



Board Charter

Freedom Foods Group Limited
ACN 002 814 235

Updated: 12 February 2020

1. Introduction

1.1 This Board Charter sets out the functions and responsibilities of the Board and management of the Company.

1.2 This Board Charter was adopted by the Board on 12 February 2020.

2. Definitions

- (1) **Board** means the board of directors of the Company;
- (2) **MD** means the Managing Director;
- (3) **CFO** means the Chief Financial Officer;
- (4) **Chairman** means the Chairman of the Board; and
- (5) **Company** means Freedom Foods Group Limited ACN 002 814 235.

3. Responsibilities of the Board

3.1 The Board is responsible for and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include:

- (1) oversight of the Company, including its control and accountability systems;
- (2) appointing and removing the MD (or equivalent) for the ongoing management task of developing and implementing suitable strategies consistent with the Company's policies and strategic direction, including approving remuneration of the MD and remuneration policy and succession plans for the MD;
- (3) ratifying the appointment and, where appropriate, the removal of the CFO (or equivalent) and the Company Secretary;
- (4) reviewing and determining the strategic direction and policies of the Company, the allocation of resources, planning for the future and succession planning;
- (5) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (6) monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
- (7) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestments;
- (8) continuously monitoring and overseeing the Company's financial position; and
- (9) approving and monitoring financial and other reporting.

3.2 Key responsibilities of the Board include the overseeing of the strategic direction of the Company, determining its policies and objectives and monitoring management performance. The Board adopts a 12 month operating plan for the Company. Financial results and general performance are closely monitored against the operating plan objectives.

4. Composition of the Board

4.1 Introduction

As an overall objective, the Board shall comprise an appropriate range of experience, skills, knowledge and perspective to enable it collectively to appoint, guide and supervise high quality management of the Company's business.

The composition of the Board is regularly reviewed to monitor that the appropriate mix of skills and background is maintained.

4.2 Size

The Board currently comprises 5 directors and 1 alternate director. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

4.3 Independent directors

- (1) The majority of directors of the Company are not required to be independent directors. The Chairman shall be a non-executive director.
- (2) An independent director is a non-executive who is not a member of management and who:
 - (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company (as defined in section 9 of the Corporations Act 2001);
 - (b) has not, within the last 3 years, been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
 - (c) has not, within the last 3 years, been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
 - (d) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated with a material supplier or customer;
 - (e) has no material contractual relationship with the Company or another group member other than as a director of the Company;
 - (f) has not served on the board for a period 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

- (g) 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.

4.4 Expertise

- (1) The Board shall monitor that, collectively, it has the appropriate range of expertise to properly fulfil its responsibilities, including:
 - (a) **Leadership:** Strategy and Development; Financial acumen; Governance, Risk and Compliance; ex-CEO experience; Listed company board experience
 - (b) **People, behaviours and culture:** People Management; Retention and Succession Planning
 - (c) **Customer:** Food Quality and Safety
 - (d) **Operations:** Workplace Health and Safety, and manufacturing effectiveness and efficiency
 - (e) **Digital technology and Analytics:** Information Technology and System Scalability
 - (f) **Industry specific skills:** Agricultural science, including food safety; retailing which also includes sales, branding and marketing; and regional, customer and community focus.
- (2) The Board shall review the range of expertise and performance of its members collectively and individually on a regular basis and monitor that it has operational and technical expertise relevant to the operations of the Company.

5. Appointment of Directors

- 5.1 Directors are appointed in accordance with the terms of the Company's Constitution.
- 5.2 Subject to the number of directors allowed under the Company's Constitution, a director may be appointed:
 - (1) by an ordinary resolution of the Company in general meeting; or
 - (2) by the Board between general meetings, provided that the Company must confirm that director's appointment by ordinary resolution at the Company's next Annual General Meeting and, if that director's appointment is not confirmed, the person ceases to be a director of the Company at the end of that Annual General Meeting.

6. Independent professional advice

6.1 To facilitate independent judgement in decision making, the Board recognises that there may be circumstances in which individual directors are entitled to independent professional advice at the Company's expense in the furtherance of their duties. The Board is of the view that:

- (1) the Chairman has a right to obtain professional advice at the Company's expense up to a limit of \$50,000 (exclusive of GST). Any amount above this requires approval of the Board, which should not be unreasonably withheld;
- (2) any other Director is able to obtain advice at the Company's expense with prior approval of the Chairman, which shall not be unreasonably withheld and if the Chairman refuses to give approval, the full Board should be consulted for approval; and
- (3) all members of the Board will be made aware of the professional advice sought and obtained.

7. Allocation of responsibilities

7.1 Chairman

- (1) The Board elects the Chairman in accordance with the Constitution.
- (2) The Chairman shall be a non-executive director.
- (3) The roles of the Chairman and the MD may not be exercised by the same individual.
- (4) The position of Chairman will be reviewed by the Board at the first Board meeting following the Annual General Meeting. The Chairman authorises the expenses of all the other directors and the MD.
- (5) The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings.
- (6) The Chairman's specific duties are to:
 - (a) chair Board meetings. If the Chairman is not present within 15 minutes after the time appointed for the holding of that meeting, a director chosen by a majority of directors present shall assume this role;
 - (b) establish the agenda for Board meetings in consultation with the MD and Company Secretary;
 - (c) oversee that board minutes properly reflect board decisions;
 - (d) be the spokesperson for the Company at the Annual General Meeting and in the reporting of performance and profit figures. The MD or the MD's nominee will undertake all other public relations activities;

- (e) be the major point of contact between the Board and the MD;
 - (f) be kept fully informed of current events by the MD on all matters which may be of interest to directors;
 - (g) regularly review with the MD and such other senior officers as the MD recommends, progress on important initiatives and significant issues facing the Company;
 - (h) provide mentoring for the MD;
 - (i) chair the MD evaluation process through the Remuneration and Nomination Committee;
 - (j) commence the annual process of Board and director evaluation; and
 - (k) in accordance with the Constitution, have a casting vote.
- (7) The Chairman is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest, unless there is compliance with the conflict of interest provisions under the Constitution of the Company.
- (8) The Chairman may be removed from office in accordance with the Company's Constitution.

7.2 Individual directors

In accordance with statutory requirements and in keeping with developments at common law, directors have the following responsibilities:

- (1) exercise their powers and discharge their duties in good faith and in the best interests of the Company;
- (2) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
- (3) use due care and diligence;
- (4) make a reasonable effort to become and remain familiar with the affairs of the Company;
- (5) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- (6) commit the necessary time and energy to Board matters to monitor that they are contributing their best endeavours in the performance of their duties for the benefit of the Company, without placing undue reliance on other directors to fulfil these duties.

7.3 The Managing Director

- (1) The MD is appointed by the Board.
- (2) The MD is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board.
- (3) The MD's responsibilities include:
 - (a) developing with the Board, a consensus for the Company's vision and direction;
 - (b) constructing, with the Company's management team, programs to implement this vision;
 - (c) negotiating the terms and conditions of appointment of senior executives for Board approval;
 - (d) appointing the senior management team;
 - (e) endorsing the terms and conditions of appointment of all other staff members;
 - (f) providing strong leadership to and effective management of, the Company in order to:
 - (i) encourage co-operation and teamwork;
 - (ii) build and maintain staff morale at a high level; and
 - (iii) build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
 - (g) ensuring a safe workplace for all personnel;
 - (h) ensuring a culture of compliance generally and specifically in relation to environmental matters;
 - (i) implementing the Company's diversity policy and achieving the Company's diversity objectives;
 - (j) carrying out the day-to-day management of the Company;
 - (k) forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Company;
 - (l) keeping the Board informed, at an appropriate level, of all the activities of the Company; and
 - (m) ensuring that all personnel act with the highest degree of ethics and probity.
- (4) The MD is formally delegated by the Board to authorise all expenditures as approved in the budget or under the Statement of Delegated Authority, subject to:
 - (a) all MD remuneration, outside of normal monthly remuneration, must be authorised by the Chairman;

- (b) all business related expenses paid to the MD must be authorised or ratified by the Chairman;
- (c) while the Remuneration and Nomination Committee must approve the terms and conditions of employees reporting to the MD, the appointment of individuals to specific management roles is the responsibility of the MD.

7.4 Company Secretary

- (1) The Company Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Company Secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.
- (2) The Company Secretary is appointed in accordance with the Company's Constitution.
- (3) The specific tasks of the Company Secretary include:
 - (a) overseeing the Company's compliance program and ensuring all company legislative obligations are met;
 - (b) ensuring that the agenda and briefing materials for Board meetings are prepared and forwarded to directors in a timely and effective manner;
 - (c) recording, maintaining and distributing the minutes of all Board and Board subcommittee meetings as required;
 - (d) preparing for and attending all general meetings of the Company and ensuring that the correct procedures are followed;
 - (e) recording, maintaining and distributing the minutes of all annual and other general meetings of the Company;
 - (f) meeting statutory reporting requirements in accordance with relevant legislation; and
 - (g) any other services the MD or Chairman may reasonably require.

8. Managing Director & CFO Assurances

8.1 It is the responsibility of both the MD (or equivalent) and the CFO (or equivalent) to state in writing to the Board that:

- (1) The financial reports submitted to the Board present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- (2) The statement provided in accordance with 8.1(1) above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and

- (3) The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

9. Committees

- 9.1 To assist with the execution of its responsibilities, the Board has the authority to establish and determine the powers and functions of the committees of the Board, including the Finance and Audit Committee, Risk and Compliance Committee, and the Remuneration and Nomination Committee. The Finance and Audit Committee, Risk and Compliance Committee, and Remuneration and Nomination Committee are to document a charter, approved by the Board, setting out their responsibilities.

9.2 Remuneration and Nomination Committee

The roles and responsibilities, composition, structure and membership requirements of the Remuneration and Nomination Committee are documented in the Remuneration and Nomination Committee Charter approved by the Board.

9.3 Finance and Audit Committee

The roles and responsibilities, composition, structure and membership requirements of the Finance and Audit Committee are documented in the Finance and Audit Committee Charter approved by the Board.

9.4 Risk and Compliance Committee

The roles and responsibilities, composition, structure and membership requirements of the Risk and Compliance Committee are documented in the Risk and Compliance Committee Charter approved by the Board.

9.5 Board Charter Review

This Board Charter will be reviewed by the Board least once every two years from the date it was adopted.