



Oliver's Real Food Limited  
ACN 166 495 441

# 2020 BOARD CHARTER

Version Adopted: July 2020

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OLIVER'S REAL FOOD LIMITED ACN 166 495 441

## 1 INTRODUCTION

The Board of Oliver's Real Food Limited ACN 166 495 441 (Company) is a strong advocate of good corporate governance and is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the Company, our shareholders and stakeholders.

The Board has adopted this Board Charter and each Director has undertaken to the Company to observe the requirements of this Charter. This Charter should be read in conjunction with the Company's Constitution.

## 2 BOARD RESPONSIBILITIES AND DELEGATIONS

### 2.1 General

It is the role of the Board to direct, govern, promote and administer the Company while protecting the interests of the Company and its stakeholders. It is the role of senior management to manage the Company. The Board is also responsible for the overall corporate governance of the Company. In performing this role the Board is mindful of its obligations as set out in the Corporations Act 2001 (Cth) (Corporations Act) and the general law.

### 2.2 Authority of the Board

The Board has reserved the following matters, in addition to those required by law, for its decision:

- (a) composition of the Board itself, including the appointment and retirement of Directors;
- (b) appointment and removal of the Chief Executive Officer and the Chief Financial Officer and ratifying the appointment or removal of Senior Executives (being those persons who report directly to the Chief Executive Officer and the Chief Financial Officer) and of the Company Secretary;
- (c) determining the conditions of service of the Chief Executive Officer, Chief Financial Officer, and senior management and the performance monitoring procedures to apply to them;
- (d) in consultation with management, determining the Company's business strategy and key performance targets and then monitoring management's implementation of such strategy and achievement of such targets;
- (e) monitoring the Company's compliance with applicable laws, this Charter, and generally accepted standards of corporate conduct and governance prevailing from time to time;
- (f) reviewing and overseeing the operation of systems of risk management and internal compliance and control, codes of ethics and conduct, and governance practices of the Company and their effectiveness;
- (g) adopting the annual budget and monitoring the financial performance of the Company including external audits and controls;
- (h) monitoring the conduct of the Company's compliance with applicable laws including environmental laws, occupational health and safety laws and regulations, the Corporations Act and the ASX Listing Rules;
- (i) overseeing of the Board Committees;
- (j) ensuring there is timely and effective reporting to shareholders; and
- (k) monitoring industry developments relevant to the Company's business.

These formal responsibilities will be reviewed regularly to determine whether changes are necessary or desirable. The Board reserves the right to expand the scope of its role beyond those matters listed above if the Board considers it necessary in the interests of the Company.

- (l) In performing the responsibilities set out above, the Board acts at all times:
  - i. in a manner designed to create and build sustainable value for shareholders; and
  - ii. in accordance with the duties and obligations imposed upon them by the Company's Constitution, ASX Listing Rules, the Corporations Act and any other applicable laws.

## 2.3 Delegations to management

- (a) Beyond those matters listed at 2.2 above, the Board has delegated responsibility and authority for the management, operation and administration of the Company and for the performance of the strategic plan, to the Chief Executive Officer and Chief Financial Officer. This includes the power to delegate responsibilities and authority to senior management.
- (b) The Chief Executive Officer and Chief Financial Officer are responsible for keeping the Board fully informed as to the Company's performance and prospects, all matters necessary for the Board to discharge its functions and any other matter about which any Director properly requests information. In order to discharge its duties, the Board will have open access to members of the senior management team and reasonable access to all the Company's employees and contractors to discuss current and future business issues, risks and strategies.
- (c) The Chief Executive Officer and Chief Financial Officer of the Company may be executive directors. All executive directors have a service contract setting out their duties, responsibilities, rights and the termination conditions of their employment.

Notwithstanding any delegation under this clause 2.3, the Board retains the ultimate accountability to the Company's shareholders in discharging its duties and it may revoke or alter its delegations.

## 2.4 Board committees

To assist in the execution of its responsibilities, the Board has the authority to establish committees (and to delegate powers accordingly) to consider such matters that the Board may consider appropriate including by way of example only, audit matters, finance and business risks, remuneration and board nominations, and to establish a framework for the effective and efficient management of the Company.

## 2.5 Training and advice

- (a) Directors are provided with access to continuing education in relation to the Company and its group members extending to its business, the industry in which it operates, and information generally required by them to discharge the responsibilities of their office.
- (b) Subject to prior approval from the Chairman, each Director has the right to seek independent legal or other professional advice at the Company's expense on all matters necessary for that Director to make fully informed and independent decisions. Prior approval from the Chairman may not be unreasonably withheld or delayed.

## 2.6 Meetings

- (a) The Board will normally meet at least 8 times per year.
- (b) Papers for Board and Committee meetings are to be circulated, wherever practical, at least 5 days before the relevant meeting.
- (c) Draft minutes of Board and Committee meetings (for consideration and approval at the next relevant meeting) are to be prepared promptly following each meeting and provided to the Chairman of the Board or Committee for initial comment.

## 2.7 Responsibility for business risks

- (a) The Board has the final responsibility for the identification of significant business risks. This responsibility is fulfilled by the Audit and Risk Committee which reviews the process used by management to monitor and mitigate major risks affecting each business segment. The Committee is to report to the Board promptly following each of its meetings.
- (b) The Chief Executive Officer and Chief Financial Officer will each provide a statement to the Board with the annual and semi-annual reports to the effect that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

## 2.8 Responsibility for Diversity Policy

The Board is responsible for establishing and monitoring the Company's overall diversity strategy and policy.

## 3 STATEMENT OF BOARD COMPOSITION

### 3.1 Principles

- (a) The composition of the Board is determined by the following principles:
- (i) the Board will comprise members with an appropriate range of skills, expertise, experience and contacts relevant to the Company's business;
  - (ii) the Company's Constitution provides for a minimum of three Directors and a maximum of nine Directors as determined from time to time;
  - (iii) the number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified;
- (b) The Directors have adopted the following definition of independence:
- "A Director is independent if that Director is a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement."*
- (c) The Board will determine whether or not a Director is independent. In determining a Director's independence, the Board will consider whether the Director:
- (i) is a substantial shareholder of the Company or an officer of, or otherwise directly associated with, a substantial shareholder of the Company. For this purpose, a "substantial shareholder" is a person with a substantial holding as defined in section 9 of the Corporations Act;
  - (ii) within the last three years has been employed in an executive capacity by the Company or another Company group member, or been a Director of such a company after ceasing to hold any such employment;
  - (iii) within the last three years has been a principal of a material professional adviser or a material consultant to the Company or another Company group member, or has been an employee of a material professional adviser or a material consultant to the Company or another Company group member materially associated with the service provided;
  - (iv) is a material supplier or customer of the Company or another Company group member, or is an officer of or otherwise associated directly or indirectly with a material supplier or customer;
  - (v) has any material contractual relationship with the Company or another Company group member other than as a Director of the Company;
  - (vi) has served on the Board for a period which could reasonably be perceived to materially interfere with the Director's ability to act in the best interests of the Company;
  - (vii) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
  - (viii) has family ties or cross directorships that may compromise the Director's independence.
- (d) The Board will regularly assess the independence of each Director in the light of the interests disclosed by them. Each Director will disclose promptly to the Board all relevant information for this purpose. The independence of each Director will be disclosed in the Company's annual report. Where any Director ceases to be independent this will be disclosed promptly to the market.
- (e) Independent Directors are required to notify the Board promptly if they become aware of any factor which may affect their status as an independent Director.
- (f) The Board has considered whether the majority of the Board should be independent in accordance with Recommendation 2.4 of ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) and concluded that due to the unique operations of the Company and current rapid expansion plans for the Company, a requirement of a majority of independent directors is not appropriate. The Board will consider the independence of directors for future board appointments and the needs to the Company at that time.

### 3.2 Board composition

The Directors of the Company and their qualifications are set out in the Company's Prospectus, Annual Report and on the Company's website.

## 4 APPOINTMENT AND RETIREMENT OF DIRECTORS

### 4.1 Appointment and retirement

- (a) When a vacancy exists for a Board position for any reason, or where the Board considers that it would benefit from the services of a new member with particular skills, the Board will consider candidates identified and selected by the Nomination and Remuneration Committee (exercising its duties under the Nomination and Remuneration Committee Charter) having regard to:
  - (i) the skills, expertise and experience of the candidates;
  - (ii) the desirability of those skills, expertise and experience when combined with those of the existing Directors and taking into account the benefit of diversity to the Company; and
  - (iii) the perceived compatibility of the candidates with the Company and with the existing Directors.
- (b) The Board may elect any person as a casual Director and that person shall continue in office only until the next Annual General Meeting (AGM) where they must resign and are then eligible for election. Such Directors are not taken into account in determining the number of Directors to retire by rotation at the AGM.
- (c) The terms and conditions of the appointment of all new members of the Board must be specified in a letter of appointment to be signed by the Chairman with the authority of the Board. The letter of appointment may refer to the Constitution and to this document.
- (d) Under the Constitution at least one-third of all Directors (rounded down, if necessary, to the nearest whole number), being the Directors serving longest since last re-election, must retire at each AGM. Directors, excluding the Managing Director, must also retire if a third AGM falls during the period in which they have held office. Retiring Directors are eligible to be re-elected.
- (e) The Chairman is to be elected from the full Board by the non-executive Directors.

## 5 COMMITTEES

### 5.1 The Board may establish committees to assist it in carrying out its function and for its effective and efficient performance and will adopt a charter for each committee established dealing with the scope of its responsibility and relevant administrative and procedural arrangements.

- (a) The following committees have been established and are subsisting at the date of this Charter:
  - (i) the Audit and Risk Committee; and
  - (ii) the Remuneration and Nomination Committee.
- (b) The committees established by the Board will support the Board's decision-making with reports, advice and recommendations on the matters for which they are responsible and by taking direct responsibility for their review and evaluation. The committees will also be designed to facilitate communication between the Board and senior management.
- (c) The Board may consider establishing further committees as its operations develop.
- (d) All committees of the Board must report only to the Board.

## 6 INDEMNITY AND INSURANCE

Deeds recording arrangements on indemnification, insurance and access to Company documents and, at the Company's expense, independent legal advice, should be entered into between the Company and each Director severally.

## 7 CONFLICTS OF INTEREST

**7.1** The Board has developed procedures for dealing with Director's conflicts of interest. Directors with conflicts or potential conflicts of interest should bring the matter to the Board for determination.

**7.2** Should the matter be considered as a conflict of interest by the Board, the following procedure will be adopted:

- (a) A Director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter and when the matter comes before the Board for discussion, the director withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision-making process.

## 8 ACCESS

The members of the Board and each Committee have the right of access to all employees of the Company.

## 9 THE COMPANY SECRETARY

The Company Secretary supports the effectiveness of the Board and any committees established thereunder by:

- (a) Monitoring that the Board's policies and procedures are followed;
- (b) Coordinating the completion and despatch of Board agendas and briefing papers;
- (c) Coordinating, organising and attending meetings of the Board and shareholders, and ensuring that correct procedures are followed;
- (d) Meeting statutory reporting and record keeping requirements in accordance with relevant legislation; and
- (e) Maintaining corporate governance systems and compliance systems which ensure that Board and Company adhere to ASX Listing Rules and Corporations Act.

The Company Secretary is responsible to the Board, through the Chairman, on all corporate governance matters.

## 10 PERFORMANCE EVALUATION

### 10.1 Responsibility of the Board

- (a) The Board is to annually review its overall performance as well as the performance of its committees, individual Directors and key executives.
- (b) The Board should be provided with information it needs to efficiently discharge its responsibilities by the relevant parties.
- (c) The performance of the Chief Executive Officer and Chief Financial Officer are reviewed annually by the Chairman and non-executive Directors. The performance of other key executives is reviewed annually by the Chief Executive Officer against predetermined goals and criteria and also reviewed by the Remuneration and Nomination Committee, and if required, the Board.

## 10.2 Performance review and evaluation

- (a) The Chairman determines the evaluation criteria and process for the evaluation of the Board, its committees and individual directors, based on input from the Board and the Remuneration and Nomination Committee.
- (b) If the performance of a member of the Board is unsatisfactory, that Director may be either counselled or asked to retire.
- (c) The Board will, if appropriate, review its policies and procedures and its effectiveness generally, with the assistance of independent professional consultants at the Company's expense.
- (d) The same general performance review procedures apply to the members of the Audit and Risk Committee and members of the Remuneration and Nomination Committee as apply to the Board, subject to the role of the Chairman being taken by the Chairman of the respective committees.

## 11 REMUNERATION

### 11.1 Executive remuneration

- (a) The Company's management remuneration is structured to promote superior performance by the Company. Management remuneration is regarded by the Company as a key tool in motivating executives and employees to achieve goals consistent with the Company's goals of long-term corporate growth and success.
- (b) Details of remuneration of Directors and executives are disclosed in the Company's Prospectus and Annual Report.

### 11.2 Non-executive Director remuneration

- (a) Non-executive Directors are remunerated by way of set annual fees and do not participate in schemes designed for the remuneration of executives. They do not receive bonus payments and are not provided with retirement benefits other than statutory superannuation. Non-executive directors may be compensated for special exertions in connection with the affairs of the Company in addition to remuneration for their service as a Director of the Company.
- (b) The Board will fix an amount each year for the purpose of non-executive director remuneration, subject to the overall cap for director remuneration previously agreed to by shareholders.

### 11.3 Equity related incentives

Subject to compliance with the ASX Listing Rules, the Company may provide equity related incentive compensation such as share rights or options to its senior executive employees, including its executive Directors. Subject to compliance with the ASX Listing Rules it may also provide limited equity related compensation to other employees and to non-executive Directors. Any equity related executive compensation must only be provided through a plan disclosed to shareholders and approved by Shareholders if required by the Corporations Act or the Listing Rules.