

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Top Shelf International Holdings Ltd

ABN/ARBN

22 164 175 535

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

☐ These pages of our annual report:

☒ This URL on our website:

<https://www.topshelfgroup.com.au/investors>

The Corporate Governance Statement is accurate and up to date as at 27 August 2021 and has been approved by the board.

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

Date: 27 August 2021

Name of authorised officer authorising lodgement:
Drew Fairchild, Chief Executive Officer

¹ "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.

² 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.

³ 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, ⁴ 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: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://www.topshelfgroup.com.au/investors	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <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 OR <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 OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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/”).

⁵ 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
<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&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 checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: https://www.topshelfgroup.com.au/investors</p> <p><i>Diversity policy</i></p> <p>and we have disclosed the information referred to in paragraph (c) in the corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</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"/> and we have disclosed the evaluation process referred to in paragraph (a): https://www.topshelfgroup.com.au/investors</p> <p><i>Attachment 2 of Board Charter</i></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in the <i>Corporate Governance Statement</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</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, ⁴ 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: ⁵
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: https://www.topshelfgroup.com.au/investors <i>Board Charter</i></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in the <i>Corporate Governance Statement</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
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"/> and we have disclosed a copy of the charter of the committee at: https://www.topshelfgroup.com.au/investors <i>Remuneration and Nomination Committee</i> and the information referred to in paragraphs (4) and (5) in the <i>Corporate Governance Statement</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: <i>Corporate Governance Statement</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</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: https://www.topshelfgroup.com.au/investors and the length of service of each director at: Within our <i>Director's Report</i> and as stated in the <i>Corporate Governance Statement</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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <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 checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <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 OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: https://www.topshelfgroup.com.au/investors <i>Code of Conduct</i>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. 	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://www.topshelfgroup.com.au/investors <i>Code of Conduct</i>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (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"/> https://www.topshelfgroup.com.au/investors <i>Speak Up Policy</i>	<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, ⁴ 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: ⁵
3.4	<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 committee of the board is informed of any material breaches of that policy.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://www.topshelfgroup.com.au/investors</p> <p><i>Anti-Bribery and Corruption Policy</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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
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 checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://www.topshelfgroup.com.au/investors <i>Audit and Risk Committee Charter</i></p> <p>and the information referred to in paragraphs (4) and (5) is set out in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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"/> and we have disclosed our continuous disclosure compliance policy at: https://www.topshelfgroup.com.au/investors <i>Disclosure Policy</i>	<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
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.topshelfgroup.com.au/investors	<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"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://www.topshelfgroup.com.au/investors <i>Communications Strategy</i>	<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 checked="" type="checkbox"/>	<input 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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 checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: https://www.topshelfgroup.com.au/investors <i>Audit and Risk Committee Charter</i></p> <p>and the information referred to in paragraphs (4) and (5) at: as set out in our <i>Corporate Governance Statement</i></p>	<input type="checkbox"/> set out in our Corporate Governance Statement
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 checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: https://www.topshelfgroup.com.au/investors <i>Audit and Risk Committee Charter</i></p> <p>As set out in our Corporate Governance Statement</p>	<input type="checkbox"/> set out in our Corporate Governance Statement
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"/> 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 within our <i>Corporate Governance Statement</i></p>	<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, ⁴ 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: ⁵
7.4	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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in the <i>Corporate Governance Statement</i>	<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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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"/> and we have disclosed a copy of the charter of the committee at: https://www.topshelfgroup.com.au/investors <i>Remuneration and Nomination Committee</i> and the information referred to in paragraphs (4) and (5) as set out in our <i>Corporate Governance Statement</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><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: https://www.topshelfgroup.com.au/investors <i>Remuneration and Nomination Committee</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</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: https://www.topshelfgroup.com.au/investors <i>Remuneration and Nomination Committee</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</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, ⁴ 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: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
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"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <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 OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <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 OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable



Top Shelf International Holdings Ltd

Principal Place of Business:
16-18 National Boulevard
Campbellfield
Victoria
Australia 3061

27 August 2021

Top Shelf International Holdings Ltd: 2021 Corporate Governance Statement pursuant to Listing Rule 4.10.3

This document discloses the extent to which Top Shelf International Holdings Ltd (the Company) and wholly owned subsidiaries (the Group) has followed the recommendations set by the ASX Corporate Governance Council in the fourth edition of its Corporate Governance and Recommendations (the Recommendations) during the reporting period ending 30 June 2021 (the Reporting Period or FY21).

Where possible, TSI seeks to adopt the Recommendations as best practice. In the instance that a recommendation is not deemed appropriate considering the Group's specific circumstances, the Recommendations that have not been followed are identified along with reasons provided. Any alternative governance practices that have been adopted in lieu of the recommendation have been outlined.

This statement should be read in conjunction with information available on our website <https://www.topshelfgroup.com.au/>; particularly the Investor Centre and our FY21 Annual Report.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1: Role of the Board and Management

The Board's role is to represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance; protecting and optimise Company performance and build sustainable value for shareholders.

The Board is also responsible for setting, reviewing and monitoring compliance with the Group's values and governance framework (including establishing and observing high ethical standards and demonstrating leadership); and ensuring shareholders are kept informed of the Group's performance and major developments affecting its state of affairs.

The Group has established a clear delineation between the Board's responsibility for the Group's strategy and activities, and the day-to-day management of operations conferred upon the Executive Directors, who has the authority and power to manage the Group and its business within levels of authority specified by the Board from time to time.

The Board has a formal Board Charter which is available on our website at <https://www.topshelfgroup.com.au/investors> that clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

Recommendation 1.2: Appointment of Directors

The Board, together with the Remuneration and Nomination Committee, will review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Group's strategy and covers the skills needed to address existing and emerging business and governance issues relevant to the entity.

It is the Remuneration and Nomination Committee's responsibility to review and recommend to the Board the criteria for nomination as a director and the membership of the Board more generally, including: making recommendations for the re-election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and assisting the Board to identify qualified individuals for nomination to the Board

Recommendation 1.3: Appointment Terms

The Group's Remuneration and Nomination Committee Charter requires the Remuneration and Nomination Committee to ensure that each director and senior executive is a party to a written agreement with the Group.

Upon appointment, each director receives a Letter of Appointment setting out the formal terms of their appointment.

Each senior executive has a written contract with the Group, setting out the terms of his or her appointment, including remuneration entitlements and performance requirements.

Recommendation 1.4: Company Secretary

The Board has appointed a Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.

The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All Directors have direct access to the Company Secretary.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our FY21 annual report.

Recommendation 1.5: Diversity Policy

The Group recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity. The Board has implemented a Diversity Policy (available at <https://www.topshelfgroup.com.au/investors>) in order to actively facilitate a more diverse and representative management structure and workforce.

Diversity drives the Group's ability to attract, retain, motivate and develop the best talent, create an engaged workforce, deliver the highest quality services to its customers and continue to grow the business.

The Group has not yet developed measurable objectives to achieve gender diversity, however, is committed to achieving a culture of inclusion and embracing different experiences, viewpoints and backgrounds of its people, and to increasing the proportion of women on the Group's board and in senior executive positions.

The proportion of women across the entire organisation was 38% as at 30 June 2021.

Recommendation 1.6: Board Performance Assessment

The Board is committed to evaluating its performance, the performance of its Committees and individual Directors, as well as the governance processes supporting the Board.

The Board has implemented an informal evaluation process following each meeting to discuss any areas and actions for improvement. In addition, the Chairman has sought feedback from non-executive directors to improve the preparation for and engagement during meetings.

Whilst a formal review has not taken place since completion of the Company's initial public offering in December 2020, such a review is planned to be conducted during the current calendar year.

Recommendation 1.7: Senior Executive Performance Assessment

The Group's senior executives are appointed by the Chief Executive Officer and their key performance indicators (KPI's) contain specific financial and non-financial objectives. The performance of each senior executive is evaluated against these objectives, informally on a regular basis and formally on an annual basis. The senior executive KPIs will be revaluated on an annual basis. Assessment of the Chief Executive Officer's performance is conducted by the Chairman and the results are reported to the Board.

Principle 2: Structure the Board to be Effective and Add Value**Recommendation 2.1: Nomination Committee**

The Company has established the Remuneration and Nomination Committee and adopted a Remuneration and Nomination Charter (available at <https://www.topshelfgroup.com.au/investors>). As at the date of this Corporate Governance Statement, the Remuneration and Nomination Committee is comprised of three non-executive directors.

In respect of the Reporting period, the number of Remuneration and Nomination Committee meetings and individual attendances of members was:

Non-executive director	Number Eligible to Attend	Number Attended
Ken Poutakidis (Chair)	2	2

Key to Disclosures Corporate Governance Council Principles and Recommendations

Peter Cudlipp	2	2
Michael East	2	2

Recommendation 2.2: Board Skills Matrix

According to the Remuneration and Nomination Charter, it is the responsibility of the Remuneration and Nomination Committee to assist the Board to develop and regularly review its board skills matrix setting out the mix of skills, expertise, experience and diversity that the Board currently has or is looking to achieve in its membership.

It is the directors' view that the current Board composition possess an appropriate mix of relevant skills, experience and expertise to enable that Board to discharge its responsibilities and deliver the Group's strategic objectives.

The skills and experience represented in the Board and relevant to the Group's business are set out in the matrix below:

Skills and experience:

Strategy and leadership	Capital and debt market expertise
Industry experience and knowledge	Corporate governance, risk and compliance
Brand development & marketing expertise	People management experience
Financial acumen	Technology and digital knowledge
Stakeholder communication experience	Project management experience

Recommendation 2.3: Independent Directors

The Board only considers a director to be independent where he or she is free of any interest, position, or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Group as a whole rather than in the interests of an individual shareholder or other party. The Board has adopted a definition of independence based on that set out in Recommendation 2.3 of the ASX Corporate Governance Council's Principles and Recommendations.

The Board's independence assessment for each Director is set out below:

Name	Position	Appointment Date	Status
Adem Karafili	Executive Chairman	1 April 2018	Executive
Drew Fairchild	Chief Executive Officer / Managing Director	27 July 2017	Executive
Ken Poutakidis	Non-Executive Director	21 May 2020	Independent
Peter Cudlipp	Non-Executive Director	29 May 2018	Independent
Michael East	Non-Executive Director	15 September 2020	Independent

Recommendation 2.4: Majority Independence

Three of the five directors of the Company are considered to be independent.

Recommendation 2.5: Board Chair

Adem Karafili, Chair of the Board, served as Non-Executive Director and Chairman since 1 April 2018, and on 1 September 2020 became Executive Chairman.

Key to Disclosures Corporate Governance Council Principles and Recommendations

The directors consider the role of Adem as Executive Chairman to be appropriate as he is not the CEO of the Group and the Board has three non-executive directors to provide the appropriate independence and governance to the Board composition and, more broadly, to the Group.

Recommendation 2.6: Induction, Education and Training

New directors are provided with copies of all relevant documents and policies governing the Group's business, operations and management at the time of joining the Board. All directors are provided with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge.

Principle 3: Instil a Culture of Acting Lawfully, Ethically and Responsibly

The Board has adopted a Code of Conduct to be followed by all employees and directors, designed to express core values driving behaviour and govern high standards of integrity and fairness.

The Code of Conduct is available at <https://www.topshelfgroup.com.au/investors> along with other codes instilling a culture of lawful, ethical and responsible practise, including the "Speak Up" Whistleblower Policy and Anti-Bribery and Corruption Policy.

Principle 4: Safeguard the Integrity of Corporate Reporting

Recommendation 4.1: Audit Committee

The Company has established an Audit and Risk Committee with the Audit and Risk Committee Charter being available at <https://www.topshelfgroup.com.au/investors>.

The Audit and Risk Committee consists of three non-executive directors and is chaired by an independent director, Ken Poutakidis. The relevant qualifications and experience of these directors is disclosed in the FY21 director's report.

In respect of the reporting period, the number of Audit and Risk Committee Meetings and individual member attendances were as follows:

Non-executive director	Number Eligible to Attend	Number Attended
Ken Poutakidis (Chair)	4	4
Peter Cudlipp	4	4
Michael East	3	3

Recommendation 4.2: Assurances

The CEO and CFO provide a declaration to the Board prior to the approval of full year financial statements. The declaration states 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.

Recommendation 4.3: External Auditor

The Company's external auditor is Ernst & Young (EY). EY will be in attendance at the Company's Annual General Meeting (AGM) and available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. A copy of EY's independence declaration is included within the FY21 annual report.

During the reporting period, the Board reviewed and approved the release of all unaudited financial information provided to the market.

Principle 5: Make Timely and Balanced Disclosure

The Group has adopted a Disclosure Policy with the purpose of ensuring investors have equal and timely access to material information concerning the entity – including its financial position, performance, ownership and governance.

A copy of the Disclosure Policy and Communications Strategy can be found at <https://www.topshelfgroup.com.au/investors>

Principle 6: Respect the Rights of Security Holders

Information regarding the Company and its governance is available via the website. The website also contains a facility for shareholders to direct enquiries to the Company and to elect to receive communications from the Company via email.

The Company recognises that shareholders and other stakeholders are entitled to be informed in a timely and readily accessible manner of all major developments affecting the state of affairs of the Company. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. To achieve this, the Company communicates information regularly to shareholders and other stakeholders through a range of forums and publications.

The Company encourages full participation of shareholders at its AGM each year. Shareholders are encouraged to lodge direct votes or proxies electronically, subject to the adoption of satisfactory authentication procedures.

Please refer to the Communications Strategy available at <https://www.topshelfgroup.com.au/investors>.

Principle 7: Recognise and Manage Risk

Recommendation 7.1: Risk Committee

The Company has established an Audit and Risk Committee with the Audit and Risk Committee Charter being available at <https://www.topshelfgroup.com.au/investors>.

The Audit and Risk Committee consists of three non-executive directors and is chaired by an independent director, Ken Poutakidis. The relevant qualifications and experience of these directors is disclosed in the FY21 director's report.

In respect of the reporting period, the number of Audit and Risk Committee Meetings and individual member attendances was as follows:

Non-executive director	Number Eligible to Attend	Number Attended
Ken Poutakidis (Chair)	4	4
Peter Cudlipp	4	4
Michael East	3	3

Recommendation 7.2: Risk Management Framework

The Group's risk management framework is supported by the Board, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Group's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. Management is responsible for monitoring compliance with and the effectiveness of risk management systems and controls including financial and non-financial risks. An operational risk assessment matrix has been specifically developed, adopted and communicated based on input from a cross section of Company personnel.

Recommendation 7.3: Internal Audit

The Group does not currently have an internal audit function. The Board and management consider that processes in place in line with the risk management framework are sufficient. The Audit and Risk Committee will continue to monitor the need for an internal audit function having regard to the Group's size and complexity of operations.

Recommendation 7.4: Economic, Environmental and Social Sustainability Risk

The Group is not subject to any particular or significant single economic, environmental or social sustainability risk. The Group is subject to a range of general economic risks including macro-economic risks, capital and debt market risks, government policy (including research and development), general business conditions and many other factors.

The Group is subject to environmental regulation under State law at the Campbellfield distillery and Dry North Queensland agave farm. The Group is in compliance with these regulations.

The Board currently does not believe that the Group has any material exposure to any specific economic, environmental or social sustainability risks.

Principle 8: Remunerate Fairly and Responsibly**Recommendation 8.1: Remuneration Committee**

The Company has established the Remuneration and Nomination Committee and adopted a Remuneration and Nomination Charter (Available at <https://www.topshelfgroup.com.au/investors>). As at the date of this Corporate Governance Statement, the committee is comprised of three non-executive directors. In respect of the reporting period, the number of Remuneration and Nomination Committee Meetings and individual member attendances was as follows:

Director	Number Eligible to Attend	Number Attended
Ken Poutakidis (Chair)	3	3
Peter Cudlipp	3	3
Michael East	3	3

Recommendation 8.2: Remuneration Policies and Practices

Executive remuneration and incentive policies and practices must be performance based and aligned with the Group's purpose, values, strategic objectives and risk appetite. Executive remuneration and incentive policies and practices are designed to attract and retain skilled executives and motivate executives to pursue the Group's long-term growth and success.

Recommendation 8.3: Equity Based Remuneration Scheme

The Company has an equity-based incentive plan. The Company's Policy for Dealing in Securities provides explains the Company's policy and procedures for the buying and selling of securities to assist the Group's directors and employees; and recognises that some types of dealing in securities are also prohibited by law. Please refer to the Policy for Dealing in Securities available via the Company website.

<https://www.topshelfgroup.com.au/investors>

For further information regarding the remuneration of Directors and Senior Executives please refer to the remuneration report contained in the Company's FY21 annual report.