

## SHH Group Limited - Corporate Governance Statement

ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 4th edition*  
For the year ended 30 June 2021 and approved by the Board

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The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments.

A full copy of the Company's corporate governance charter and associated policies, protocols and related instruments is available on the Company's website under its "Corporate Governance" heading: <https://sshgroup.com.au/investors/corporate-governance/>

The Company intends to follow the ASX CGC P&R in all respects other than as specifically provided below.

In particular, each of the recommendations of the ASX CGC P&R which will not be followed by the Company and the reasons why they respectively will not be followed, are set out below. The independent director of the Company is Mr Bruce Lane. When determining the independent status of a Director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

<b>Recommendation</b>	<b>Current Practice</b>
1.1 A listed entity should have and disclose a Board Charter setting out: 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.	See Board Charter in the corporate governance section of website.  Satisfied. The functions reserved for the Board and delegated to senior executives have been established and are further disclosed in the annual report.
1.2 A listed entity should: a. Undertake appropriate checks before appointing a director or senior executive, 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	Satisfied. Appropriate checks have been undertaken and material information provided to security holders with regards election of directors.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Satisfied. Agreements are in place.
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 proper functioning of the board.	Satisfied. This practice is in place.

1.5	A listed entity should:	Satisfied, see Diversity Policy in the corporate governance section of website.
	a. Have and disclose a diversity policy;	
	b. Through its board or a committee of the board, set measurable objectives for achieving gender diversity in the composition of the board, senior executives and workforce generally;	Not satisfied. To drive diversity and inclusion within the Company, the Board has set the following objectives: To increase the percentage of women in the business and more specifically, in leadership roles, and actively promote a culture that values diversity, inclusion and flexibility.
	c. Disclose in relation to each reporting period	No Board members are women and there are no women senior executives within the Company. Females comprise 25% of Senior Management team and the Company employs 188 females across the workforce.
	1. The measurable objectives set for that period to achieve gender diversity;	
	2. The entity's progress towards achieving these objectives; and	
	3. The respective proportions of men and women on the board, in senior executive positions and across the whole workforce.	
1.6	A listed entity should:	Satisfied, see process in corporate governance policies.
	a. Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	
	b. Disclose whether performance evaluations were undertaken in accordance with that process for each reporting period.	Not satisfied. No evaluations have been undertaken in the reporting period.
1.7	A listed entity should:	Satisfied, see process in corporate governance policies.
	a. Have and disclose a process for evaluating the performance of senior management at least once every reporting period; and	
	b. Disclose whether performance evaluations were undertaken in accordance with the process.	Not satisfied. No evaluations have been undertaken in the reporting period.
2.1	A listed entity should have a nomination committee which:	Not satisfied.

<ul style="list-style-type: none"> <li>- Consists of at least 3 members, a majority of whom are independent directors;</li> <li>- Is chaired by an independent director;</li> </ul> <p>And disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul>	<p>Due to the relatively small size of the Company the board has not established a nomination committee as the role of the committee is undertaken by the full board.</p> <p>The Company's Nomination Committee Charter is available in the corporate government policies disclosed on the website.</p> <p>The committee did not meet during the period.</p>
<p>If it does not have a nomination committee disclose that fact and the process it follows to address that role.</p>	<p>Satisfied.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the skills that the board currently has or is looking to achieve.</p>	<p>The skills of each director are outlined in Schedule 1 to this document.</p>
<p>2.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>- The names of the directors considered by the board to be independent directors and length of service.</li> <li>- If a director has an interest / association / relationship that meets the factors of assessing independence.</li> </ul>	<p>Currently Non-Executive Chairman Bruce Lane is considered to be an independent director as defined in ASX guidelines.</p> <p>Length of Service  Bruce Lane: Appointed 8 December 2020 (10 months)  Daniel Cowley-Cooper: Appointed 9 September 2021 (1 month)  Stefan Finney: Appointed 9 September 2021 (1 month)</p>
<p>2.4 A majority of the board should be independent directors.</p>	<p>Not Satisfied. Bruce Lane is considered an independent director as defined by ASX guidelines. Due to the size of the Company and only being a three-person board, the Company considers the structure of the Board to be appropriate to manage the level of activity of the Company at the current stage. As the Company develops it will aim to identify and appoint further independent directors at the appropriate time.</p>
<p>2.5 The chair should be an independent director.</p> <p>The roles of Chair and Chief Executive Officer should not be exercised by the same individual.</p>	<p>Satisfied. Bruce Lane is considered to be an Independent Chairman as defined by ASX Guidelines.</p> <p>Satisfied.</p>
<p>2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their roles as directors effectively.</p>	<p>The Company will provide induction material for any new directors and, depending on specific requirements, will provide appropriate professional development opportunities for directors.</p>

3.1	A listed entity should articulate and disclose its Statement of Values.	Satisfied. The Statement of Values is available on the Company's website at the Corporate Governance Section.
3.2	A listed entity should: <ul style="list-style-type: none"> <li data-bbox="266 285 639 411">- Have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li data-bbox="266 422 639 506">- ensure that the Board is informed of any material breaches of that code.</li> </ul>	Satisfied. The Code of Conduct is available on the Company's website at the Corporate Governance Section.
3.3	A listed entity should: <ul style="list-style-type: none"> <li data-bbox="266 548 639 611">- have and disclose a Whistleblower Policy; and</li> <li data-bbox="266 621 639 705">- ensure that the Board is informed of any material breaches of that policy.</li> </ul>	Satisfied. The Whistleblower Policy is available on the Company's website at the Corporate Governance Section.
3.4	A listed entity should: <ul style="list-style-type: none"> <li data-bbox="266 747 639 842">- have and disclose an Anti-Bribery and Corruption Policy; and</li> <li data-bbox="266 852 639 936">- ensure that the Board is informed of any material breaches of that policy.</li> </ul>	Satisfied. The Anti-Bribery and Corruption Policy is available on the Company's website in the Corporate Governance Section.
4.1	The board of a listed entity should have an audit committee which: <ul style="list-style-type: none"> <li data-bbox="266 1041 639 1199">- Has at least three members all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li data-bbox="266 1209 639 1304">- Is chaired by an independent chair, who is not chair of the board.</li> </ul> Disclose: <ul style="list-style-type: none"> <li data-bbox="266 1335 639 1367">- The charter of the committee;</li> <li data-bbox="266 1377 639 1440">- The relevant member qualifications and experience;</li> <li data-bbox="266 1451 639 1535">- The number of times the committee met and individual attendance at those meetings</li> </ul>	Not satisfied. The board has not established an audit committee as because of the size of the company, the role of the committee is undertaken by the full board.  The full Board undertakes the duties that would otherwise fall to such a committee. The Company is small, has a three-person board and a tight management structure. It relies on equity for funding and in all the circumstances, does not perceive that the gains to be derived through the operation of a formal committee structure in the manner contemplated by the Principles and Recommendations can be cost justified.  The Audit Committee Charter is available on the Company's website in the Corporate Governance Section. The relevant member qualifications for each member are reported in the Annual Report. The audit committee did not meet during the Period. The Company will review the need to form this committee as it develops.
	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 Company has established procedures for the selection, appointment and rotation of its external auditor. The Board was responsible for the initial appointment of the external auditor and continues to be responsible for the appointment of a new external auditor when the vacancy arises. Candidates for the position must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances.

	the rotation of the audit engagement partner.	
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.	Satisfied.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited/reviewed by an external auditor	Satisfied. Continuous Disclosure Policy is available on the Company's website in the Corporate Governance Section.
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Satisfied. Continuous Disclosure Policy is available on the Company's website in the Corporate Governance Section.
5.2	A listed entity should: ensure that its board receives copies of all material market announcements promptly after they have been made.	Satisfied. Continuous Disclosure Policy is available on the Company's website in the Corporate Governance Section.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX market announcement platform ahead of the presentation.	Satisfied. Continuous Disclosure Policy is available on the Company's website in the Corporate Governance Section.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Satisfied. See the Company's website including the Corporate Governance Section.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Satisfied. See the Company's website in the Corporate Governance Section.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage	Satisfied. See Communication Policy on the Company's website in the Corporate Governance Section.

	participation at meetings of security holders.	
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands.	Satisfied.
6.5	A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.	Satisfied. See welcome pack to investors.
7.1	<p>The board of a listed entity should have a committee to oversee risk, which:</p> <ul style="list-style-type: none"> <li>- Has at least three members, a majority of whom are independent directors; and</li> <li>- Is chaired by an independent director,</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee; and</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a risk committee, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The board has not established a risk committee as the role of the committee is undertaken by the full board.</p> <p>The Company has established policies for the oversight and management of material business risks. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.</p> <p>The Company's Risk Management Policy is available on the Company's website in the Corporate Governance Section. No meeting of the risk committee was held during the Period.</p> <p>Satisfied.</p>
7.2	<p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>- Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and that the entity is operating with due regard for the risk appetite set by the board;</li> <li>- Disclose whether such a review has taken place.</li> </ul>	Not satisfied. To be undertaken in future periods.
7.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>- If has an internal audit function, how the function is structured and what role it performs;</li> <li>- If it does not have an internal audit function, disclose that fact and the process it employs for evaluating and continually improving the</li> </ul>	<p>Not satisfied. The entity does not have an internal audit function. The function is undertaken by the Board.</p> <p>The Company's Risk Management Policy is available on the Company's website in the Corporate Governance Section.</p>

	effectiveness of its governance, risk management and internal control processes.	
7.4	The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages those risks.	The entity does not have material exposure in these areas at this stage of the Company's operations. The risks relevant to the entity are disclosed on the Company's website in the Corporate Governance Section.
8.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>- have a remuneration committee which has at least three members a majority of whom are independent directors; and</li> <li>- Is chaired by an independent director; and</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee; and</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a remuneration committee disclose that fact and the process it follows to address that role.</p>	<p>Not Satisfied.</p> <p>The Company has not established a Remuneration Committee. The full Board undertakes, on an ad-hoc unstructured basis, the duties which normally would be performed by such a committee. The Company does however have a formal Remuneration Committee policy but due to its size and limited resources, this policy is not being implemented.</p> <p>The level and composition of remuneration for directors and senior executives is readily determined by what would normally be paid to incumbents in similar sized companies.</p> <p>The Remuneration Committee Charter is available on the Company's website in the Corporate Governance Section.</p> <p>The Remuneration Committee, did not meet during the period.</p> <p>Satisfied.</p>
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.	<p>Satisfied.</p> <p>The structure of Directors' remuneration is disclosed in the remuneration report section of the annual report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>- Have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme;</li> <li>- Disclose that policy or a summary of it.</li> </ul>	The Company does not have an equity-based remuneration scheme.

Further information about the Company's corporate governance practices is set out on the Company's website at <https://sshgroup.com.au/investors/corporate-governance/>

**SCHEDULE 1**



**Legend F: Familiar C: Competent E: Expert**

**Board Skills Matrix**

<b>Name</b>	<b>Bruce Lane</b>	<b>Daniel Cowley-Cooper</b>	<b>Stefan Finney</b>
<b>Title</b>	<b>Non-Executive Chairman</b>	<b>Managing Director</b>	<b>Executive Director</b>
Independent	Y	N	N
Gender	M	M	M
<b>Experience</b>			
Corporate leadership	E	C	C
International experience	E	F	F
Industry & sector experience	F	E	E
Board experience	E	F	F
Capital projects	C	C	C
<b>Knowledge and skills</b>			
Strategy Development	E	E	E
Finance & Accounting	C	C	C
Legal & Regulatory	C	F	F
Digital & Information Technology	C	F	F
Human Resources & People	F	E	E
Public Relations, Marketing & Communications	E	C	C
Risk & Compliance	E	C	C
Capital Markets	E	F	F
Stakeholder engagement	E	E	E
Environmental & Climate	C	F	F
Social & Sustainability	C	F	F
Governance & Policy	C	F	F



**Governance Competencies**

Director (medium organisation 10 - 99 employees)	F	E	E
Director (large organisation 100+ employees)	F	E	E
Financial literacy	C	C	C
Strategic thinking	E	E	E
Executive performance management	C	C	C
Risk management and mitigation	E	E	E
Compliance focus	E	E	E
Profile / reputation	C	E	E

**Behavioural Competencies**

Team player / collaborative	E	E	E
Ability and willingness to challenge and probe	E	E	E
Common sense and sound judgement	E	E	E
Integrity and high ethical standards	E	E	E
Mentoring abilities	E	C	C
Interpersonal relations	E	E	E
Listening skills	E	E	E
Verbal communication skills	E	E	E
Understanding of effective decision-making process	E	E	E
Willingness and ability to devote time and energy to the role	E	E	E