

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

|                              |
|------------------------------|
| AuMake International Limited |
|------------------------------|

ABN/ARBN

|                |
|----------------|
| 79 150 110 017 |
|----------------|

Financial year ended:

|              |
|--------------|
| 30 June 2020 |
|--------------|

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: [www.aumake.com.au](http://www.aumake.com.au)

The Corporate Governance Statement is accurate and up to date as at 31 August 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 31 August 2020

Name of authorised officer  
authorising lodgement:

David Franks, Company Secretary

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

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

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

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation                             |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>                                |
|---|---|--|--|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b> |   |  |  |
| 1.1   | A listed entity should have and disclose a board charter setting out:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.   | <input checked="" type="checkbox"/><br>and we have disclosed a copy of our board charter at:<br>www.aumake.com.au.....<br>[insert location]  | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2   | A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(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. | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3   | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.   | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4   | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.   | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “insert location” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation  | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:  | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>   |
|--|---|--|
| <p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>   | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>In our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>In our Corporate Governance Statement</p>   | <p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>            |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>  |
|---|---|--|---|
| 1.7   | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>In our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>In our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                            | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>  |   |
|--|--|---|---|
| <b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b> |  |   |   |
| 2.1  | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: .....</p> <p>[insert location]</p> <p>and the information referred to in paragraphs (4) and (5) at: .....</p> <p>[insert location]</p> <p>[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>In our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2  | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>   | <p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at:</p> <p>In our Corporate Governance Statement</p>   | <p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.3  | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>  | <p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>In our Corporate Governance Statement</p> <p>and, where applicable, the information referred to in paragraph (b) at: .....</p> <p>[insert location]</p> <p>and the length of service of each director at:</p> <p>In our Annual Report</p>  | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>   |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation   |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>  |
|---|---|--|---|
| 2.4   | A majority of the board of a listed entity should be independent directors.   | <input type="checkbox"/>   | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5   | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.   | <input type="checkbox"/>   | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6   | A listed entity should have a program for inducting new directors and 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 role as directors effectively. | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable            |
| <b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b> |   |  |   |
| 3.1   | A listed entity should articulate and disclose its values.  | <input checked="" type="checkbox"/><br>and we have disclosed our values at:<br>In our Code of Conduct at aumake.com.au   | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 3.2   | A listed entity should:<br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.  | <input checked="" type="checkbox"/><br>and we have disclosed our code of conduct at:<br>aumake.com.au  | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 3.3   | A listed entity should:<br>(a) have and disclose a whistleblower policy; and<br>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.   | <input checked="" type="checkbox"/><br>and we have disclosed our whistleblower policy at:<br>aumake.com.au   | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 3.4   | A listed entity should:<br>(a) have and disclose an anti-bribery and corruption policy; and<br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.   | <input checked="" type="checkbox"/><br>and we have disclosed our anti-bribery and corruption policy at:<br>In our Code of Conduct at aumake.com.au   | <input type="checkbox"/> set out in our Corporate Governance Statement  |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                       | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>  |  |
|---|--|---|--|
| <b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b> |  |   |  |
| 4.1   | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.2   | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>   | <p><input checked="" type="checkbox"/></p>  | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>            |
| 4.3   | <p>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 or reviewed by an external auditor.</p>  | <p><input checked="" type="checkbox"/></p>  | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>            |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                 |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|--|---|
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |   |  |   |
| 5.1   | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.  | <input checked="" type="checkbox"/><br>and we have disclosed our continuous disclosure compliance policy at:<br>aumake.com.au  | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 5.2   | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.   | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 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 Announcements Platform ahead of the presentation. | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |   |  |   |
| 6.1   | A listed entity should provide information about itself and its governance to investors via its website.  | <input checked="" type="checkbox"/><br>and we have disclosed information about us and our governance on our website at:<br>aumake.com.au   | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 6.2   | A listed entity should have an investor relations program that facilitates effective two-way communication with investors.  | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 6.3   | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.  | <input checked="" type="checkbox"/><br>and we have disclosed how we facilitate and encourage participation at meetings of security holders at:<br>In our Corporate Governance Statement              | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 6.4   | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.   | <input type="checkbox"/>   | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement   |
| 6.5   | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.                                  | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation    | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>   |  |
|--|--|--|--|
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |  |  |  |
| 7.1  | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: aumake.com.au</p> <p>and the information referred to in paragraphs (4) and (5) at: Our Annual Report</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 7.2  | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>  | <p><input type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>.....</p> <p><i>[insert location]</i></p>  | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:  | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|---|--|
| 7.3   | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> | <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i><br/>                     and we have disclosed how our internal audit function is structured and what role it performs at:<br/>                     .....<br/> <i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i><br/>                     and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:<br/>                     In our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>  |
| 7.4   | <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>  | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:<br/>                     In our Corporate Governance Statement</p> <p>and, if we do, how we manage or intend to manage those risks at:<br/>                     .....<br/> <i>[insert location]</i></p>   | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                                    |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>  |
|--|---|--|--|
| <b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>             |   |  |  |
| 9.1  | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.                         | <input type="checkbox"/><br>and we have disclosed information about the processes in place at:<br>.....<br>[insert location]   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable  |
| 9.2  | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.  | <input type="checkbox"/>   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable   |
| 9.3  | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.   | <input type="checkbox"/>   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable<br><input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |
| <b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b> |   |  |  |
| -  | <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i><br>The responsible entity of an externally managed listed entity should disclose:<br>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and<br>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | <input type="checkbox"/><br>and we have disclosed the information referred to in paragraphs (a) and (b) at:<br>.....<br>[insert location]  | <input type="checkbox"/> set out in our Corporate Governance Statement   |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|--|--|
| -   | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>                          | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>  |



**AUMAKE INTERNATIONAL LIMITED ACN 150 110 017**

**("Company")**

**Corporate Governance Statement 2020**

The Board of Directors of AuMake International Limited ("**AuMake**", the "**Company**") guides and monitors the business and affairs of the Company.

The Board is therefore responsible for the corporate governance framework of AuMake having regard to the ASX Corporate Governance Council's "*Corporate Governance Principles and Recommendations, 4<sup>th</sup> Edition*" (**Principles and Recommendations (Fourth Edition)**).

The Principles and Recommendations (Fourth Edition) take effect for an entity's first full financial year commencing on or after 1 January 2020. Specifically, as AuMake has a 30 June balance date, then it is expected to measure its governance practices against the recommendations in the Principles and Recommendations (Fourth Edition) commencing with the financial year ended 30 June 2021. However, the ASX Corporate Governance Council has encouraged listed entities to adopt the Principles and Recommendations (Fourth Edition) earlier.

The Board has revisited the Company's governance practices and updated those practices, to the extent applicable to the Company, in line with the recommendations in the Principles and Recommendations (Fourth Edition). Accordingly, this statement discloses the Company's corporate governance practices against the recommendations in the Principles and Recommendations (Fourth Edition).

While the Company has elected to adopt the Principles and Recommendations (Fourth Edition) early, due to the nature and size of the Company, there are some recommendations that do not apply to the Company, including with respect to its year ended 30 June 2020 (**reporting period**), as further detailed in the table below.

| <b>ASX Principles and Recommendations (Fourth Edition)</b>  | <b>Compliance by the Company</b>  |
|---|---|
| <p><b><i>Principle 1 – Lay solid foundations for management and oversight</i></b><br/> <i>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance</i></p>   |   |
| <p><b>Recommendation 1.1</b><br/> A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management</li> </ul> | <p>In accordance with the Board Charter, the Board has reserved to itself the following specific responsibilities to, among other matters:</p> <ul style="list-style-type: none"> <li>• provide leadership, defining the Company's purpose, and set the strategic objectives of the Company, and oversee management implementation of those strategic objectives, the instilling of the Company's values and performance generally;</li> <li>• appoint and when necessary replace the chairperson (and deputy), the Managing Director (<b>MD</b>) and senior executives;</li> </ul> |



|   |   |
|---|---|
|   | <ul style="list-style-type: none"><li>• through the chairperson, oversee the role of the company secretary;</li><li>• approve operating budgets and major capital expenditure;</li><li>• oversee the integrity of the Company's accounting and corporate reporting systems, including external audit;</li><li>• oversee the Company's process for making timely and balanced disclosure;</li><li>• ensure that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;</li><li>• whenever required, acting as a check and balance on management decision making;</li><li>• approve the Company's remuneration framework; and</li><li>• monitor the effectiveness of the Company's governance practices.</li></ul> <p>The Board has delegated to the MD the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in the Board and any of its committees, respectively, in the Board Charter and any committee charter.</p> <p>The MD has the authority to sub-delegate to the senior management team.</p> <p>The Board Charter is available on the Company's corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p> |
| <p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"><li>(a) undertake appropriate checks before appointing a director or senior executive of putting someone forward for election as a director; and</li><li>(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.</li></ul> | <p>As part of the appointment process for a director or senior executive, the Company undertakes background checks with regards to the person's skill, character, experience, education, criminal record and bankruptcy history. Potential directors will be required to disclose their other commitments and confirm that they are able to dedicate sufficient time to their duties.</p> <p>The Company provides shareholders in the relevant notice of meeting with information to enable them to make an informed decision on all Directors standing for election or re-election as a Director including, experience, qualifications, relevant memberships and details of other material directorships held.</p>   |
| <p><b>Recommendation 1.3</b></p>  | <p>All Company directors and senior executives have entered into written appointment agreements with the Company.</p>   |

|   |  |
|---|--|
| <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>  | <p>Specifically:</p> <ul style="list-style-type: none"> <li>the non-executive directors have each executed a letter of appointment setting out the terms and conditions of their appointment; and</li> <li>the executive directors and senior executives of the Company have entered into employment agreements, setting out the terms and conditions of their employment.</li> </ul>  |
| <p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.</p>   | <p>As set out in the Board Charter, the Company Secretary is accountable directly to the Board, through the chairperson, on all matters to do with the proper functioning of the Board.</p> <p>The Company Secretary is responsible for, among other things:</p> <ul style="list-style-type: none"> <li>advising the Board and any of its committees on governance matters;</li> <li>coordinating the timely completion and dispatch of Board and committee papers;</li> <li>ensuring that the business at Board and committee meetings is accurately captured in the minutes; and</li> <li>helping to organise and facilitate the induction and professional development of directors.</li> </ul> <p>Other responsibilities may be delegated to the Company Secretary, as the Board may determine appropriate.</p>  |
| <p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <ol style="list-style-type: none"> <li>have and disclose a diversity policy;</li> <li>through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>disclose in relation to each reporting period:             <ol style="list-style-type: none"> <li>the measureable objectives set for that period to achieve gender diversity;</li> <li>the entity's progress towards achieving those objectives; and</li> <li>either:                 <ol style="list-style-type: none"> <li>the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</li> </ol> </li> </ol> </li> </ol> | <p>The Board and executive leadership team of the Company are committed to workforce diversity in its broadest sense, and consider this diversity and inclusiveness as a strength of the business and an investment in the creation of a sustainable business capable of delivering long term shareholder value.</p> <p>The Company's Diversity Policy is available on the Company's corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p> <p>The Company has not currently established any measurable gender diversity objectives, however, the Board may, in the future, determine to establish measurable objectives for achieving gender diversity and which will be assessed on at least an annual basis.</p> <p>The Diversity Policy is underpinned and supported by a suite of policies and practices that are applicable to all who work at the Company and which promote an environment that attracts and retains well qualified employees, senior management and Board candidates</p> |



|  |   |
|--|---|
| <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>(C)</p>   | <p>regardless of gender, and reflective of diversity of thought and experience.</p>   |
| <p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"><li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li><li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or inspect of that period.</li></ul> | <p>In accordance with the Board Charter, each director’s performance will be assessed when standing for re-election. Before each AGM, the chairperson of the Board will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the chairperson), will conduct the review of the chairperson. The Company discloses all information relevant to a decision whether or not to elect or re-elect a director in the notice of meeting for the AGM.</p> <p>In addition, the Audit Committee Charter and Risk Committee Charter set out when reviews are to take place with respect to those committees.</p> <p>A formal performance evaluation of the Board has not taken place during the reporting period.</p> |
| <p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"><li>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li><li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li></ul>   | <p>The Board conducts an annual performance assessment of the MD and the MD undertakes assessments of senior executives. In assessing the performance of the individual executives, the review includes consideration of the senior executive’s function, individual targets, group targets, and the overall performance of the Company.</p> <p>High level performance evaluation of senior executives is undertaken by the MD, taking into consideration both qualitative and quantitative measures. The MD also provides regular feedback to senior executives in relation to performance and development.</p> <p>Performance evaluations of the MD and senior executives have taken place during the reporting period.</p>   |



**Principle 2 – Structure the board to be effective and add value**

*The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.*

**Recommendation 2.1**

The board of a listed entity should:

- (a) have a nomination committee which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director, and disclose:
    - (3) the charter of the committee;
    - (4) the members of the committee; and
    - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board does not currently have a Nomination and Remuneration Committee; instead the Board continues to be responsible for, and has adopted, its own succession plan which is designed to maintain an appropriate balance of skills, experience and expertise on the Board as appropriate to the needs of the Company from time to time.

**Recommendation 2.2**

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

In accordance with the Board Charter, the Company seeks to achieve a range of skills, knowledge, experience, independence and diversity, together with an understanding of and competence to deal with current and emerging issues of the business. Requisite skills include e-commerce, technology, logistics and distribution, consumer electronics, retail services, regulatory compliance and marketing.

The current Board covers the majority of skills required and any new director to be appointed to the Board will be selected on the basis of their ability to strengthen and develop the Board's abilities in these key areas.

**Recommendation 2.3**

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position or relationship of the type described in Box 2.3

The Board considers Mr Oliver Horn to be an independent non-executive director. Mr Quentin Flannery is a non-executive director, however he is not considered to be independent under the Board Charter, because he is a substantial shareholder of the Company. Mr Keong Chan, Mr Jiahua (Joshua) Zhou and Mr Jacky Yang are executive directors and therefore not independent.



|   |   |
|---|---|
| <p>of the Principles and Recommendations (Fourth Edition) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and<br/>(c) the length of service of each director.</p> |   |
| <p><b>Recommendation 2.4</b><br/>A majority of the board of a listed entity should be independent directors.</p>  | <p>Due to the current size and structure of the Board, the Board does not currently have a majority of independent Directors.<br/><br/>As the Company and its needs continue to develop, the Board intends to review the composition of the Board.</p>  |
| <p><b>Recommendation 2.5</b><br/>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>  | <p>Due to the nature and size of the Company, the Company's Chairman is an Executive Chairman, being Mr Keong Chan.<br/><br/>However, the role of the Managing Director is currently held by Mr Jiahua (Joshua) Zhou (who is not also the Chairman of the Board).<br/><br/>The Board considers Mr Chan's role as Executive Chairman essential to the success of the Company at this stage of its continued development.</p> |
| <p><b>Recommendation 2.6</b><br/>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 role as directors effectively.</p>                                | <p>In accordance with the Board Charter, directors are expected to participate in an induction program on appointment, and any continuing education or training arranged for them.<br/><br/>Directors are encouraged and supported by the Company to undertake appropriate professional development opportunities.</p>  |
| <p><b>Principle 3 – Instil a culture of acting lawfully, ethically and responsibly</b><br/><i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</i></p>  |   |
| <p><b>Recommendation 3.1</b><br/>A listed entity should articulate and disclose its values</p>  | <p>The Company's values have been adopted into its Code of Conduct.<br/><br/>The Code of Conduct is available on the Company's corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p>   |
| <p><b>Recommendation 3.2</b><br/>A listed entity should:</p>  | <p>The Board has adopted a Code of Conduct which sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of the Company's business and people, taking</p>  |



|   |   |
|---|---|
| <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>  | <p>into account the Company's legal and other obligations to its stakeholders.</p> <p>The Code of Conduct applies to all directors, as well as all officers, employees, contractors, consultants, other persons that act on behalf of the Company and associates of the Company.</p> <p>The Code of Conduct is available on the Company's corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p>  |
| <p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a whistle blower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>  | <p>The Board has adopted a Whistleblowing Policy which encourages the raising of any concerns about actual or potential misconduct or any improper state of affairs of circumstances in relation to the Company, without fear of reprisal or intimidation.</p> <p>The Company is committed to ensuring that individuals who disclose wrongdoing in accordance with this policy can do so safely, securely and with confidence that they will be protected and supported.</p> <p>The Company aims to ensure that disclosures of wrongdoing are dealt with appropriately and on a timely basis.</p> |
| <p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>   | <p>The Company's anti-bribery and gifts policies have been adopted into its Code of Conduct.</p> <p>As detailed in the Code of Conduct, the Company has a strict policy not to, among other things, offer secret commissions or bribes to further its business interests.</p> <p>The Board continues to monitor compliance with all aspects of the Code of Conduct, including the anti-bribery and gifts policy set out in the code. Any known or suspected breaches are reported to the Board and will be investigated accordingly.</p>  |
| <p><b>Principle 4 – Safeguard the integrity of corporate reports</b></p> <p><i>A listed entity should have appropriate processes to verify the integrity of its corporate reports</i></p>   |   |
| <p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> | <p>The Board has established an Audit Committee. This committee is responsible for, amongst other things, appointing the Company's external auditors and overseeing the integrity of the Company's financial reporting systems and financial statements.</p> <p>The committee is comprised of the following members:</p> <ul style="list-style-type: none"> <li>• Mr Quentin Flannery (Chair) – non-independent non-executive director;</li> <li>• Mr Oliver Horn – independent non-executive director;</li> </ul>  |

|   |  |
|---|--|
| <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <ul style="list-style-type: none"> <li>• Mr Keong Chan – executive director</li> <li>• The Audit Committee Charter is available on the Company’s corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</li> </ul> <p>The Directors’ report discloses the relevant qualifications of each member of the Audit Committee and the details of the meetings and attendances.</p>   |
| <p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity’s financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>                         | <p>Prior to approving the Company’s financial statements for a financial period, the Board will receive assurances from each of the Executive Chairman, Mr Keong Chang, and the Chief Financial Officer, Mr Peter Zhao, that in their opinion:</p> <ul style="list-style-type: none"> <li>• the financial statements of the Company have been properly maintained;</li> <li>• 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</li> <li>• their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</li> </ul>   |
| <p><b>Recommendation 4.3</b></p> <p>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 or reviewed by an external auditor.</p>  | <p>Should the Company release any periodic corporate report to the market that has not been audited or reviewed by an external auditor, then it will also look to disclose its process to verify the integrity of that report.</p> <p>However, the Company takes its periodic corporate reporting seriously, and is engaged with its external auditor throughout the audit process of all of its relevant period reporting requirements. In addition, as set out in the Company’s Disclosure and Communication policy, the external auditor is required to attend the AGM and be available to answer questions about the conduct of the audit and the preparation and content of the auditor’s report.</p> <p>The Disclosure and Communication Policy is available on the Company’s corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p> |

| <b>Principle 5 – Make timely and balanced disclosure</b>  |  |
|---|--|
| <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i>   |  |
| <p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>  | <p>The Board has adopted a Disclosure and Communication Policy, which sets out the Company’s commitment to the objective of promoting investor confidence and the rights of shareholders by:</p> <ul style="list-style-type: none"> <li>• complying with the continuous disclosure obligations imposed by law;</li> <li>• ensuring that Company announcements are presented in a factual, clear and balanced way;</li> <li>• ensuring that all shareholders have equal and timely access to material information concerning the Company; and</li> <li>• communicating effectively with shareholders and making it easy for them to participate in general meetings.</li> </ul> <p>The Disclosure and Communication Policy is available on the Company’s corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p> |
| <p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>   | <p>In accordance with the Company’s Disclosure and Communication Policy, the Board will manage the Company’s compliance with its disclosure obligations under the policy, including the continuous disclosure obligations under ASX Listing Rule 3.1. In this regard, the Board will make decisions on information to be disclosed to the market, including, matters of key significance.</p> <p>The Disclosure and Communication Policy is available on the Company’s corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p> <p>The directors automatically receive individual confirmations via email when an announcement is released by ASX.</p>   |
| <p><b>Recommendation 5.3</b></p> <p>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 Announcements Platform ahead of the presentation.</p> | <p>In accordance with the Company’s Disclosure and Communication Policy, the Company will not release any information publicly, including any new and substantive investor or analyst presentation, that is required to be disclosed through the ASX until the Company has received formal confirmation of its release to the market by the ASX.</p>   |



|  |  |
|--|--|
|  | <p>The Disclosure and Communication Policy is available on the Company's corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p>  |
| <p><b>Principle 6 – Respect the rights of security holders</b></p> <p><i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.</i></p> |  |
| <p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>   | <p>Information concerning the Company and its governance practices is available on the Company's website: <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p>  |
| <p><b>Recommendation 6.2</b></p> <p>A listed entity should have an investor relations program to facilitate effective two-way communication with investors.</p>  | <p>In accordance with the Company's Disclosure and Communications Policy, the Company is committed to effective communication with its shareholders. In accordance with that policy, the Company communicates with its shareholders:</p> <ul style="list-style-type: none"> <li>• by making timely announcements;</li> <li>• by posting relevant information on to its website;</li> <li>• by inviting shareholders to make direct enquiries to the Company; and</li> <li>• through the use of general meetings.</li> </ul> <p>The Disclosure and Communications Policy is available on the Company's corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p> |
| <p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>   | <p>The Company's shareholders are encouraged to attend general meetings and the notice of such meetings will be given in accordance with the Company's constitution, the Corporations Act 2001 (Cth) and the ASX Listing Rules.</p> <p>As set out in the Company's constitution, shareholders may:</p> <ul style="list-style-type: none"> <li>• attend meetings in person; and</li> <li>• appoint a proxy, attorney or representative to vote on their behalf.</li> </ul> <p>In addition, the Company's external auditor attends the AGM and is available to answer questions about the conduct of the audit and the preparation and content of the auditor's report.</p>  |
| <p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>  | <p>At the Company's 2019 AGM, resolutions were decided by a show of hands. At the Company's EGM in August 2020, all resolutions were decided by a poll. A poll will be</p>   |



|  |   |
|--|---|
|  | used for substantive resolutions at future general meetings.  |
| <p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>   | <p>The Company's shareholders may elect to receive information from the Company and its registry electronically. Otherwise, the Company and its registry will communicate by post with shareholders who have not elected to receive information electronically.</p> <p>The Company's share registry helps to manage these shareholder communication preferences. The Company's share registry is Computershare Investor Services Pty Ltd: <a href="https://www.computershare.com/au">https://www.computershare.com/au</a></p>   |
| <p><b>Principle 7 – Recognise and manage risk</b></p> <p><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework</i></p>   |   |
| <p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>The Board has established a Risk Committee to, amongst other matters, ensure that the Company has an effective risk management system in place and to manage key risk areas.</p> <p>The committee is comprised of the following members:</p> <ul style="list-style-type: none"><li>• Mr Oliver Horn (Chair) – independent non-executive director</li><li>• Mr Quentin Flannery – non-independent non-executive director; and</li><li>• Mr Keong Chan – executive director.</li></ul> <p>The Risk Committee Charter is available on the Company's corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p> <p>The Directors' report discloses the relevant qualifications of each member of the Risk Committee and details of the meetings and attendances.</p> |
| <p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>   | <p>A review of the risk management framework is scheduled for FY2021.</p>   |

|  |   |
|--|---|
| <p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul>  | <p>The Company does not have an internal audit function.</p> <p>As set out in the Audit Committee Charter, the committee has responsibility to ensure that the Company has appropriate internal audit systems and controls in place, and to oversee the effectiveness of these internal controls. The committee is also responsible for conducting investigations of breaches or potential breaches of these internal controls.</p> <p>In addition, the Risk Committee is responsible for preparing a risk profile which describes the material risks facing the Company, regularly reviewing and updating this risk profile and assessing and ensuring that there are internal controls in place for determining and managing key risks.</p>   |
| <p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social risks and, if it does, how it manages or intends to manage those risks.</p>   | <p>As set out in the Risk Committee Charter, the Risk Committee is responsible for assessing and ensuring there are internal controls for determining and managing key risks facing the Company, including, among other things, conduct risk, digital disruption, cyber-security, privacy and data breaches, as well as economic, environmental and social risks (in each case, as relevant to the Company from time to time).</p> <p>The committee also receives reports concerning material and actual incidents or 'near misses' within these key risk areas facing the Company, for which the committee investigates accordingly.</p> <p>The Company will continue to assess and monitor any related material exposures facing the Company in this regard, and how best to disclose and manage such risks (as applicable to the Company from time to time).</p> |
| <p><b>Principle 8 – Remunerate fairly and responsibly</b></p> <p><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives to align their interests with the creation of value for security holders and with the entity's values and risk appetite.</i></p>   |   |
| <p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have a remuneration committee which: <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> </ul> </li> </ul> </li> </ul> | <p>The Board does not currently have a Nomination and Remuneration Committee. However, in accordance with the Board Charter, the Board is responsible for approving the Company's remuneration framework as may be appropriate for the Company.</p> <p>The Board Charter is available on the Company's corporate governance section of its website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p>   |

|   |   |
|---|---|
| <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>Accordingly, the Board has adopted a remuneration framework it believes is appropriate for the Company.</p> <p>The Board obtains independent advice to inform its remuneration framework.</p>  |
| <p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>  | <p>The remuneration arrangements for the Company's non-executive directors and executive directors, including the relevant policies and practices for determining these arrangements, are set out in the Company's Remuneration Report which forms part of the Company's Annual Report lodged with the ASX and also available on the Company's website at <a href="http://www.aumake.com.au">www.aumake.com.au</a>.</p> |
| <p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>   | <p>The company currently has an Employee Share Option Plan in place. The Company's Trading Policy prohibits designated persons from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p>  |

Approved by the Board of AuMake International Limited

31 August 2020