and Risk Committee as it relates to audit matters is to assist the Board to fulfil its oversight responsibilities relating to:

- the preparation and integrity of all corporate and financial reporting prior to being published;
- the adequacy of the controls environment;
- the internal and external audit function;
- treasury and taxation and other key financial processes and practices;
- appropriateness of accounting policies, estimates and judgements;
- review of any significant accounting and reporting issues, including professional and regulatory announcements and impact on the Company's financial statements;
- compliance with all regulatory obligations including the Corporations Act, ASX Listing Rules and the ASXCGC Corporate Governance Principles and Recommendations; and
- any other matters referred to the Committee by the Board.

The experience and qualifications of each committee member are set out in the Directors' Profiles section of the 2018 Annual Report. The external and internal auditors, other non-member directors and the CEO are invited to Audit and Risk Committee meetings. Details of the number of meetings held by the Audit and Risk Committee during the year are set out in the Directors' Report in the 2018 Annual Report.

Recommendation 4.2 CEO/CFO Declaration

The Board received written and signed statements from the CEO and the Chief Financial Officer in relation to the financial statements for the half year to 31 December 2017 and for the year ended 30 June 2018, declaring that, in their opinion, the financial records of the Company 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 Company; and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 Auditor attendance at AGM

The Company requires the appointed independent external auditors to ensure that the Group accounting policies comply with applicable accounting standards and guidance and to provide stakeholders with assurance as to whether the financial reports are true and fair.

The independent external auditor is Deloitte Touche Tomahtsu (Deloitte).

External auditors are required to rotate the audit partner and engagement quality control reviewer every five years. The audit partner was rotated in August 2018 following release of the Company's end of financial year accounts.

The external auditors are required by the Board to attend the Annual General Meetings of the Company and make themselves available to answer questions from shareholders relevant to the audit. Deloitte attended the 2017 AGM. No questions were asked of the auditor.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 Continuous Disclosure Policy

The Company has procedures in place to ensure that it complies with the disclosure requirements of the ASX Listing Rules. These were described in the Continuous Disclosure Policy. In June 2018, a new more detailed Market Communications Policy was approved to replace the Continuous Disclosure Policy. The procedures described in the Market Communications Policy set out who is responsible for determining whether information is of a type or nature that requires disclosure, the Board's role in reviewing the information disclosed to ASX and the procedures for ensuring that the information is released to ASX in a timely manner. The Company's Market Communications Policy is published on its website.

All significant information disclosed to ASX by the Company is published on the Company's website as soon as practicable.

Principle 6: Respect the rights of security holders

Recommendation 6.1 Information on website

The Company provides information about itself and its governance to investors via its website at www.cashconverters.com. The following information is available on the website:

- the names, photographs and brief biographical information for each of the directors
- copies of Annual Reports and ASX announcements
- Company overview.

The website also has a corporate governance page where this Statement and copies of corporate governance policies and other corporate governance materials referred to in this Statement can be found.

Recommendation 6.2 Investor communications

The Board aims to ensure that shareholders are informed in a timely manner of all major developments affecting the Company's state of affairs. Information is communicated to shareholders through the Annual Report which is made available to all shareholders either electronically or as paper copy. The Board ensures that the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future plans.

In addition to the other disclosures required by the Corporations Act 2001, a half-yearly report containing summarised financial information and a review of the operations of the Company during the period, is prepared and made available to shareholders.

Following the release of half year and full year results, the Company holds briefings for investors and analysts. All interested shareholders can dial into a teleconference briefing. Notice of these briefings is announced to ASX a few days before the briefing is due to be held.

The Company encourages two-way communication with investors, both at the Company's Annual General Meeting and throughout the year. The Company can be contacted by emailing investor.relations@cashconverters.com.

Recommendation 6.3 Shareholder participation at meetings

The Board encourages full participation by shareholders at the Annual General Meeting. Adequate opportunities are provided during the meeting for shareholders to raise questions concerning all matters before them for their approval. The Company also considers communications and queries received during the year from shareholders, investors and relevant interest groups to determine if the Chairman or CEO addresses should be expanded to provide additional explanations for the benefit of all shareholders.

Important AGM approval items are presented to shareholders as single resolutions and complex matters are accompanied by clear explanations in the explanatory notes. Shareholders are responsible for voting on the election of newly appointed directors and the re-election of existing non-executive directors.

Recommendation 6.4 Shareholder access to electronic communications

Shareholders can register with the Company's share registry, Computershare Investor Services, to receive electronic notifications of the release of annual and half-yearly reports, notices of Annual General Meeting and distributions of dividends. The share registry also provides contact information on its website and the ability to receive documents by email from the share registry.

The Company also provides information through its website, enabling shareholders access to Company announcements and the ability to email the Company with enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1 Risk Committee

Under Recommendation 7.1, the board of a listed entity should have a committee to oversee risk. That committee should have at least three members, a majority of whom are independent directors, and it should be chaired by an independent director.

Risk and risk management within the Company is overseen by the Audit and Risk Committee. As outlined under Recommendation 4.1 above, the membership of this Committee met the requirements of Recommendation 7.1 throughout the Reporting Period, but effective 30 September 2018, membership of this Committee reduced to two. A recruitment program for a replacement director and committee member is underway as at the date of this Statement.

As set out in the charter, the role of the Audit and Risk Committee as it relates to risk management is to assist the Board to fulfil its oversight responsibilities relating to:

- the adequacy of the control environment and the processes for identifying and managing risk;
- reviewing the Company's risk management framework, strategy and risk appetite development and overseeing the risk management system, including the risk management function and its resourcing;
- reviewing and monitoring the Company's risk profile;
- reviewing the operational effectiveness of the policies and procedures relating to risk and the Company's internal control environment;
- reviewing management's evaluation of the effectiveness of internal controls;
- reviewing the effectiveness of the Company's insurance activities;
- ensuring compliance with all regulatory obligations including the Corporations Act, ASX Listing Rules and the Corporate Governance Principles;
- reviewing the effectiveness of the Company's approach to achieving compliance with laws, regulations and Company policies;
- reviewing and making recommendations in relation to the Company's Compliance Framework;
- ensuring compliance processes are sound, appropriate and operating effectively throughout the Company; and
- obtaining regular reports regarding compliance matters that may have a material impact on the Company's activities, including reviewing any correspondence from regulatory bodies regarding significant issues.

Recommendation 7.2 Risk reviews

The Audit and Risk Committee reviews the Company's Risk Management Framework on an annual basis. A review was undertaken during the Reporting Period and the Committee satisfied itself that the framework is comprehensive and sound and that the Company is conducting its operations in accordance with the framework.

Recommendation 7.3 Internal audit

The Company has an independent internal audit function that operates under a charter approved by the Audit and Risk Committee. This function reports to the Audit and Risk Committee, and among other duties, evaluates the effectiveness of, and contributes to the improvement of, the Company's risk management processes.

The Audit and Risk Committee's responsibilities as it relates to internal audit include:

- approving the appointment, remuneration and removal of the head of internal audit;
- reviewing the internal audit charter and resourcing of the internal audit function;
- approving the annual internal audit plan and monitoring progress against the plan;
- reviewing significant internal audit findings and action taken by management to address these;
- discussing issues with internal audit in the absence of management; and
- reviewing the objectivity and performance of the Internal Auditor.

Recommendation 7.4 Economic, environmental and social sustainability risks

The Board is responsible for ensuring that the Company's risk management systems are adequate and operating effectively. While financial inclusion is a cornerstone of the Company's beliefs and purpose, the Company notes that increased political and legislative intervention in the sector may have unintended consequences and contribute to increased economic and social sustainability risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 Remuneration Committee

Under Recommendation 8.1, the board of a listed entity should have a remuneration committee that has at least three members, a majority of whom are independent directors, and the committee should be chaired by an independent director. Remuneration committee responsibilities are carried out by the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee had the following three members during the Reporting Period, all of whom are independent, non-executive directors:

- Ellen Comerford (Chair)
- Andrea Waters
- Kevin Dundo.

The Committee's membership met the requirements of Recommendation 8.1 throughout the Reporting Period. As stated earlier, and as at the date of this Statement, the Board is undergoing a search for a replacement for Ellen Comerford following her resignation on 30 September 2018.

The charter for the Remuneration and Nomination Committee is available on the Company's website. The role of this Committee in relation to remuneration responsibilities is described in the charter, and summarised as:

- providing advice in relation to remuneration packages of non-executive directors, senior executives (defined as the Chief Executive Officer (CEO), other executive key management personnel (KMP), other direct reports to the CEO), equity-based incentive plans and other employee benefit programs, in accordance with the relevant policies;
- developing and maintaining, for Board approval, the policies and other documents that guide and govern KMP remuneration decisions, practices and outcomes, referred to as a Remuneration Governance Framework;
- considering those aspects of the Company's remuneration practices, including securities-based remuneration, which may be subject to shareholder approval;
- determining and reviewing the nature of the Company's disclosure or communication of remuneration practices and policies;
- reviewing the Company's recruitment, retention and termination policies;
- reviewing the Company's superannuation arrangements;
- reviewing succession plans for the Board, the CEO and senior executives;
- ensuring the performance and competencies of the CEO, senior executives and members of the Board are reviewed at least annually; and
- reviewing the Company's diversity policy and monitoring diversity within the Company.

The experience and qualifications of each committee member are set out in the Directors' Profiles section of the 2018 Annual Report. Details of the number of meetings held during the Reporting Period are set out in the Directors' Report in the 2018 Annual Report.

Recommendation 8.2 Remuneration of Non-Executive Directors

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

Details on the remuneration of directors and executives as well as the Company's remuneration framework and policies are set out in the Remuneration Report in the 2018 Annual Report.

Recommendation 8.3 Hedging prohibition

The Company has an equity-based remuneration scheme for executive employees.

Consistent with Recommendation 8.3, the Company's Securities Trading Policy (a copy of which is published on the Company's website) prohibits directors and senior executives from entering into transactions or arrangements which operate to limit the economic risk of their holdings of Company securities at any time during which those securities are subject to the hedging prohibitions specified in section 206J of the Corporations Act.