

CORPORATE GOVERNANCE STATEMENT 2021

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This Corporate Governance Statement is accurate and up to date as at 28 February 2022 and has been approved by the Board. It has been placed on the TasFoods website at https://tasfoods.com.au/document_category/corporate_governance/#investor_nav.

The Board of TasFoods Limited (**the company**) is responsible for the corporate governance of the Company and its subsidiaries (the **Group**). The Board guides and monitors the business and affairs of the Company on behalf of its shareholders.

This corporate governance statement benchmarks TasFoods Limited's corporate governance practices against the Fourth edition of the Australian Securities Exchange (ASX) Corporate Governance Council's Principles and Recommendations (**ASX Principles**), and where they do not conform, discloses the fact and the reasons why as required by ASX Listing Rule 4.10.3.

On a small number of occasions TasFoods Limited's practices do not fully comply with the ASX Principles, an example of this, is that an internal audit regime does not as yet exist. These incidents of not meeting the Principles are largely a function of the Company's size and the Board does not believe these have a negative impact on the Company.

The Company has also prepared an ASX Appendix 4G – Key to Disclosures which reports on the Company's compliance with each of the ASX Principles. This has been lodged with the ASX and can be viewed on the Company's website.

PRINCIPLE 1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Board and management composition, roles and responsibilities

The Board consists at the time of this report of four Non-Executive Directors.

The role of the Chair and Managing Director/CEO were not at any time exercised by the same person. At the time of this report there is no longer a Managing Director.

During FY21, the Chair was designated as an Independent Director. In FY21 the Chair became the Executive Chairman of a substantial shareholder. The TasFoods Board considered this change and designated the Chair as a Non-Independent Director on 31 January 2022. At the same time, the Board appointed an Independent Deputy Chair.

The qualifications, experience and special responsibilities of the Board members are set out in the Company's Annual Report.

The Board of Directors (the Board), together with the management team, are collectively experienced in the management of listed companies and more particularly the Group's principal business activities.

The Board is responsible under its Charter for:

- providing leadership for TasFoods and setting values and standards of behaviour which align with our strategy and will assist delivery of long term growth;
- the overall corporate governance of TasFoods in accordance with its Governance framework, including setting strategic direction and the level of risk TasFoods is willing to tolerate;

- approving and monitoring annual budgets and strategic plans;
- approving capital expenditure, capital management acquisition and divestments in excess of limits delegated to management;
- ensuring that adequate systems of internal controls, risk management and legal compliance are in place and monitoring them;
- reviewing the performance and implementation of corporate strategies and risk management by senior management;
- approving and monitoring financial and other reporting made to shareholders and the ASX under the continuous disclosure regime;
- ensuring the necessary resources are in place to meet objectives.

In addition to matters expressly required by law to be approved by the Board, the powers reserved to the Board include:

- Nomination and remuneration of directors;
- Appointment of Chair of the Board;
- Appointment and remuneration of the Chief Executive Officer;
- Appointment of the Company Secretary;
- Membership and terms of reference of Board committees;
- Assessment of Board and Chief Executive Officer's performance;
- Any changes to the delegations matrix by the Board;
- The issue of any shares, options, equity instruments or other securities in the TasFoods Group;
- Approving:
 - Significant changes to TasFoods Group structure;
 - The acquisition, establishment, disposal or cessation of any significant business of TasFoods;
 - The budget annually;
 - The strategic plan;
 - Capital management initiatives including any dividends;
 - Accounting policies, financial statements and reports;
 - Remuneration and conditions including remuneration for the Executive Team;
 - The Policy Framework and Board approved policies within it;
 - Any matters in excess of the discretion that it delegated to the CEO and senior management under the Delegations matrix.

The Board Charter states that Directors may, with the consent of the Chair, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. A copy of any advice so received will be made available to all Directors.

The Charter contains a section on the role of the Chair and the role of the Chief Executive Officer.

The Board has approved a Board Charter and a Delegations document. The Board Charter is on the Company's website.

The Board meets formally monthly. To assist the Board to carry out its responsibility it has established the following Committees:

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

Each Board Committee operates under a Charter that is on the Company's website.

The number of meetings of the Board and each Committee during the year and the attendance at them were:

DIRECTOR#	BOARD MEETING		AUDIT AND RISK COMMITTEE		NOMINATION & REMUNERATION COMMITTEE	
	Held during time on Board	Attended	Held during time on Board	Attended	Held during time on Board	Attended
C Treasure ¹	14	14	6	6	4	4
B Swain ¹	14	14	6	6	4	4
J O'Hara ²	8	8	2	2	0	0
J Murphy ²	8	8	2	2	0	0
R McBain ³	6	6	4	4	4	4
J Bennett ^{4,5}	10	10	6	6	4	4

¹Mr Treasure and Mr Swain were on the Board for the entire financial year.

²Mr O'Hara and Mr Murphy joined the Board on 23 June 2021.

³Mr McBain resigned from the Board effective 22 June 2021.

⁴Ms Bennett resigned from the Board effective 1 October 2021.

⁵Ms Bennett was not a member of the Audit and Risk Committee or the Nomination and Remuneration Committee however attended the meetings as an invitee.

Board Skills and experiences

The Board is responsible for ensuring it is comprised of individuals who are best able to discharge the responsibilities of directors having regard to law and the best standards of governance.

This will necessarily include undertaking background, police and other checks before appointing a person or putting them forward to security holders as a candidate for election as a director, as well as providing all material information in its possession relevant to a decision to elect or re-elect a director. The qualifications, experience and special responsibilities of the Board members are set out in the Company's Annual Report.

Terms of appointment

The Directors, Executives and Company Secretary have written agreements setting out the terms of their appointment. In the case of Directors their letters of appointment include obligations to disclose their interests, comply with key corporate policies, consult the Chair on any new roles, indemnity and insurance arrangements, right to access information and ongoing confidentiality obligations. Financial terms of the agreements are disclosed as is required in the Company's Annual Report.

Management roles and responsibilities

The Board has delegated to the Chief Executive Officer the authority to manage and control the day-to-day affairs of the Group and the implementation of the corporate strategy and budgets approved by the Board. The Chief Executive Officer is supported by a small team of executives.

Company Secretary

The Board has appointed a Company Secretary who is directly accountable to the Board, through the Chair, under the terms of her employment contract for all matters to do with the proper functioning of the Board. Each director is able to communicate directly with the Company Secretary and vice versa. The decision to appoint or remove the Company Secretary is made by the Board.

Diversity Policy

The Company has established a Diversity Policy which provides the written framework and objectives for achieving a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives, irrespective of physical and mental ability, socio-economic status, thinking styles, experience, education, ethnicity, language, age, gender, sexual orientation and religion. A copy of the Policy is on the Company's website.

The Board is responsible for developing, where possible, measurable objectives and strategies to support the framework and objectives of the Diversity Policy. The Board will be responsible for monitoring the progress of the measurable objectives through various monitoring, evaluation and reporting mechanisms.

The Board has not yet set any absolute objectives and strategies, however as a measurement of diversity, the Company provides the following information:

- Women are not currently represented on the Board;
- Women represent 50% of the Executive Team;
- The senior management team comprises of 27% women;
- Female employees represent 32% of the Company's workforce;
- Employees born outside of Australia represent 23% of the Company's workforce.

The Company is a relevant employer under the *Workplace Gender Equality Act*.

Performance of the Board

The performance of Directors is assessed and reviewed by the Board. To determine whether it is functioning effectively, the Board performs an evaluation of the Board's performance at intervals considered appropriate, with the assistance of the Company Secretary. An internal assessment is typically undertaken annually. External assessment will be considered at appropriate times. The Chair's performance will be reviewed by the Chair of the Audit and Risk Committee with input from the other directors.

An internal Board performance evaluation was undertaken during March/April 2021 comprising a survey answered by Board Members and the Executive Team. The Board subsequently considered the outcomes and improvement opportunities revealed by the performance review and completion of actions that arose were tracked.

Performance of senior executives

The Chief Executive Officer is responsible for evaluating the performance of senior executives against performance indicators established for senior management. KPIs are set and measured for senior executives annually via the Short Term Incentive framework. Informal reviews of performance occur on a regular basis.

The Board is responsible for evaluating the performance of the Chief Executive Officer. KPIs are set and measured for the Chief Executive Officer annually via the Short Term Incentive framework. The performance assessment process is carried out by the Chair with input from the remainder of the Board.

PRINCIPLE 2 STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

The Board size and composition, skills, commitment and knowledge are considered suitable. This is discussed further below.

Nomination and Remuneration Committee

The Company has established a Nomination and Remuneration Committee.

The duties of the Nomination and Remuneration Committee are carried out by a Committee comprising all Directors.

The Committee comprised of between three and four members during the year.

At all times during FY21, it had an independent Director as the Chair of the Committee and a majority of the Committee was independent.

On 31 January 2022 the incumbent Chair of the Committee was designated as non-independent Director. At the same time, the Board appointed an independent director, as the Chair of this Committee.

The Charter for this Committee sets out responsibilities including:

- reviewing and reporting to the Board on compensation arrangements for the Directors and senior executives, including incentive, equity and other benefit plans;
- reviewing the audited Remuneration Report;
- determining the necessary and desirable competencies of Directors;
- reviewing Board succession plans and recommendations for the appointment or replacement of Directors to maintain an appropriate balance of skills, experience and expertise;
- reviewing Board performance

The Committee met four times during the year under review and attendances at these meetings are disclosed under Principle 1 above.

The Charter of the Committee is on the Company's website.

Board Skills

The Company supports the appointment of Directors who bring a wide range of business and professional skills and experience. The Company has a formal skills matrix outlining the skills and the level at which they are required to meet its strategy. It uses it to ensure all skills are fully utilised, any gaps in required skills are identified and managed and it is referred to for succession planning purposes. The required skills as at the date of this report are:

Industry/Sector Knowledge
FMCG
Food manufacturing
Agriculture / Agribusiness
Dairy
Meat / Poultry
Skills, Experience and Expertise
Senior Executive Management
Organisational leadership
Finance /Accounting
Capital Markets and equity raising
Marketing and consumer insights
Sales and distribution
Operations and supply chain
Legal
WH&S/Environmental
Strategy development & implementation
ASX Listed company experience
Growth through M&A
IT/E-commerce

The Board completed the matrix in 2021 prior to, and following changes to the Board which occurred in June and October 2021.

The Board considers directors' attributes prior to any appointment. The qualifications, skills, experience and expertise relevant to the position of director held by each Director in office at the date of the Annual Report is included in the Directors' Report in the Annual Report.

Independence of Directors

During FY21 the independent Directors of the Company were Craig Treasure, John O'Hara and John Murphy. During half the year Roger McBain was also an independent director of the Company. The Board designated Craig Treasure as non-independent on 31 January 2022.

The names and details of each Director including length of service is contained in the Annual Report.

The general test of independence applied by the Board is based on that suggested by Principle 2.3 of the ASX Principles.

During the year the Board membership changed, with John O'Hara and John Murphy joining the Board on 23 June 2021, and Roger McBain resigning from the Board on 22 June 2022. For the full year there were at least two members that were considered independent.

On 29 June 2021, Craig Treasure was appointed as Executive Chairman of a substantial shareholder, CVC Limited. The Board considered this change and designated Craig Treasure as a Non-Independent Director on 31 January 2022. At the same time, the Board appointed John Murphy as an Independent Deputy Chair.

Directors are required to continuously disclose to the Company any changes to their interests, positions, associations and relationships that may bear on their independence or create any issues of conflict. Directors give a standing notice of interest declaration which is frequently updated and have an obligation to consult with the Chair any new potential interests, positions or associations.

As part of every Board meeting agenda Non- Executive Directors consider if they would like to meet without the CEO and other senior executives present and on occasion, they take up that option.

Chair

During FY21, the Chair of the Board, Craig Treasure, was designated as an independent director and he was not the Managing Director/CEO. The Board designated Craig Treasure as non-independent on 31 January 2022. At the same time, the Board appointed John Murphy as an Independent Deputy Chair.

Director Induction and professional development

Due to the Board's relatively small size, the Company has an informal induction process overseen by the Company Secretary and Chair. New directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors. Directors receive a formal letter of appointment setting out the key terms and conditions and corporate expectations relevant to that appointment. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge. As part of reviewing the Board Skills Matrix, the Directors skills and knowledge gaps are considered.

PRINCIPLE 3 INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

The Company and the Board promote a lawful, ethical and responsible culture via a framework of well understood values, policies, and procedures including a code of conduct.

Values

The values of the Company are:

- passion;
- agility;
- respect; and
- team.

They are constantly articulated to staff and used as an important part of operating the Group.

Code of Conduct

The Code of Conduct applies and is communicated to all directors, employees and contractors working at TasFoods, and other people on site at TasFoods including suppliers and visitors.

Any breach of the Code may result in disciplinary action in accordance with the Disciplinary Policy and Procedure and any employee or contractor who becomes aware of a breach of the Policy are required to report it. Material breaches of the Code of Conduct are reported to the Board.

A copy of the Code of Conduct is available on the Company's website.

Whistleblower Policy

The Company has a Whistleblower Policy which encourages 'speaking up' about unlawful, unethical or irresponsible behaviour. Staff are trained in the Policy and material incidents are reported to the Board. A copy of the Whistleblower Policy is available on the Company's website.

Anti-Bribery, Fraud and Corruption Policy

The Company has an Anti Bribery Corruption and Fraud Policy which prohibits the Group, its officers, employees and business partners from engaging in activity that constitutes bribery, corruption, fraud or other related improper conduct. It also outlines:

- the responsibilities of the Group and its employees in observing and upholding the prohibition on bribery, corruption, fraud and other related improper conduct; and
- information and guidance on how to recognise and deal with instances of bribery, corruption, fraud or other related improper conduct.

Staff are trained in the Policy and material breaches are reported to the Board. A copy of the Anti- Bribery, Fraud and Corruption Policy is available on the Company's website.

PRINCIPLE 4 SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Audit & Risk Committee

The Company has established an Audit & Risk Committee which plays a key role in assisting the Board with its responsibilities relating to accounting, developing internal control systems, reporting practices, risk management and overseeing and monitoring the independence and performance of the Company Auditor.

The duties of the Audit and Risk Committee are carried out by a Committee comprising all Directors.

The Committee had between three and four members during FY21 of which a majority at all times were independent and the Chair was an independent director, who was not the Chair of the Board.

The Audit & Risk Committee works within the framework of the Audit & Risk Committee Charter adopted by the Board, where its role includes:

- ensuring the integrity of the financial statements;
- assessing the adequacy of internal controls and reporting on management of material business risks.

The Committee met six times during the year. Details of the Directors' qualifications and experience are contained in the Directors' Report in the Annual Report and their membership and attendance at Audit & Risk Committee meetings is also disclosed under Principle 1 above.

A copy of the Audit & Risk Committee Charter is available on the Company's website.

Process for approving financial accounts

Following a recommendation by the Committee to the Board to approve the annual and half year financial accounts, the Chief Financial Officer states in writing to the Board that the Company's Financial Reports 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; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Process for verifying the integrity of any periodic corporate report

A periodic corporate report released to the market that is not audited or reviewed by an external auditor, is reviewed by the entire Executive Team and Board in particular by reference to the financial records of the Company to ensure it is materially accurate, balanced and provides investors with appropriate information to make informed decisions. At times it might also be reviewed confidentially by corporate advisors to provide an investor perspective.

PRINCIPLE 5 MAKE TIMELY AND BALANCED DISCLOSURE

Disclosure Compliance

The Company has a Disclosure Compliance Policy and a Communications Policy designed to promote transparency and investor confidence and ensure that all interested parties have an equal opportunity to obtain information which is issued by it.

The Company is committed to complying with the continuous disclosure obligation contained in the Listing Rules of the Australian Securities Exchange (ASX) and under the *Corporation Act*, and ensuring that all shareholders and the market have an equal opportunity to obtain and review full and timely information about the Company's securities.

Both policies are available on the Company's website.

Board to receive material market announcements

All Board members receive a notification of all material market announcements automatically and immediately via the ASX Market Announcements platform.

They are also notified of all ASX and ASIC engagement via the Company Secretary report monthly.

New Investor or Analyst Presentations

All investor or analyst presentations are released on the ASX Market Announcements Platform prior to the delivery of the presentation.

PRINCIPLE 6 RESPECT THE RIGHTS OF SECURITY HOLDERS

Corporate Governance and Investors

The Company's website has a dedicated Investors section with separate sections on corporate governance, ASX and media announcements, webcasts and annual reports. Under the Corporate Governance section of the website copies of all key policies and Board charters are published.

The Company endeavours to publish on its website www.tasfoods.com.au all important Company information and relevant announcements made to the market.

The Company is committed to:

- ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, ASX releases, general meetings and the Company's website;
- complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the *Corporations Act* in Australia; and
- encouraging shareholder participation at general meetings.

Investor Relations

The Company undertakes individual shareholder meetings at key times where it conveys information and listens to investors. It also responds to individual shareholder queries it receives from time to time. Shareholder perspectives and concerns are summarized and communicated to the Board. Any presentations prepared for such meetings are shared with all investors via the ASX Market Announcements Platform.

General Meetings

The Board encourages full participation of shareholders at the Company's annual general meetings and any other general meeting to ensure a high level of accountability and identification with the Company's strategy. The Company introduced direct voting and webcasting to ensure investors can easily engage with it and encourages security holders to receive and send electronic communications including via its share registry provider Link. Shareholders can ask questions via email prior to the meetings.

The external auditor is invited to attend the annual general meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Management and the full Board also attend all shareholder meetings to meet shareholders and answer their queries informally and formally.

The Company's Communications policy outlines how it communicates at all levels with all persons. It is available at www.tasfoods.com.au

All substantive resolutions at the Company's General Meetings are decided by a poll rather than a show of hands.

The Company's registrar, Link, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at Link.

PRINCIPLE 7 RECOGNISE AND MANAGE RISK

Audit & Risk Committee

The Board of the Company takes a proactive approach to the Group's risk management and internal compliance and control system. This function is monitored by the Audit & Risk Committee.

The Audit & Risk Committee is responsible for ensuring that financial risks and mitigation of these risks are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Committee and the Board.

The composition of the Committee and each member's status was noted earlier in this Report.

The Committee met six times during the year and a summary of attendance at meetings is included under Principle 1 above and in the Directors' Report in the Annual Report.

A copy of the Audit & Risk Committee Charter is available on the Company's website.

The Audit and Risk Committee Charter provides that its role includes monitoring the effectiveness of the Company's risk management system.

Risk Management Framework

The Group has a comprehensive Risk Management Policy which outlines the framework for managing its risks. Risks are managed at a strategic, operational and corporate level across the Group. The Audit and Risk Committee receives reports on emerging risks and updates on the risk register including its risk targets at least twice a year. Risk targets are used as the risk appetite and monitored for any activity outside those parameters.

The Risk Management Policy is available on the Company's website.

Internal Audit

As a small company, the Company does not have an internal audit function. The Board works closely with the management team to identify and manage strategic, operational, financial and compliance risks and monitor internal control processes which could prevent the Company and its individual businesses from achieving their objectives and targets.

Environmental and Social Risks

The Group does not have any material exposure to environmental or social risks.

A summary of TasFoods key risks is included in the Annual Report.

PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY

Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee which is responsible for determining and reviewing compensation arrangements for the Board, Chief Executive Officer and employees.

The Committee complied with all ASX Principles for 2021 as it comprised between three and four members with a majority of independent directors and it had an independent chair at all times. The Board designated the Chair of the Committee, Craig Treasure as a Non-Independent Director on 31 January 2022. At the same time, the Board appointed John O'Hara as the Independent Chair of this Committee.

The Committee monitors and reviews the remuneration arrangements for the Directors and senior executives (including without limitation incentive, equity, and other benefit plans and service contracts) and the remuneration policies, practices and strategies of the Company generally.

The Board is responsible for performance evaluation of the members of the Board and the Chief Executive Officer against both quantitative and qualitative indicators.

Details of the Directors' qualifications and their membership and attendance at Nomination and Remuneration Committee meetings are set out in the Directors' Report contained in the Annual Report.

A copy of the Nomination and Remuneration Committee Charter is available on the Company's website.

The details of the remuneration paid to Directors and other Key Management Personnel is included in the Remuneration Report section of the Annual Report.

Remuneration Policies

The Group's remuneration approach for Directors and senior executives is outlined in the Remuneration Report in the Annual Report.

Approval for share based long term incentives is sought from Shareholders as required by the *Corporations Act* and Listing Rules.

Although Directors are not required to hold shares in the Company, it is encouraged.

Equity Based Remuneration Scheme

In 2017 the Group introduced the TasFoods Limited Rights Plan and this has continued to be applied during 2021. There is no economic risk of participating and the share trading policies prohibits hedging and similar activities.

The Company's corporate governance practices were in place for the financial year ended 31 December 2021 and to the date of signing the Directors' Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to the Company's website: www.tasfoods.com.au