



CASH CONVERTERS INTERNATIONAL LIMITED
ABN 39 069 141 546

CORPORATE GOVERNANCE STATEMENT

Approach to corporate governance

Cash Converters International Limited (the "Company") has adopted systems of control and accountability as the basis for the administration of corporate governance, the key features of which are set out in this Corporate Governance Statement ("Statement").

In establishing this corporate governance framework, the Company has referred to the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations, third edition ("Principles and Recommendations"). The Company has followed each recommendation where the board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the board has made appropriate statements reporting on the adoption of the recommendation. In accordance with the ASX Corporate Governance Council's "if not, why not" reporting regime, where, after due consideration the Company's corporate governance practices do not follow a recommendation, the board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.cashconverters.com, under the heading "Corporate Governance":

- Board charter
- Code of conduct
- Continuous disclosure policy
- Audit and Risk Committee charter
- Remuneration Committee charter
- Nomination Committee charter
- Securities trading policy

Unless otherwise indicated, the best practice recommendations of the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures, have been adopted by the Company for the full year ended 30 June 2016 ("Reporting Period").

This Statement for the financial year ending 30 June 2016 is dated as at 21 October 2016. The extent to which the Company has complied with the ASX Recommendations during the year ended 30 June 2016, and the main corporate governance practices in place are set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The board has implemented a *Board charter* that formalises the functions and responsibilities of the board, a copy of which is published on the Company's website.

Recommendation 1.2

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.

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. Information on the directors' qualifications and experience can be found on pages 20 and 21 of the 2016 annual report.

Recommendation 1.3

Directors are appointed by a letter of appointment, and senior executives by written contracts, which set out the terms of their appointment.

Recommendation 1.4

The Company Secretary of the Company reports directly to the chairman of the board regarding all matters relating to the proper functioning of the board.

Recommendation 1.5

The Company possesses a diversity policy and has set the following gender diversity targets:

Target	Date for completion
The next board appointments desirably include at least one female with appropriate skills and attributes.	When it is appropriate to expand or refresh the board.
To increase the number of women in senior management positions* with appropriate skills and attributes.	When it is appropriate to expand or refresh the senior executive team.
At least 35% of employees should be female with appropriate skills and attributes.	Annually by 30 June each year.

**Senior management is defined as senior executives of the Group as well as the senior executives' direct reports*

The Company has achieved its targets in relation to employees throughout the organisation during the year. No directors were appointed during the year and all five board positions are held by men. As at 30 June 2016, the proportion of females and males within the Cash Converters Group is set out in the table below:

	Whole organisation		Senior executive		Board	
	Number	%	Number	%	Number	%
Female	528	48%	4	24%	0	0%
Male	576	52%	13	76%	5	100%
Total	1,104	100%	17	100%	5	100%

Recommendation 1.6

The Company is in the process of developing a process for periodically evaluating the performance of the board, its committees and individual directors. The Company is currently in the process of seeking to recruit an additional two non-executive directors and did not undertake a performance evaluation during the year ended 30 June 2016 while this process was underway. Following the appointment of the additional directors, an evaluation process will be finalised and a performance evaluation of the board, its committees and individual directors will be undertaken.

Recommendation 1.7

The performance of senior executives is measured against prescribed criteria as set by the Remuneration Committee. These criteria are set annually and individual performance is assessed annually. Such an assessment was undertaken during the reporting period.

Principle 2: Structure the Board to add value

Recommendation 2.1

The Nomination Committee consists of the following non-executive director members at the date of this Statement:

- Mr Kevin Dundo (Chair) (independent)
- Mr Stuart Grimshaw
- Mr Reginald Webb (independent)
- Mr Lachlan Given

The Nomination Committee operates under a formal charter approved by the board, a copy of which is published on the Company's website.

The Nomination Committee is comprised of half independent directors, and as such the majority are not independent, however the recruitment of additional independent non-executive directors is underway to ensure that the Nomination Committee consists of a majority of independent members.

The experience and qualifications of each committee member is set out in the directors' profiles on pages 20 and 21 of the 2016 annual report. Details of meetings held by the Nomination Committee during the year are set out on page 23 of the 2016 annual report.

Recommendation 2.2

The Company is in the process of developing a board skills matrix setting out the mix of skills and diversity that the board currently has and is looking to achieve in its membership, as part of the process of recruiting additional non-executive directors.

Recommendation 2.3

The board consists of a non-executive chairman, three non-executive directors and one executive director. The following table indicates the directors the board considers to be independent, and the date of appointment of each director:

Director	Independent	Date of appointment
Mr Stuart Grimshaw	No	1 November 2014
Mr Peter Cumins	No	26 April 1995
Mr Reginald Webb	Yes	22 October 1997
Mr Lachlan Given	No	22 August 2014
Mr Kevin Dundo	Yes	20 February 2015

Recommendation 2.4

A majority of directors are non-executive, but a majority are not independent. The board is currently in the process of recruiting an additional two independent non-executive directors with a view to having a majority of independent directors.

Recommendation 2.5

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

The Chairman of the board is not the same person as the CEO of the Group.

Recommendation 2.6

The Company has a program for inducting new directors and to provide appropriate professional development opportunities for directors.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The board of directors 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 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

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

The Audit and Risk Committee consists of the following non-executive director members at the date of this Statement:

- Mr Kevin Dundo (Chair) (independent)
- Mr Reginald Webb (independent)
- Mr Lachlan Given (appointed 1 August 2016)

The experience and qualifications of each committee member is set out in the directors' profiles on pages 20 and 21 of the 2016 annual report. The Company Secretary acts as secretary of this Committee. The external auditors, remaining directors and the Managing Director are invited to Audit and Risk Committee meetings. Details of meetings held by the Audit and Risk Committee during the year are set out on page 23 of the 2016 annual report.

At the date of this Statement the Committee is chaired by an independent chairperson who is not the chairman of the board of directors, has three members, all of whom are non-executive directors and a majority of whom are independent directors, and so complies with Recommendation 4.1, however this was not the case for the reporting period, as the Audit and Risk Committee had only two members until the appointment of Mr Given on 1 August 2016.

The role of the Audit and Risk Committee is to protect the interests of shareholders and other stakeholders by assessing, evaluating and holding management to account on:

- the integrity of corporate and financial reporting;
- the adequacy of the control environment and the processes for identifying and managing risk;
- the internal and external audit functions;
- treasury and taxation practices;
- compliance with the Corporations Act, ASX Listing Rules and Corporate Governance Principles; and

- any other matters referred to it by the board.

Recommendation 4.2

The Managing Director and the Chief Financial Officer have signed a declaration to the board attesting to the fact that the 2016 annual financial report presents a true and fair view, in all material respects, of the Company's financial condition and operational results and is in accordance with relevant accounting standards.

Recommendation 4.3

The external auditors are required to attend the Annual General Meeting of the Company and be available to answer questions from shareholders relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company has developed procedures to ensure that it complies with the disclosure requirements of the ASX Listing Rules. The procedures 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. The Company's *Continuous disclosure policy* is published on its website.

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

Principle 6: Respect the rights of security holders

Recommendation 6.1

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 and the Company Secretary
- copies of annual reports and ASX announcements
- company overview

The website also has a "corporate governance" landing page at www.cashconverters.com/Governance where copies of corporate governance policies and other corporate governance materials referred to in this Statement can be found.

Recommendation 6.2

The board aims to ensure that shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders through the annual report which is made available to all shareholders. 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 developments.

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

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

Recommendation 6.3

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the shareholders as single resolutions. The shareholders are responsible for voting on the re-appointment of non-executive directors.

Recommendation 6.4

Shareholders can register with the Company's share registry, Computershare Investor Services, (through its website, www-au.computershare.com/investor/) 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 to email the Company.

Principle 7: Recognise and manage risk

Recommendation 7.1

Risk and risk management within the Company is overseen by the Audit and Risk Committee, details of which are outlined above in relation to Recommendation 4.1.

At the date of this Statement the Audit and Risk Committee is chaired by an independent chairperson who is not the chairman of the board of directors, has three members, all of whom are non-executive directors and a majority of whom are independent directors, and so complies with Recommendation 7.1, however this was not the case for the reporting period, as the Committee had only two members until the appointment of Mr Given on 1 August 2016.

Recommendation 7.2

The Audit and Risk Committee reviews the risk management framework on an annual basis and after undergoing a review in this reporting period does not believe it has any material exposure to economic, environmental and social sustainability risks.

Recommendation 7.3

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 maintains and regularly reviews the Group's risk register.

Recommendation 7.4

The board is responsible for ensuring that the Company's risk management systems are adequate and operating effectively. The Board does not believe it has any material exposure to economic, environmental and social sustainability risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The Remuneration Committee operates under a formal charter approved by the board, a copy of which is published on the Company's website.

The Remuneration Committee consists of the following non-executive director members at the date of this Statement:

- Mr Kevin Dundo (Chair) (independent)
- Mr Stuart Grimshaw
- Mr Reginald Webb (independent)
- Mr Lachlan Given

The Remuneration Committee is comprised of half independent directors, and as such the majority are not independent, however the recruitment of additional independent non-executive directors is underway to ensure that the Committee consists of a majority of independent members.

The experience and qualifications of each committee member is set out in the directors' profiles on pages 20 and 21 of the 2016 annual report. Details of meetings held by the Remuneration Committee during the year are set out on page 23 of the 2016 annual report.

Recommendation 8.2

Details on the remuneration of directors and executives as well as the Company's remuneration policies are set out in the remuneration report on pages 26 to 29 of the annual report.

Recommendation 8.3

The Company's *Share 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.