

Corporate Governance Statement

Ashley Services Group Limited
ACN 094 747 510

Current as is and approved by the Board on 29 August 2024

Introduction

Ashley Services Group Limited (**Company**) is committed to the principles of corporate governance, commensurate with its size and nature, its Board and the scope of its operations.

In the following statements, we detail how the Company adheres to the 8 core principles as set out in the 4th edition of Corporate Governance Principles and Recommendations ('ASX Recommendations'). Where there is non-adherence, we disclose why it is appropriate to take a different approach.

PRINCIPLE 1 – LAY FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1

The role of the Board (Board) is to oversee the management of the Company as well as provide strategic guidance. We have adopted a Board Charter (Charter) that is available on the Company's website that formally sets out the functions and responsibilities of the Board, with the objective of the Board being able to perform its role more effectively. This creates a system of checks and balances to provide a balance of authority.

The responsibilities of the Board, as set out in the Charter, include:

- Approving the strategic objectives of the Company and establishing goals to promote their achievement;
- monitoring the operational and financial position and performance of the Company;
- ensuring the Directors inform themselves of the Company's business and financial status;
- establishing investment criteria including acquisitions and divestments, approving investments, and implementing ongoing evaluations of investments against such criteria;
- determining dividend policy and the amount, nature and timing of dividends to be paid (if any);
- approving and monitoring the progress of major capital expenditure, capital management and major acquisitions and divestitures;
- providing oversight of the Company, including its control and accountability systems;
- establishing written policies on compliance, risk oversight and management;
- assessing and determining whether to accept risks beyond the approval discretion provided to management;
- reviewing, ratifying and monitoring systems of risk management and internal compliance and control codes of conduct and legal compliance, in conjunction with the Company's Audit and Risk Management Committee, and ensuring they are operating effectively;
- appointing and removing the Managing Director (or equivalent) (**MD**), monitoring performance and approving remuneration of the MD and the remuneration policy and succession plans for the MD, where applicable and appropriate;
- ratifying the appointment of the Directors and, where appropriate or applicable, the Company's secretary (**Secretary**); ensuring that business risks facing the Company are, where possible, identified and that appropriate
 - monitoring and reporting internal controls are in place to manage such risks;
 - approving and monitoring financial and other reporting and disclosure, including the Company's budgets;
 - ensuring the Company complies with its responsibilities under the *Corporations Act 2001* (Cth), the Company's Constitution, the ASX Listing Rules and other relevant laws;

- considering the Company's diversity policies (as set out in the Diversity Policy) and ensuring that the Company's workforce, including its Board of Directors, is made up of individuals with diverse skills,
- values, backgrounds and experience to the benefit of the Company.
- considering the social, ethical and environmental impact of the Company's activities, setting standards and monitoring compliance with the Company's sustainability policies and practices;
- exercising due care and diligence and sound business judgment in the performance of those
- functions and responsibilities;
- providing oversight and monitoring of Occupational Health & Safety (**OH&S**) issues in the Company and considering appropriate OH&S reports and information; and
- ensuring appropriate resources are available to senior executives (including senior and key officers of the Company) (**Senior Executives**).

The responsibilities delegated by the Board to the Senior Executives include:

- managing day-to-day operations in accordance with the standards for social and ethical practices which have been set by the Board; and
- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives.

Recommendation 1.2

The recruitment process for any Director includes numerous reference checks, a bankruptcy checks and criminal record (all states and territories of Australia and the AFP) check of any candidates offered roles and to be put forward to shareholders for election as a Director. In addition, shareholders are provided with all relevant information, when resolutions concerning Director's appointment are to be put to them.

Nominations for new Directors are made by the Nomination Committee and considered by the Board. Assessment criteria include background, experience, professional skills, personal qualities, whether their skills and experience will augment the existing Board and their availability to commit themselves to the Board's activities.

All newly appointed Directors who are appointed by the Board must stand for election by shareholders at the next annual general meeting.

In order to facilitate independent judgment in decision making, each Director has the right to seek independent professional advice at the Company's expense.

Recommendation 1.3

All Directors (and senior management roles) have written agreements that set out, inter alia, the terms of their respective employment.

Recommendation 1.4

Ron Hollands was appointed Secretary 31 July 2014. Ron is a qualified Chartered Accountant and holds a Bachelor of Business from University of Technology, Sydney, and an MBA from MGSM and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

He is an experienced Secretary and is well versed in all aspects of the role in an ASX listed public Company environment. Ron Hollands is accountable to the Board and its Committees via the respective Chairman on all matters to do with the proper function of the Board and its Committees.

Recommendation 1.5

The Company has a Diversity Policy which is available on its website. To date, the board and management have actively pursued diversity standards across the group and in FY24 set measurable objectives for further enhancing our gender diversity and assess and disclose annually, the company's progress in achieving them. This includes the proportion of men and women on the board, in senior executive positions and across the whole workforce.

The Company is satisfied with its gender diversity and is and has always been focussed and attracting and retained the most appropriate people for its roles.

Annually, the Company will submit its annual report to the Workplace Gender Equality Agency and confirm its compliance with the Workplace Gender Equality Act 2012 (Act).

Recommendations 1.6 and 1.7

The Company has a process for periodically evaluating the performance of its Board, its Committees, Individual Directors and Senior Executives.

The performance of the Board, its Committees, Individual Directors and Senior Executives in the 2024 financial year was formally reviewed against both quantitative and qualitative measures and Directors and Senior Executives were not provided formal feedback on the discharge of their responsibilities. The Company also provides regular informal feedback to Directors and Senior Executives and is satisfied that this was sufficient and appropriate given the number of Directors and Senior Executives and the associated costs and perceived benefits that would accrue from implementing formalised practices.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE**Recommendation 2.1**

The Company has a Nomination Committee which regulates the tenure, size and composition of the Board. The members of the Nomination Committee and the number of Committee meetings held and attendees are disclosed in the attached Appendix.

The Company does not comply with Recommendation 2.1 (a) (1) is that the majority of the members are not independent directors.

The Company is satisfied, given its size and operations, that it has the appropriate blend of skills and experience on its Board (and Committees, to meet its current requirements.

Below is a summary of the Nomination Committee's role and responsibilities, structure and membership requirements.

Members

Members of the Nomination Committee are appointed and removed by the Board. Members of the Nomination Committee must have an appropriate level of understanding of:

- the principles of corporate governance;
- the Company's businesses and organisation structure;
- the functions of the Board and the various roles and responsibilities of Directors and other key executive positions; and
- Company management, at a senior management level.

Responsibilities

Responsibilities of the Nomination Committee include:

- recommendations for the appointment and removal of Directors;
- assessing Director competencies;
- evaluating the Board's performance; and
- review of Board succession plans.

Meetings

The Nomination Committee will meet as frequently as required.. Any member of the Nomination Committee may call a meeting. A quorum at such meetings consists of at least 2 members.

Charter

The Nomination Committee Charter is available for viewing on the Company's website.

The members of the Nomination Committee and the number of Committee meetings held and attendees are disclosed in the attached Appendix.

Recommendations 2.2, 2.3 and 2.4

A Director is deemed to be independent if they are a non-executive Director and:

- is not a substantial shareholder;
- is not employed in an executive capacity currently or within the Company in the last 3 years;
- is not a material consultant to the Company currently or within the last 3 years;
- is not a material supplier or customer of the Company;
- has no material contractual relationship with the Company;
- has not served on the Board for a period which could materially interfere with their ability to act in the best interests of the Company; and
- is free from any interest which could materially interfere with their ability to act in the best interests of the Company.

We assess the materiality thresholds referred to above on a case-by-case basis, the results of which are disclosed in the table below.

Name of Director	Independent? Y/N	Any relationship affecting independence?	Skills and experience relevant to the position	Term of office
Ian Pratt	Y	No	Accounting and Finance, Governance	1 October 2015 - present
Ross Shrimpton	N	Managing Director and Substantial shareholder	Strategy, management, training and labour hire industry expertise.	12 October 2000 – current.
Paul Brittain	N	Executive Role (CFO)	Strategy, management, accounting and finance expertise.	25 July 2022 - present

The current Board is 33% independent and 33% non-executive/67% executive Directors.

The Board does not currently have a majority, independent Directors and accordingly, the Company does not comply with Recommendation 2.4.

The Company is satisfied, given its size and operations, that it has the appropriate blend of skills and experience on its Board (and Committees) to meet its current requirements.

Recommendation 2.5

The Chair of the Board and Managing Director are separate roles assumed by Ian Pratt and Ross Shrimpton respectively. Ian Pratt is a non-executive Director.

Recommendation 2.6

All new Directors undertake a detailed induction programme that covers inter alia, Company history and information, policies and procedures and ASX requirements. In addition, the Nomination Committee considers training and professional development requirements of Directors.

PRINCIPLE 3 – INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Recommendations 3.1, 3.2, 3.3 and 3.4

The Company has a Code of Conduct, Whistleblower Policy and Anti- Bribery and Corruption Policy for its Directors, senior Executives, employees and contractors that are available on its website. In these policies, inter alia, the Company articulates and discloses its values.

Any material breach of the above policies are reported to the Board or a Committee of the Board.

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OR CORPORATE REPORTS**Recommendation 4.1**

The Company has an Audit and Risk Management Committee established by the Board, inter alia, to protect the integrity of financial reports. The importance of an Audit and Risk Management Committee is universally recognised in the practice of good corporate governance and plays a key role in focussing the Board on matters relevant to the integrity of financial reporting.

Charter of the Audit and Risk Management Committee

The charter of the Audit and Risk Management Committee sets out its role and responsibilities, structure and membership requirements. The Audit and Risk Management Committee Charter can be viewed on the Company's website.

Responsibilities

The responsibilities of the Audit and Risk Management Committee includes:

- reviewing the integrity and the effectiveness of the internal audit;
- overseeing the independence of the external auditors; and
- the management of operational risk.

Meetings

The Audit and Risk Management Committee will meet as frequently as required and at least twice a year. Any member of the Audit and Risk Management Committee may call a meeting. A quorum at such meetings consists of at least 2 members.

Expertise

Every member of the Audit and Risk Management Committee can read and understand financial statements and at least 1 member is a qualified accountant or other financial professional with experience in financial and accounting matters.

Reporting

The Audit and Risk Management Committee reports to the Board at the first Board meeting subsequent to each Audit and Risk Management Committee meeting. Each report contains all matters relevant to the Audit and Risk Management Committee's role and responsibilities.

The Company does not comply with all aspects of Recommendations, 4,1 (a) (1) and (2) in that the majority of the members of the Committees are not Independent Directors and that Ian Pratt chairs the Board and the Audit and Risk Management Committee.

The Company is satisfied, given its size and operations, that it has the appropriate blend of skills and experience on its Board (and Committees), to meet its current requirements.

External Audit

The Audit and Risk Management Committee is responsible for making recommendations to the Board concerning the appointment of external auditors and the terms of their engagement. The Audit and Risk Management Committee annually reviews the performance of the external auditors and the Company's policy on maintaining the independence of the external auditor. The independent external auditor reports directly to the Audit and Risk Management Committee and Board.

The independent external auditor is invited to attend all Annual General Meetings and is available to answer questions from shareholders concerning their annual audit.

The members of the Audit and Risk Committee and the number of Committee meetings held and attendees are disclosed in the attached Appendix.

Recommendation 4.2

Annually, before the Board approves Financial Statements, the CEO and CFO will make signed and written declarations that:

- the financial records for the financial year have been correctly maintained;
- the financial statements and notes for the financial year comply with the appropriate accounting standards;
- the financial statements and notes for the financial year give a fair and true 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

All non-audited or review periodic corporate reports, are independently checked and circulated to all Directors, prior to being released to the market.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**Recommendations 5.1, 5.2 and 5.3**

The Company has a Continuous Disclosure Policy that is available on its website. All ASX Announcements are circulated to all Directors prior to lodgement with the ASX and afterwards confirming lodgement.

Any new and substantive investor or analyst presentations are released on the ASX Market Announcement Platform ahead of the presentation being given.

PRINCIPLE 6 – RESPECT THE RIGHTS OR SECURITY HOLDERS**Recommendations 6.1, 6.2, 6.3, 6.4 and 6.5**

The Company has a website that it keeps up to date with its Policies, Charters and ASX Announcements.

The Company has a relatively flat management structure, one benefit of which is the ease in which shareholders can access the Board and Management. The Company encourages dialogue with shareholders, in particular at Shareholder Meetings. This includes reminding shareholders to advise of any questions that they seek answered at a Shareholder Meeting.

The independent external auditor is invited to attend all Annual General Meetings and is available to answer questions from shareholders concerning their annual audit.

Where necessary, all substantive resolutions put to Shareholders at Shareholder Meetings are decided by a Poll.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**Recommendation 7.1**

The Company has an Audit and Risk Management Committee established by the Board to protect the integrity of financial reports. The importance of an Audit and Risk Management Committee is universally recognised in the practice of good corporate governance and plays a key role in focussing the Board on matters relevant to the integrity of financial reporting.

Charter of the Audit and Risk Management Committee

The charter of the Audit and Risk Management Committee sets out its role and responsibilities, structure and membership requirements. The Audit and Risk Management Committee Charter can be viewed on the Company's website.

Responsibilities

The responsibilities of the Audit and Risk Management Committee includes:

- reviewing the integrity and the effectiveness of the internal audit;
- overseeing the independence of the external auditors; and
- the management of operational risk.

Meetings

The Audit and Risk Management Committee will meet as frequently as required and at least twice a year. Any member of the Audit and Risk Management Committee may call a meeting. A quorum at such meetings consists of at least 2 members.

Expertise

Every member of the Audit and Risk Management Committee can read and understand financial statements and at least 1 member is a qualified accountant or other financial professional with experience in financial and accounting matters.

Reporting

The Audit and Risk Management Committee reports to the Board at the first Board meeting subsequent to each Audit and Risk Management Committee meeting. Each report contains all matters relevant to the Audit and Risk Management Committee's role and responsibilities.

The Company does not comply with all aspects of Recommendations, 7,1 (a) (1) in that the majority of the members of the Committees are not Independent Directors.

The Company is satisfied, given its size and operations, that it has the appropriate blend of skills and experience on its Board (and Committees, to meet its current requirements.

The members of the Audit and Risk Committee and the number of Committee meetings held and attendees are disclosed in the attached Appendix.

Recommendation 7.2

In order to recognise and manage risk, we have established an internal compliance system under which risk is identified, assessed, monitored and managed. This structure is designed and implemented by the Audit and Risk Management Committee as one of its key responsibilities is to oversee the establishment and implementation of the risk management system.

All material risks affecting the Company, including both financial and non-financial matters, are considered and reviewed regularly by the Audit and Risk Management Committee.

The effectiveness of the risk management system is reviewed by the Audit and Risk Management Committee at least annually. A part of this system of assessment is the establishment of an internal audit function whose purpose is to analyse the effectiveness of the Company's risk management and internal compliance and control system. The internal audit function is independent of the external auditors and reports to management.

In order to create an environment for identifying and capitalising on opportunities, the Board has established a sound system of risk oversight and management. To encourage management accountability in this area, the Senior Executives are required to design and implement the risk management and internal control system to manage the Company's material business risks and report on whether those risks are being managed effectively.

The Audit and Risk Management Committee makes best endeavours to review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.

No review of the Company's risk management framework occurred in the year ended 30 June 2023 nor was this disclosed the 2023 Annual Report. The Committee is satisfied that amongst its members and with management input, they have the requisite skills and experience to adequately periodically assess risks and rectify and material threats to the Company.

Recommendation 7.3

The Audit and Risk Management Committee resolved in establish an Internal Audit function in the year ended 30 June 2015. Following a tendering process, Pricewaterhouse Coopers (PWC) were appointed as the Company's internal auditor. PWC worked with management to identify key risks and will conduct testing in these areas and report on the completion of their work. It was decided however in the 2016 financial year to temporarily suspend PWC's work. The Committee is satisfied that amongst its members and with management input, they have the requisite skills and experience to adequately periodically assess risks and rectify and material threats to the Company.

Recommendation 7.4

The Company will annually disclose whether it has any material exposure to environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. For the 2023 financial year, the Company does not believe that it has any material exposure to environmental and social sustainability risks.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**Recommendation 8.1**

The Company has a Remuneration Committee whose role is to review the remuneration policies and practices of the Company to ensure that the Company remunerates fairly and responsibly. Such policies are designed to attract and retain talented and motivated directors. The Remuneration Committee Charter is available on the Company website.

Charter of the Remuneration Committee*Composition*

The Remuneration Committee consists of 3 members, of which 1 is independent (Ian Pratt) who is also the Chair of the Remuneration Committee.

The Company does not comply with Recommendations 8.1 (a) (1) in that the majority of the members of the Committees are not Independent Directors.

The Company is satisfied it has the appropriate blend of skills and experience on the Board and its Committees to oversee all matters presented.

The members of the Remuneration Committee have an appropriate understanding of the principles of corporate governance, the disclosure requirements under the *Corporations Act 2001 (Cth) (Act)* and the complexities involved in negotiating and determining executive remuneration packages.

Responsibilities

The Remuneration Committee's responsibilities include providing the Board with advice and recommendations relating to:

- the executive remuneration policy;
- the non-executive remuneration policy;
- remuneration packages for executive Directors and Senior Executives;
- merit recognition arrangements; and
- termination arrangements.

Meetings

The Remuneration Committee will meet as frequently as required. Any member of the Remuneration Committee may call a meeting. A quorum for a Remuneration Committee meeting consists of at least 2 members, 1 of whom must be an independent person.

The members of the Remuneration Committee and the number of Committee meetings held and attendees are disclosed in the attached Appendix.

Recommendation 8.2

The Company, annually in its Remuneration Report, discloses its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Recommendation 8.3

The Company will disclose whether or not it has an equity-based remuneration scheme that permits participants to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Company's current position is to not allow permits participants in its equity-based remuneration scheme, to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Appendix

Committees established and membership

The Board has established the following committees:

Nomination Committee .
Remuneration Committee
Audit and Risk Management Committee

The qualifications and experience of all Committee members are disclosed in the Annual Report. The Company is satisfied it has the appropriate blend of skills and experience on its Committees to oversee all matters presented.

Member	Nomination Committee	Audit and Risk Management Committee	Remuneration Committee
Ian Pratt	X	X	X
Ross Shrimpton	X	X	X
Paul Brittain	X	X	X

Ian Pratt is chair of all three (3) Committees and is considered an Independent Director. Ian Pratt is the most appropriate of all Directors to chair this Committee given his 40+ years' experience as a Chartered Accountant and his expertise with ASX listed public companies.

Attendance at Committee Meetings

Member	Nomination Committee (0 meeting held in FY24)	Audit and Risk Management Committee (3 meetings held in FY24)	Remuneration Committee (2 meetings held in FY24)
Ian Pratt	0	3	2
Ross Shrimpton	0	3	2
Paul Brittain	0	3	2

Note: Board and Committee Meetings held during the period and meetings attending by Directors and Committee Members are disclosed in the 2024 Annual Report.