



# Board Charter

## Purpose

My Food Bag Group Limited ("My Food Bag" or the "Company") is listed, and its securities are quoted, on the New Zealand (NZX) and Australian (ASX) stock exchanges.

This Board Charter ("Charter") sets out the role, responsibilities, composition, structure and approach of the Board of Directors of My Food Bag ("Board"). The Board is legally responsible for the affairs and activities of the Company. The Charter provides guidance for the effective oversight of the Company by the Board on behalf of its shareholders, employees and other material stakeholders. The Charter should be read in conjunction with the Company's Constitution.

The Company and the Board aim to achieve the highest standard of governance. The Board has also adopted the following governance objectives:

1. lay solid governance foundations for management and oversight;
2. structure the Board to add value through its composition, size and commitment;
3. act ethically and responsibly and promote ethical and responsible decision-making;
4. safeguard integrity in financial and non-financial reporting;
5. make timely and balanced disclosure;
6. respect the rights of shareholders and other stakeholders;
7. recognise and manage risk;
8. remunerate fairly and responsibly; and
9. promote a corporate culture which embraces inclusion and diversity.

## Role and Responsibilities of the Board

The role of the Board is to provide overall strategic guidance to My Food Bag and effective management for the purposes of protecting and enhancing the value of the Company's assets in the interests of the Company. The Board has statutory responsibility for the affairs and activities of the Company, which in practice is achieved through delegation to the Chief Executive Officer who is charged with the day-to-day leadership and management of the Company. The Board is responsible for the governance, proper direction and control of the activities of the Company.

The Board's responsibilities include:

- reviewing and approving the Company's long term corporate strategy, with particular regard to portfolio composition and return expectations and review of performance against strategic objectives;
- approving the Company's annual financial budget and review of corporate performance against budget;
- setting the Company's dividend policy;

- appointing and removing the Chief Executive Officer and ratifying the appointment and removal of the Chief Executive Officer's direct reports ("Senior Leadership Team");
- evaluating annually the performance of the Chief Executive Officer and the Chief Executive Officer's direct reports;
- overseeing and reviewing the Company's audit, risk management and compliance systems to protect the Company's assets and minimise the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;
- overseeing accounting and reporting systems (including the external audit) and ensuring the Company provides continuous disclosure of information to the investment community, and that shareholders have all the information available that they may reasonably require to make informed assessments of the Company's prospects;
- overseeing and reviewing the Company's health and safety framework and strategy;
- reviewing and approving the Company's remuneration policy; and
- reviewing and approving of the Company's governance procedures and policies, including the delegation of authority to the Chief Executive Officer.

The Board seeks to ensure that new directors:

- are appropriately introduced to the Company's management and businesses;
- are acquainted with relevant industry knowledge; and
- receive all appropriate papers, policies and documents to enable them to effectively discharge their duties and add value to the Company.

## **Board Composition**

The Board will be structured to ensure that, as a collective group, it has the skills, experience, knowledge, diversity and perspective to fulfil its purpose and responsibilities.

The Constitution provides that the Company must comply with the minimum Board composition requirements of the NZX Listing Rules. Subject to these limitations, the number of directors to hold office will be fixed from time to time by the Board.

The Board shall comprise a majority of independent, non-executive directors. The Board's standards for determining independence will include the requirements of the NZX and ASX. In particular, the Board will give reference to the non-exhaustive factors set out in recommendation 2.4 of the NZX Corporate Governance Code. The Board will assess the independence of directors on their appointment and at least annually thereafter.

## **Delegations to management**

The Board has delegated to the Chief Executive Officer the authority to manage the business and affairs of My Food Bag and its subsidiaries, and to sub-delegate to other levels of management, subject to certain limitations and qualifications.

The Board has specified that it receives reports / plans in respect of:

- long range vision and portfolio composition;

- financial standards, policies and plans;
- organisational structure / succession planning / management capability / remuneration;
- capital expenditure budget and major capital expenditure initiatives;
- corporate performance against budgetary goals and competitor performance; and
- legislation / compliance review.

Directors are free to discuss business matters with management with the prior knowledge of the Chair and Chief Executive Officer, but are expected to respect the distinction between Board and management responsibilities.

## **Chair**

The Constitution provides that the Board will elect a Chair and that they shall hold that office until he or she vacates that office or the directors elect a chairperson in his or her place. The Chair must be an independent director.

The Chair will chair all meetings of the Board at which they are present. The Chair provides leadership to the Board and must endeavour to ensure that the Board is well informed and effective.

The Chair's role is to:

- Manage the Board effectively and provide effective leadership in formulating strategic direction;
- Foster a constructive governance culture and apply appropriate governance principles among directors and with management;
- Make sure the Board is well informed and effective and that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Company;
- Ensure there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
- Approve expenses incurred by directors; and
- Act as the link between the Board and the Chief Executive Officer on a day-to-day basis.

## **Board Secretary**

The Board shall appoint a Board Secretary (the "Secretary") who will be a My Food Bag employee or secondee nominated by the Board. The Secretary, in conjunction with the Chair and management, shall be responsible for the co-ordination of all Board business including meeting scheduling, agendas, distribution of Board papers, minutes, statutory filings, market disclosures and other communication with stock exchanges and regulatory bodies.

## **Committee**

The Board has established two committees to handle particular analysis and work delegated by the Board. These committees are comprised of directors appointed by the Board and the chair of each committee is appointed by the Board. Current standing committees established by the Board are:

- Audit and Risk Committee; and
- Nominations and Remuneration Committee.

Each of the committees operate under its own written charter. All charters of board committees are reviewed on a regular basis and made available on the Company's website.

From time to time, the Board may also establish ad hoc or special purpose committees to examine, or have the delegated authority to deal with, specific issues on behalf of the Board.

## **Authority**

The Board's authority is derived from, and subject to, the Constitution. The Board is required to comply with the NZX and ASX Listing Rules (as relevant to a foreign exempt listing) and all other applicable laws and regulations. Directors are also subject to the Company's Code of Ethics.

## **Board and Committee Meetings**

Proceedings of the Board and committee meetings will be in accordance with the Constitution and otherwise as determined by the Chair of the Board or relevant committee.

The Chair is responsible, in consultation with the Chief Executive Officer and Secretary, for the conduct of all Board meetings. The agenda for each Board meeting will be determined by the Chair in consultation with the Chief Executive Officer and the Secretary, with each director being entitled to suggest agenda items. The standing items for each full meeting will include:

- approval of minutes of the previous meeting;
- matters arising;
- updating of the register of directors' interests;
- a report from the Chief Executive Officer, including a health and safety update;
- a report from the Chief Financial Officer;
- specific papers or proposals requiring Board approval as required by the Delegations Policy; and
- matters requiring public disclosure.

The Board will normally meet at least every two months during the year and will meet at other times as required. Written notice of Board meeting dates, times and locations will be prepared by the Secretary. Any director, or the Secretary at the request of a director, may convene a meeting of the Board by giving the required written notice.

The Board will at least annually:

- review and approve the Company's strategic plan;
- review the operational plans and implementation programme for achieving the strategic plan;
- approve the annual budget;
- approve the interim and annual financial statements;
- approve the interim and annual reports;
- consider and, if approved, declare the payment of any dividends;
- review Board composition, structure and succession;
- review the performance of, necessity for and composition of Board committees;
- review in detail the Company's health and safety performance;
- consider the Company's audit requirements;
- review directors' remuneration;
- review the Chief Executive Officer's performance and remuneration;
- review the Senior Leadership Team's performance and remuneration;
- review company-wide remuneration policies and incentive schemes;
- review the Company's risk appetite, risk assessment policies and controls, insurance covers and compliance with legal and regulatory requirements;
- review investor, customer, supplier and regulator relations; and
- settle the Board's work plan for the following 12 months.

The Board will undertake Board and individual director performance evaluations every two years and review the Company's major policies (other than the Audit and Risk Committee Charter) at least every two years.

Open and constructive discussion is encouraged at all Board and committee meetings to ensure decisions are taken that benefit from the diverse range of skills, knowledge and experience of directors.

Each director is expected to fully participate in meeting discussions, having read all Board and briefing papers provided. The papers will be provided sufficiently in advance of the meeting to allow adequate reading time. The content, presentation, quantum and delivery of papers to directors for each meeting will be in accordance with guidelines agreed by the Board.

Minutes will be taken of all Board and committee meetings. All discussions and the record of the meeting will remain confidential unless there is a specific direction from the Board or disclosure is required by law. Subject to any legal or regulatory requirements, the Board will decide the manner, timing and method of publication of its decisions.

The Chief Executive Officer may attend all Board meetings and other members of the Senior Leadership Team may be invited to attend Board meetings.

The Board may meet periodically "in camera" without management present. This permits the Board to determine its priorities for the meeting to follow and to discuss matters which are not appropriate to be discussed in the presence of management. In general, matters of strategic importance should not be discussed without the presence of the Chief Executive Officer.

The Chair may require any director or other attendee to leave a meeting at any time.

Visits to specific Company operations will be arranged when appropriate and reports and presentations from key executives on the Company's business and operations will be incorporated into the Board meeting schedule on a regular basis.

## **Director Responsibilities and Duties**

The conduct of directors will be consistent with their duties and responsibilities to the Company and to its owners. Directors are expected to act honestly, ethically, diligently and in good faith in what they believe to be the best interests of the Company and its shareholders while undertaking their duties. Directors will comply with the Company's its Code of Ethics.

All directors are expected to continuously educate themselves, according to their individual needs, to ensure that they appropriately and effectively perform their duties.

Each director will receive a letter of appointment setting out the key terms and conditions of their appointment. Directors are expected to comply with their legal duties and obligations when discharging their responsibilities as directors.

In addition to fulfilling legal duties, directors are expected to exercise high standards of honesty and ethical behaviour. Without limiting directors' right to express their views freely in discussions/meetings with other directors and to freely exercise their voting rights as directors, once decisions have been made by the Board all directors are expected to support the letter and spirit of those decisions outside the Board.

Directors will keep confidential all Board information, discussions, deliberations, and decisions that are not publicly known. Directors' obligations of confidentiality will continue after they have ceased to be directors.

## **Director Compensation**

Directors' remuneration is paid in the form of directors' fees. The total fee pool available to be paid to directors is subject to shareholder approval, unless there has been an increase in the number of directors following approval of the total fee pool by shareholders, in which case additional remuneration may be payable if permitted by the NZX Listing Rules.

## **Access and Independent Advice**

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision-making.

In particular, directors are entitled to:

- have access to internal and external auditors without management present, to seek explanations or additional information; and

- with the Chair's consent seek independent professional advice at the Company's expense.

Directors are entitled to have access to members of the Senior Leadership Team, via the Chief Executive Officer, at any time to request relevant additional information or seek explanations.

## **Conflicts**

Directors must disclose to the Company any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue and take any necessary and reasonable measures to try to resolve the conflict. Directors will minimise the possibility of any conflicts by restricting involvement in any businesses that would be likely to lead to a conflict of interest.

An entry in the Company's interest register to the effect that a director is, or maybe, interested (as defined in the Companies Act 1993) in a transaction must be disclosed to the Board. A director who is interested in a transaction may not (except in relation to the granting of an indemnity or if the transaction is one in respect of which directors are expressly required to sign a certificate under the Companies Act 1993) be included in the quorum for a meeting at which the transaction is considered or vote in relation to that transaction but may:

- attend a meeting of directors at which a matter relating to the transaction arises;
- sign a document relating to the transaction on behalf of the Company; and
- do anything else as a director in relation to the transaction, as if he or she were not interested in the transaction.

## **Board Performance**

The performance of the Board is to be reviewed bi-annually. The evaluations will review the Board's role, Board processes and committees to support that role and the performance of the Board and each director.

## **Board Relationship with Shareholders and Stakeholders**

The Board will ensure avenues are available for shareholder and stakeholder views to be communicated and heard.

The Board will monitor economic, political, regulatory, social and legal issues and other relevant matters that may influence or affect the Company's ability to achieve its strategy and business plans.

Unless otherwise directed by the Chair or Chief Executive Officer, communications with the public must only be undertaken by specifically authorised Company representatives in accordance with the Company's Continuous Disclosure Policy.

## **Board Charter Review**

The Board will review this policy as required and at least every two years.

Last reviewed: 16 March 2023

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