

MARLEY SPOON

CORPORATE GOVERNANCE STATEMENT 2018

ARBN 625 684 068





MARLEY SPOON AG (ARBN 625 684 068)

CORPORATE GOVERNANCE STATEMENT 2018 (Statement)

Marley Spoon AG (**Company** or **Marley Spoon**) is committed to ensuring that its Corporate Governance framework meets and exceeds the requirements set out in the ASX Corporate Governance Council's Principles and Recommendations 3rd Edition (**Governance Principles**).

Marley Spoon is a German stock corporation (*Aktiengesellschaft, AG*) with its headquarters in Berlin, Germany, registered with the Commercial Register of the local court (*Amtsgericht*) Charlottenburg under HRB 195994 B. The Company was originally formed as a German limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) and was transformed into a German stock corporation effective as of 2 May 2018. On 19 April 2018, Marley Spoon was registered in Australia as a foreign company under the Corporations Act 2001 (Cth).

The main constituent document of Marley Spoon is its constitution (*Satzung*) whereas the corporate governance policies and practices described below are those that have been in place since the Company's listing on ASX on 2 July 2018, or as at the date of this report where indicated.

Consistent with the Company's commitment to transparency in its dealings with stakeholders, this Statement has been prepared by reference to each recommendation contained in the Governance Principles.

In this Statement, all references to (a) the Board are references to the Supervisory Board (*Aufsichtsrat*) of the Company, (b) Directors are references to the members of the Supervisory Board (*Aufsichtsrat*) of the Company, (c) the Management are references to the Management Board (*Vorstand*) of the Company, (d) Security Holders are references to both shareholders (*Aktionäre*) and CDI holders of the Company and (e) the Company's website are to: <https://ir.marleyspoon.com>.

This Statement was approved by the Company's Board on 26 February 2019 and is current as at that date.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 - Roles and Responsibilities of the Board - Adopted

A listed entity should disclose:

- (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.*

The Company is subject to the German Stock Corporation Act (*Aktiengesetz*) (**GSCA**) and other applicable German laws. In accordance with the GSCA, the Company has a two-tier board system (unlike Australian companies). There is a Supervisory Board (**Board**) (comprised of non-executive directors, from an Australian perspective) and a Management Board (**Management**) (comprised of executive directors, from an Australian perspective). These boards are separate, and an individual may not be a member of both.

The Board consists of four members, including one chairman and one deputy chairman. The Board is responsible for appointing and removing the members of the Management. The role of the Board is to advise and supervise the Management and ensure that the activities of the Management comply with the Company's constitution, the Rules of Procedure of the Management and with legal and regulatory requirements. The Board is responsible for reviewing and approving the annual accounts of the Company and the group and the annual budget and for reviewing systems for managing risks. The Board operates under a formal charter (**Charter**), which can be found on the Company's website.

The Management is comprised of the Chief Executive Officer (**CEO**) and the Chief Financial Officer (**CFO**). The GSCA delegates to the Management the overall responsibility for the management of the Company. Accordingly, it has the authority to represent and bind the Company vis a vis third parties. The Management focuses in particular on the Company's day-to-day business, strategic management, finances, resource

allocation, risk management and control. It acts in accordance with applicable law, the Company's constitution and the Rules of Procedure of the Management that are enacted by the Board.

Certain major transactions cannot be undertaken by the Management without the Board's approval. Under the Company's constitution the Management requires the approval of the Board:

- To sell the Company as a whole;
- To conclude contracts or plans pursuant to the German Conversion Act;
- To conclude inter-company agreements as defined in Section 291 GSCA.

In addition, the Board has specified in the Rules of Procedure of the Management that certain other transactions require its approval, including:

- the incurrence of financial indebtedness by a group entity exceeding €100,000.00;
- the sale, transfer, pledge or other disposal by a group entity of assets with a value exceeding €200,000.00;
- the commencement, termination or settlement of any legal disputes (including litigation and arbitration proceedings) involving a value in dispute exceeding €250,000.00;
- entering into, amendment of or termination of rental or lease agreements relating to real estate which provide for a consideration payable in any one year in excess of €250,000.00;
- transferring or licensing of any material intellectual property of the Company with a book value exceeding €250,000;
- approval and/or adoption of the annual budget of a group entity.

Recommendation 1.2 - Appointment and Re-election of Directors - Adopted

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.*

The current members of the Board were elected, prior to the listing of the Company on the ASX, by the shareholders of the Company at the relevant time. Each member of the Board was elected for a period terminating at the end of the Company's annual general meeting in 2021. Members may resign and stand for re-election prior to that date, for example to assist the Company to comply with the director rotation requirements of the ASX Listing Rules.

Prior to the Company listing on ASX, consideration was given to the combined skillset that would be required on the Board going forward, and directors possessing those skills were appointed. These appointments were made following a formal process including the identification of suitable candidates, interviews and background checks covering the candidate's character, experience, employment history, qualifications, criminal history, bankruptcy and disqualification status.

On an ongoing basis, before Board candidates are selected, the Board's Nomination and Remuneration Committee (NRC) will develop selection criteria, having regard to the necessary and desirable competencies of members of the Board, its current collective skills and competencies and its existing and future skills requirements, and will then identify suitable candidates and make recommendations to the Board in relation to their appointment. The NRC takes into consideration the skills, experience and expertise of potential candidates in making recommendations regarding their suitability. Candidates will be required to disclose their other commitments and confirm that they are able to dedicate sufficient time to their duties.

Prior to the Company's annual general meeting, Security Holders will be provided with the information necessary to assist them to make an informed decision on all Directors standing for election or re-election. Directors are re-elected in accordance with the Company's constitution and the ASX Listing Rules.



Recommendation 1.3 - Agreements with directors and senior managers - Adopted

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The members of the Board were appointed by the general meeting and have entered into formal letters of appointment which confirm the term of the appointment, remuneration, the role and responsibilities and the Company's expectations of each Director as members of the Board. The letters of appointment also contain provisions which confirm rights of access to certain books and records of the Company.

The members of Management have detailed service agreements which take into account general market practice as well as the requirements of the GSCA. These agreements provide for the service term, remuneration and termination of the relevant executive, along with other relevant provisions. All other senior executives are each party to employment contracts with the Company or a local subsidiary, or signed offer letters with accompanying employee handbooks. These documents set out the relevant remuneration and employment benefits, role descriptions and related employment terms.

Recommendation 1.4 - Accountability of the company secretary - Adopted

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.

The Board's charter provides that it is tasked with the responsibility of assessing appropriate company secretarial functions, and if desired approving the appointment of a person or organisation to perform those functions and any replacement thereof. Dr. Mathias Hansen (General Counsel) has been appointed to act in a company secretarial role.

Recommendation 1.5 - Diversity Policy - Adopted

A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- (b) disclose that policy or a summary of it; and*
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:*
 - (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
 - (2) 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.*

The Company has adopted a Diversity Policy, a copy of which is available on its website. The policy provides that the Company's Management is responsible for setting measurable objectives for achieving diversity and for annually assessing the Company's objectives and progress in achieving them.

As the Company only listed on ASX in July 2018, as at the date of this Statement measurable objectives have not yet been formally established. Management will consider the establishment of appropriate objectives in 2019.

The Company has a diverse employee base, across Australia, the USA and Europe, and is committed to creating and ensuring a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the Company.

As at 31 December 2018, the following gender diversity levels were evidenced in the Company:

- The proportion of female directors on the Board: 50% (the Chairman of the Supervisory Board is female)
- The proportion of female directors on the Management: 0

- The proportion of female senior executives (excluding Management): 38%
- The proportion of female employees in the whole organisation: 53%

Recommendation 1.6 - Evaluation of the performance of the board, its committees and individual directors - Adopted

A listed entity should:

- have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board is committed to enhancing its effectiveness through performance management and review. The Board's Charter provides for the periodic evaluation and review of its own performance (including against the requirements of its Charter), as well as the performance of its committees, individual members of the Board and Management, against both measurable and qualitative indicators.

The Company will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. The Board may appoint an independent party from time to time to undertake an assessment of the performance of the Board and each committee, comparing their performance with the requirements of the relevant Charter and the reasonable expectations of such functions. The Board review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and to provide recommendations to enhance effectiveness.

The current Board was constituted in June 2018, just prior to the Company's listing on ASX, as such a performance evaluation has not been undertaken for the period ending 31 December 2018. It is the Board's intention to undertake a review in 2019.

Recommendation 1.7 - Evaluation of the performance of senior executives - Adopted

A listed entity should:

- have and disclose a process for periodically evaluating the performance of its senior executives; and*
- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company has a performance review process for all staff, which is based on financial measures, operational excellence and personal performance. Performance measures are linked to salary reviews and long-term incentives. At this stage, the Company does not offer cash-based short-term incentives.

The performance of the members of Management, including the CEO, is to be considered by the Board 12 months after commencement of service. This period has not yet expired.

Principle 2: Structure the board to add value

The constitution of the Company provides that there will be four directors on the Board. At the date of this Statement, the Board is comprised of the following Directors:

- Ms Deena Shiff (Chair) (appointed June 2018)
- Mr Patrick O'Sullivan (appointed June 2018)
- Ms Kim Anderson (appointed June 2018)
- Mr Christoph Schuh (first appointed April 2018).

Directors' details, including details of their directorships in other listed entities and experience can be found on the Company's website.



The ultimate responsibility for the supervision of the Management rests with the Board. However, the Board may delegate the discharge of some of its responsibilities to committees, in accordance with the Company's constitution and applicable law.

The Board has established the following standing committees, which assist it in the execution of its responsibilities:

- Audit and Risk Committee (ARC); and
- Nomination and Remuneration Committee (NRC).

Each of these committees operate in accordance with specific charters approved by the Board, which can be found on the Company's website. The composition and effectiveness of the committees will be reviewed on a periodic basis.

The applicable composition requirements as stated in the committee charters and current membership of each of the committees are set out below:

Committee	Composition Requirements	Membership
Audit and Risk Committee	At least three members of the Board, all of whom must be independent directors. The chairman should be an independent Board member, who is not the chairman of the Board. The chairman of the committee shall have specialist knowledge and experience in the application of accounting principles and internal control processes. The committee must be structured so that between them, the members of the committee have the accounting and financial expertise and a sufficient understanding of the industry in which the Company operates, to be able to discharge the committee's duties effectively. The committee will include at least one member who has accounting and/or related financial management expertise (as in, a member who is a qualified accountant or other financial professional with experience of financial and accounting matters) and some members who have an understanding of the industries in which the Company operates.	Patrick O'Sullivan (Chair), Christoph Schuh, Deena Shiff
Nomination and Remuneration Committee	At least three members of the Board, the majority of whom are independent directors. The chairman must be an independent director and will be either the chairman of the Board or an independent member of the Board. Each member must be free from any interest, position, association or relationship which, in the opinion of the Supervisory Board, could, or could reasonably be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the committee. Each member is expected to possess adequate remuneration, regulatory and industry knowledge to carry out his or her responsibilities as a member of the committee.	Kim Anderson (Chair) Patrick O'Sullivan, Deena Shiff

The number of scheduled Board and committee meetings held during the year ended 31 December 2018 and the number of meetings attended by each Director is set below:

	Supervisory Board		Audit and Risk Committee		Nomination and Remuneration Committee	
	A	B	A	B	A	B
Deena Shiff	12	12	2	2	1	1
Kim Anderson	12	12	-	-	1	1
Patrick O'Sullivan	12	12	2	2	1	1
Christoph Schuh	13	13	2	2	-	-

A: Meetings eligible to attend B: Meetings attended

Recommendation 2.1 - Nomination Committee - Adopted

The board of a listed entity should:

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

The Board has established a Nomination and Remuneration Committee (**NRC**) which operates under a charter approved by the Board (**NRC Charter**). This charter can be found on the Company's website.

Details of the composition of the NRC, along with details of the number of meetings of the committee held during the year and the attendees at those meetings, are outlined above.

Recommendation 2.2 - Board skills matrix - not adopted

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

As the Board is newly appointed it does not currently have a board skills matrix. However, if the Board believes it to be appropriate it may adopt such a matrix in accordance with the Board's Charter.

The Board considers that it has the necessary knowledge to identify the skills missing and required to complement the Board composition. The current Board is comprised of members with a broad range of skills, expertise and experience and from a diverse range of backgrounds. The members of the Board believe the existing mix is appropriate to ensure that it can carry out its obligations in accordance with its Charter and the requirements of good governance.

The Company seeks to have members of the Board with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of, and competence to deal with, current and emerging issues relevant to the business of the Company. If the Board believes it to be appropriate, it may adopt a board skills matrix setting out the skills and diversity that the Board has or is looking for in order to identify any gaps in the skillset of the Board.

Recommendations 2.3 and 2.4 - Director independence - adopted

Recommendation 2.3 - A listed entity should disclose:

- (a) *the names of the directors considered by the board to be independent directors;*
- (b) *if a director has an interest, position, association 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, association or relationship in question and an explanation of why the board is of that opinion; and*
- (c) *the length of service of each director.*

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

All members of the Board - whether independent or not - must bring an independent judgment to bear on all Board decisions. A Board member is considered to be independent if so determined by the Board, having regard to relevant principles, including applicable guidance from ASX. A Board member may be considered independent if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgment



to bear on issues before the Board and to act in the best interests of the Company and its Security Holders. In each case, the materiality of any such interest, position, association or relationship will be assessed by the Board.

The Board will assess the independence of each member in light of interests disclosed by them at least annually. Each member must provide the Board with all relevant information. If a member's interests, positions, associations or relationships change, the assessment should be made as soon as practicable after the Board becomes aware of the change. If the Board determines that a member's independent status has changed, that determination will be disclosed to the market in a timely manner.

The Company considers an independent director to be a Board member who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of his or her judgment.

The Board considers the materiality of any given relationship on a case-by-case basis, having regard to both quantitative and qualitative principles.

All of the directors that form the Board have been determined as being independent as at 31 December 2018. The rationale for this determination is that the Directors are non-executives, not substantial Security Holders, conduct themselves at arms' length in their engagement with the Company and bring their considerable skillset to bear on matters before the Board.

In order to facilitate independent judgment in decision-making, each Director has the right to seek independent professional advice at the Company's expense, following consultation with the Chair.

Based on its current assessment, the Board is comprised of a majority of independent directors.

The term of office held by each Director at the date of this Statement is outlined above.

Recommendation 2.5 - adopted

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.

The Chair, Ms Deena Shiff, is a member of the Board, a position equivalent to that of non-executive director. The Board has determined that, having regard to the principles set out above, Ms Shiff is considered an independent director.

The duties of the Chair and the CEO are carried out by separate people.

Recommendation 2.6 - adopted

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

A director induction program is in place and directors are expected to participate in this induction and orientation program on appointment. In addition, industry updates and briefings are regularly provided to the Board, to ensure they are informed about developments within the Company and the industry in which it operates.

Principle 3: Act ethically and responsibly

Recommendation 3.1 - Adopted

A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and*
- (b) disclose that code or a summary of it.*

The Company is committed to acting honestly and with integrity in all its dealings and to act ethically and

responsibly. The Board has adopted a Code of Conduct (**Code**) which sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of its business and people, taking into account the Company's legal and other obligations to its stakeholders. Management has endorsed the Code.

The Code applies to all members of Management, all members of the Board, as well as all employees and all other persons that act on behalf of the Company.

A copy of the Code can be found on the Company's website.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 - Adopted

The board of a listed entity should:

- (a) have an audit committee which:*
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose:*
 - (3) the charter of the committee;*
 - (4) the relevant qualifications and experience of the members of the committee; and*
 - (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*
- (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.*

An independent Audit and Risk Committee (**ARC**) has been established as a standing committee by the Board. The role of the ARC is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

- a. the integrity of the Company's external financial reporting and financial statements;
- b. the appointment, remuneration, independence and competence of the Company's external auditors;
- c. the performance of the external audit functions and review of their audits;
- d. the effectiveness of the Company's system of risk management and internal controls; and
- e. the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

The ARC operates in accordance with a charter adopted by the Board (**ARC Charter**) and can be found on the Company's website. The ARC Charter sets out the roles and responsibilities as well as the structure and composition of the committee. Pursuant to the ARC Charter the responsibilities of the ARC include:

- review and oversight of the Company's external reporting;
- review and oversight of internal controls and risk management;
- ensuring an effective external audit function and communication between the Board and the external auditor;
- reviewing and updating the Company's key risk profile;
- review and oversight of risk management systems; and
- assessing existing controls that the Management has in place for unusual transactions or transactions with more than an accepted level of risk.

Details of the composition of the ARC, the number of meetings of the ARC held during the year and the attendees at those meetings are outlined in the commentary to Principle 2 above.



The qualifications and experience of the members of the ARC are outlined on the Company's website.

Recommendation 4.2 - not adopted (as not applicable)

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.

Marley Spoon is a German stock corporation that is registered with the Australian Securities and Investments Commission as a foreign company. Accordingly, the Company is not subject to certain aspects of Australian company law including, without limitation, the financial reporting requirements as set out in Chapter 2M of the Corporations Act 2001 (Cth).

However, as part of the financial audit process and auditor's review opinion, the CEO and CFO are expected to declare in respect of the 2018 reporting period that, in their opinion, the financial records of Marley Spoon 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 of the Company. The audited financial statements are then presented to the Board for review and approval.

Recommendation 4.3 - adopted

A 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

The Company's external auditor will be required to attend the annual general meeting and be available to answer Security Holders' questions about the conduct of the audit and the preparation and content of the external auditor's report; accounting policies adopted by the Company in relation to the preparation of the financial statements; and independence of the auditor in relation to the conduct of the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - Adopted

A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- (b) disclose that policy or a summary of it.*

Management has adopted a Continuous Disclosure Policy, which has also been approved by the Board, a copy of which is available on its website.

The Continuous Disclosure Policy seeks to:

- ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act 2001 (Cth) and the ASX Listing Rules and as much as possible seeks to achieve and exceed best practice;
- provide Security Holders and the market with timely, balanced, direct and equal access to information issued by the Company; and
- promote investor confidence in the integrity of the Company and its securities.

The overarching principle is that the policy is governed by Listing Rule 3.1, which requires the Company to notify ASX immediately of any information that a reasonable person would expect to have a material effect on the price or value of the Company's quoted securities, provided that the information does not fall within the exception to disclosure under the Listing Rules.

Principle 6: Respect the rights of security holders

Recommendation 6.1 - Adopted

A listed entity should provide information about itself and its governance to investors via its website.

The Company is committed to effective communication with its customers, Security Holders, market participants, employees, suppliers, financiers, creditors, other stakeholders and the wider community. To this end, Management has adopted a Communication Policy, which has also been approved by the Board.

The Company's website contains information about itself and the governance of the Company in the "Investors' Centre" section.

The website also provides details of the key events on the investor calendar, and notices and documents for the Company's general meetings. The Company further operates an "e-mail alert" system to which investors may subscribe in order to receive notification of updates and ASX market releases.

Recommendation 6.2 - Adopted

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company is committed to maintaining direct, open and timely communications with all Security Holders. As noted, Management has adopted a Communication Policy, which has also been approved by the Board, a copy of which is available on its website.

The Communications Policy seeks to ensure that the Company:

- (a) provides timely and accurate information equally to all Security Holders and market participants regarding the Company, including its financial situation, performance, ownership, strategies, activities and governance; and
- (b) adopts channels for disseminating information that are fair, timely and cost efficient.

Information is communicated to Security Holders through:

- the publication of the annual and interim financial reports;
- disclosures to the ASX;
- notices of general meetings;
- updates and announcements to inform shareholders of key matters of interest, as required by law and as it considers appropriate and consistent with good corporate governance;
- the Company's website;
- presentations to analysts (which are made available to all Security Holders via the website, subject to protocol); and
- general meetings.

Recommendation 6.3 - Adopted

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company's annual general meeting will be convened once a year. For general meetings of shareholders, a detailed agenda setting out resolutions to be considered, is included with the notice of meeting.

Security Holders are encouraged to vote on all resolutions and unless specifically stated otherwise in the notice of meeting, all Security Holders are eligible to vote on all resolutions. Security Holders who cannot attend general meetings in person may lodge a proxy with their instructions how to vote. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.



The outcome of voting on resolutions at general meetings is released to the market via ASX after the conclusion of the meeting and posted on the Company's website.

As the Company is incorporated in Germany and subject to the requirements of the GSCA, its shareholder meetings are held in Berlin, Germany. The Company makes provision for Security Holders to follow proceedings via a live transmission webcast.

Recommendation 6.4 - Adopted

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

All Security Holders have the option to receive communications electronically from, and send communications to, the Company's registry service provider Link Market Services.

Principle 7: Recognise and manage risk

Recommendation 7.1 - Adopted

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
 - (1) has at least three members, a majority of whom are independent directors; and*
 - (2) is chaired by an independent director, and disclose:
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or***
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Board is responsible for overseeing the development, implementation, compliance with and effectiveness of the Company's overall framework of governance and approving and revising as required associated charters and policies, including as they relate to risk management. The Board has established the Audit and Risk Committee (referred to above under the commentary to Principle 2 as **ARC**) to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, and risk oversight obligations, including oversight of:

- a. the integrity of the Company's external financial reporting and financial statements;
- b. the appointment, remuneration, independence and competence of the Company's external auditors;
- c. the performance of the external audit functions and review of their audits;
- d. the effectiveness of the Company's system of risk management and internal controls; and
- e. the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

The ARC is responsible for ensuring that the Company has in place an effective risk management system and reviewing the risk management system at least annually to ensure that it continues to be sound, to determine whether there have been any changes in the key risks the Company faces and to ensure the key risks remain within the risk appetite considered appropriate by the Company.

The ARC's current membership and the independence of the members, as well as details of meetings of the committee in 2018, are set out under the commentary to Principle 2 above. A copy of the ARC Charter is available on the Company's website.

Recommendation 7.2 - Adopted

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.
- (c)

The ARC will review and assess the Company's risk management framework annually and review the implementation, management and maintenance of appropriate enterprise-wide risk management systems, policies and procedures, reporting protocols and internal controls.

A review as described was carried for the period ending 31 December 2018.

Recommendation 7.3 - Adopted

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Marley Spoon has not formally established an internal audit function. However, the ARC will continually review and assess if and when the adoption of an internal audit function is appropriate. Currently, the Management of Marley Spoon bears overall responsibility for the establishment of an effective risk management system. Under the Management' Schedule of Responsibilities (*Geschäftsverteilungsplan*), Julian Lange (CFO) is responsible for risk management. He is supported by the Company's General Counsel and the Head of Global Controllershship. As with its other responsibilities, Management is advised and supervised by the Company's Board in relation to the effectiveness of the internal control system and overall risk management.

Given the importance of this matter, the Board has established the ARC as a standing committee. The ARC has responsibility for overseeing the effectiveness of the internal controls. As set out in the ARC Charter, the ARC is also responsible for conducting, after having consulted with the Management, investigations of breaches or potential breaches of these internal controls.

In addition, the CFO, under the supervision of the ARC, is responsible for risk management and preparing a risk profile which describes the material risks facing Marley Spoon, regularly reviewing and updating this risk profile and assessing and ensuring that there are internal controls in place for determining and managing key risks.

Recommendation 7.4 - Adopted

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Marley Spoon is focused on creating the foundation for a long-term, sustainable business which is respected, supported and welcomed wherever it operates. Health, safety, the environment and community aspects are vital to Marley Spoon. Incidents or accidents may have a negative impact on our customers, our team, operations and the reputation of the Company. The following material risk factors are continually under review by the Board:

Economic sustainability risks

Economic sustainability is the ability of an entity to continue operating at an effective economic level over the long term. A range of factors can influence the level of Marley Spoon's economic sustainability, including the following:

- Financing risks,
- Credit and fraud risk,
- Regulatory and legal risks,



- Financial and reporting risks,
- Operational risks.

The CFO is responsible for the identification of key risks and the analysis, management, and mitigation of those risks. A risk management system (**RMS**) is used to support Marley Spoon's business operations, to provide consistency in dealing with risks and to facilitate compliance with regulatory requirements. The RMS supports the Company's transparent decision-making process and enhances its reporting through consistency and comparability of information.

As part of the RMS, relevant risk items are documented in an internal risk register (**RR**). The Company's General Counsel continually updates and develops the RR based on the input of the various team leads. Countermeasures and responsibilities are assigned for each risk in the RR. Based on the RR a comprehensive risk assessment is performed on a bi-annual basis and illustrated in a risk management matrix (**RMM**) which forms another key element of the RMS. The RMM provides Management and the ARC with relevant information on Marley Spoon's risk exposure and its mitigation activities, allowing for informed decision making and appropriate addressing of the risks. The regular reporting process is supplemented by ad-hoc reporting where critical issues arise.

Environmental sustainability risks

Environmental sustainability is the ability of an entity to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term. Marley Spoon has identified the following factors in this regard: if the Company fails to address environmental (for example, recycling) concerns of its customers adequately, there may be a decrease in demand for its products.

Social sustainability risks

Social sustainability is the ability of an entity to continue operating in a manner that meets accepted social norms and needs over the long term. With employees in five countries, Marley Spoon is exposed to a range of potential occupational health and safety risks. In order to address these risks, the Company has appointed a dedicated Global Head of Quality and Safety who reports directly to the CEO. This role involves the implementation, improvement and management of policies and programs to understand, manage and minimise compliance, health, safety, environment and operational risk across the organization.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - Adopted

The board of a listed entity should:

- have a remuneration committee which:*
 - has at least three members, a majority of whom are independent directors; and*
 - is chaired by an independent director, and disclose:*
 - the charter of the committee;*
 - the members of the committee; and*
 - 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*
- 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.*

The Company has established a Nomination and Remuneration Committee (**NRC**), the purpose of which is to assist and advise the Board on remuneration policies and practices for the Board and members of Management (being the CEO and CFO).

The NRC operates under the NRC Charter which can be found on the Company's website. Its current membership, meeting attendance and the independence of its members are set out under the commentary to Principle 2 above.

Recommendation 8.2 - Adopted

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.

The Company's remuneration policies and practices are designed to:

- a. enable the Company to attract, retain and motivate members of the Board and Management who will create value for the Company within an appropriate risk management framework, by providing remuneration packages that are competitive;
- b. be fair and appropriate in regard to the performance of the Company and the relevant members of the Board and Management;
- c. comply with relevant legal requirements; and encourage the creation of an 'Employer of Choice' culture within the Company.

The NRC is tasked with maintaining a clear distinction between the structure of remuneration for members of the Board and members of the Management.

Remuneration of Management

The Company's remuneration practice is orientated towards the sustainable growth of the Company. A proportion of Management's remuneration is designed to link rewards to corporate and individual performance (reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals).

The NRC is responsible for developing, reviewing and making recommendations to the Board on the remuneration of the Management, including:

- a. the Company's remuneration framework;
- b. the remuneration packages to be awarded to members of the Management;
- c. incentive compensation, including, equity-based remuneration plans for members of the Management; and
- d. superannuation arrangements for members of the Management.

The compensation of each member of Management was approved by the Board and consists of an annual fixed gross salary and a long-term incentive, taking into account general market practice as well as legal requirements in accordance with Section 87 GSCA.

Remuneration of Board Members

The remuneration of the members of the Board has to be either set out in the Constitution or be resolved upon by a resolution of a general meeting of shareholders. Under the ASX Listing Rules, the total amount paid to all members of the Board, for their services as members of the Board, must not exceed in aggregate in any financial year the amount resolved by the Security Holders in general meeting (currently €500,000, or A\$800,000).

Currently, Board members, except for those having waived their remuneration claim, receive 50% of their base compensation by way of shares in the Company and the remainder in cash. The Board members do not participate in the schemes designed for the remuneration of the Management, nor do they receive bonus payments, or any retirement benefits other than statutory superannuation.



Recommendation 8.3 - Adopted

A listed entity which has an equity-based remuneration scheme should:

- (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*
- (b) disclose that policy or a summary of it.*

The Company has adopted a Securities Trading Policy which regulates trading by members of the Board, the Management and employees of the Company in the Company's securities or securities of other companies. A copy of the policy is available on the Company's website.

The Securities Trading Policy provides that Board members and members of the Management and certain restricted employees must not use, or allow to be used, any derivatives or other products which operate to limit the economic risk of unvested Company securities.

Approved by the Board on 26 February 2019



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