



Noumi Limited

2022 CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

Approach to Corporate Governance

Noumi Limited (**Company**) is committed to implementing high standards of corporate governance and ensures, wherever possible, that its practices are consistent with the Fourth Edition of the Australian Securities Exchange (**ASX**) Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**).

The Board of Directors of the Company (**Board**) has ultimate authority over, and oversight of, the Company and its related entities (**Group**) and regards corporate governance as an important element in achieving the Group's objectives. Accordingly, the Board has adopted appropriate charters, codes and policies and established a number of committees (**Committees**) to discharge its duties.

The Corporate Governance page of the Company's website (<https://www.noumi.com.au/investors/corporate-governance/>) contains the Charters, Codes and Policies referred to in this Corporate Governance Statement (**Statement**). These Charters, Codes and Policies are periodically reviewed and updated.

The Board considers that the application of a small number of ASX Recommendations are not appropriate for the reasons set out in this Statement. The Board has assessed these differences and has determined that they do not have a negative impact on the Company and are in the best interests of shareholders as a whole.

As required by ASX Listing Rule 4.10.3, this Statement outlines the Company's main corporate governance practices and policies in place during the 2022 financial year and at the date of this Statement.

This Statement is intended to inform our shareholders of the Group's governance framework, developments in 2022, and priorities for further development of our governance arrangements in 2023 and beyond.

Key Changes in the 2022 Financial Year

This Statement includes commentary on actions taken by the Board during (and since) the financial year to 30 June 2022 to enhance the Group's governance. These actions included:

- the Board continues to be comprised of a majority of independent Non-Executive Directors;
- the launch of an online encrypted anonymous whistleblowing system to encourage stakeholders to report any unlawful or unethical conduct;
- the introduction of an online contract management platform to ensure better contractual governance with customers and suppliers;
- the release of our Environmental, Social and Governance (ESG) policy;
- continuing to improve the timeliness and quality of management reporting to the Board;
- implementation of the various initiatives underway to strengthen governance, controls and oversight at the Company;
- finalising the review of risk and the development of the Risk Appetite Statement and operational implementation of the Risk Management Framework within the businesses;
- continuing the progress on cultural transformation; and
- undertaking a Board effectiveness review;

Priorities for the 2023 Financial Year

The Board's governance priorities for the current financial year (to 30 June 2023) and beyond include:

- working with the CEO and management team to progress the transformation plan, which is underway, and updating our strategy for the growth phase that builds on the transformation;
- the implementation and operationalisation of our ESG policy and appropriate reporting; and
- working to resolve the litigation and regulatory investigation in which the Company is presently engaged.

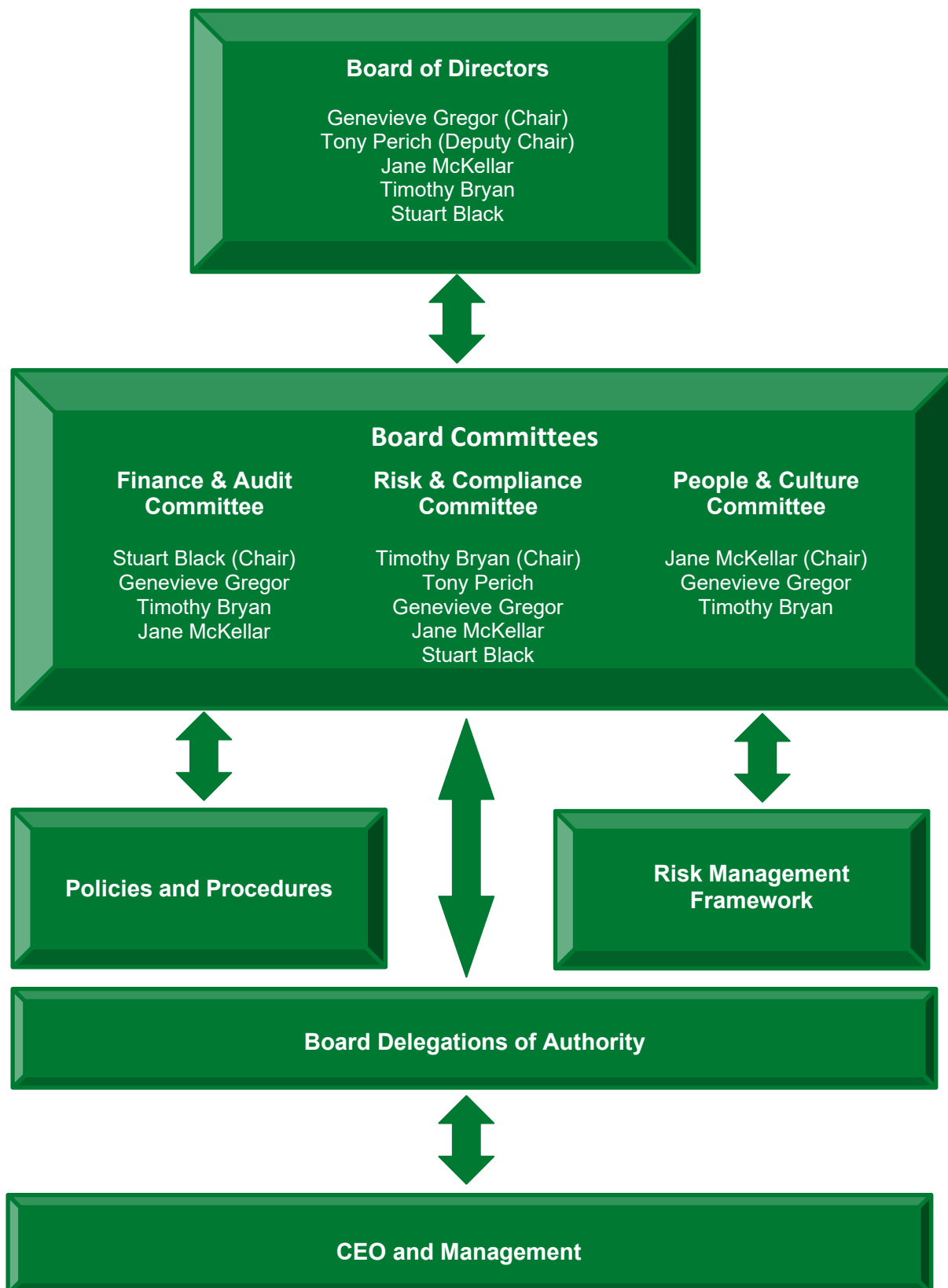
Our Values

The Company's Corporate Governance Framework is underpinned by its values as described in its Corporate Values Statement. These values are:



An overview of the Corporate Governance Framework established by the Company is set out below.

CORPORATE GOVERNANCE FRAMEWORK



To augment the Board Governance Framework set out above and recognising the various related party transactions disclosed in the Companies' Financial Statements and quarterly Appendix 4C Activity Reports, the Board has in place a Related Party Transactions Policy, pursuant to which the Finance and Audit Committee reviews and considers any related party transactions and makes appropriate recommendations to the Board in that regard. Any Directors who have a perceived or actual conflict of interest in such deliberations do not participate in the deliberations of the Finance and Audit Committee or the Board in relation to the consideration and approval of any such transactions.

The Company's Corporate Governance Framework is augmented by the internal audit function and in relation to reporting required by legislation and ASX listing rules by external audit carried out by KPMG.

The Company's key corporate governance Charters and Policies and the ASX Recommendations to which they relate are set out below:

| Charter / Policy | ASX Recommendations |
|---|------------------------------|
| Board Charter | 1.1; 1.2; 1.3; 1.4; 1.6; 1.7 |
| Finance and Audit Committee Charter | 4.1 |
| Risk and Compliance Committee Charter | 7.1 |
| People and Culture Committee Charter | 2.1; 8.1; 8.3 |
| Corporate Values Statement | 3.1 |
| Code of Conduct | 3.2 |
| Anti-Bribery Policy and Anti-Corruption Policy | 3.4 |
| Anti-Slavery and Human Trafficking Policy | 3 |
| Whistleblower and Improper Conduct Policy | 3.3 |
| Continuous Disclosure Policy | 5.1 |
| Securities Trading Policy | 3 |
| Shareholder Communications Policy | 6.1; 6.2; 6.3; 6.5 |
| Diversity and Inclusion Policy | 1.5 |
| Statement on Verifying Unaudited Periodic Corporate Reports | 4.3 |
| Internal Audit Framework | 4.3, 7.3 |
| Independence and Non-Audit Services Policy | 1.1, 4.1, 4.3, 7.1 |

THE BOARD AND ITS COMMITTEES

Board composition

At the date of this Statement the Board comprises:

| Director | Appointed | Tenure | Independent | Role |
|------------------|-----------------|------------------|-------------|-------------------------------------|
| Genevieve Gregor | 2 March 2020 | 2 year 5 months | Y | Independent Chair |
| Tony Perich AM | 27 July 2006 | 16 years 1 month | N | Non-Executive Deputy Chair |
| Jane McKellar | 8 May 2020 | 2 year 3 months | Y | Independent Non- Executive Director |
| Tim Bryan | 29 January 2021 | 1 year 7 months | N | Non-Executive Director |
| Stuart Black AM | 22 March 2021 | 1 year 5 months | Y | Independent Non-Executive Director |

The Board notes that the Chair is an Independent Non-Executive Director, and the Board comprises a majority of independent Directors.

The Board intends to continue to maintain the structure and composition of the Board so that it comprises a majority of independent Directors and that the Chair remains an independent Director.

In order to facilitate independent judgement in decision-making, each Director has the ability to seek independent professional advice at the Company's expense, subject to the requisite approval process as detailed in the Board Charter. Directors have access to all members of management, including the Head of Internal Audit and the Group General Counsel and Company Secretary.

Michael Perich was appointed as CEO on 19 March 2021 for a 2-year tenor. The Board will work with Michael to extend his contract during the first half of FY23.

The role of Chair and Managing Director/Chief Executive Officer are not exercised by the same person.

The Directors' Report in the Annual Report sets out the details of the skills, experience and expertise of each Director.

The Board aims to ensure that it has an appropriate mix of skills and capabilities among its members. The Board acknowledges that its size and composition and the mix of skillsets and capabilities may require change to meet future circumstances. The skills matrix below is used as the basis for assessing the Board, as well as acting as the reference point for future Board appointments.

| Skill | Description |
|--------------------------------|--|
| Leadership | Senior executive-level experience or board experience of an ASX-listed company or large private organisation |
| Governance & Compliance | Commitment to and knowledge of governance issues, including the legal, compliance and regulatory environment applicable to listed entities; risk management frameworks and controls, setting risk appetites, identifying and providing oversight of key business risk (both financial and nonfinancial) and emerging risks |
| Financial | Capability to evaluate and oversee financial statements and understand key financial drivers of the business, bringing understanding of corporate finance and experience to evaluate the adequacy of financial risk and controls |
| Strategy and commercial acumen | Experience in assessing and testing strategic objectives, business plans and financial performance and driving execution |
| People and culture | Experience in people management; organisational culture; retention and succession planning |
| Customer | Experience in developing and leading a customer-focused packaged goods organisation |
| Operations | Experience in manufacturing environments, including effectiveness and efficiency of manufacturing processes; supply chains, workplace health and safety; quality assurance |
| Digital | Experience in leveraging digital technology to drive competitive strategy, innovation, revenue growth, business performance and cyber security |
| Industry | Relevant industry experience in the fast-moving consumer packaged goods sector; agricultural science; food safety; wholesaling and retailing, which also includes sales, branding and marketing; and regional, customer and community focus |

Each Board Committee operates under a formal charter that is made publicly available on the Company's website under the "Corporate Governance" section.

Each Board Committee comprises a majority of non-executive Directors and currently has an independent Chair with the exception of the Risk & Compliance Committee which is Chaired by a Non-Independent Non-Executive Director.

The Chair of each Committee reports to the Board on the Committee's activities, conclusions and recommendations at the Board meeting following a Committee meeting.

Details of the number of times that each Committee met during the year, and the attendance of each Committee member at those meetings, is summarised in the Directors' Report section of the Company's 2022 Annual Report.

(Relevant ASX Recommendations 2.1; 4.1; 7.1)

Board and Committee reviews and evaluations

A review of the performance of the individual Directors is intended to occur each year and this took place in FY22 with the Chair having either conducted or has scheduled to conduct individual reviews of each Director's performance. It is also intended that the Board undertakes a performance evaluation of itself annually, including against the skills matrix disclosed, with all Directors providing input as to the effectiveness of the Board processes, meetings, performance, composition and reporting, with Directors having an opportunity to discuss and comment on such matters with the Chair. A Board performance evaluation was undertaken in FY22 in the manner described, including a review of the performance and composition of its committees.

Directors and executives are encouraged to broaden their knowledge of the Company's business and to keep abreast of developments in business more generally. The Company provides assistance where necessary for Directors' professional development.

(Relevant ASX Recommendations 1.6)

BOARD AND MANAGEMENT ROLES AND RESPONSIBILITIES

Board Role and Responsibilities

The Board's responsibilities and functions are encompassed in a Board Charter that is published on the Company's website under the "Corporate Governance" section. The Board is responsible for, among other things:

- defining the Company's culture and values;
- establishing the strategic direction of the Company;
- appointing or removing and reviewing the performance of the CEO;
- approving group budgets and strategic plans;
- setting the risk appetite within which the Company is to operate;
- monitoring performance against budget and strategic plans; and
- reviewing and providing oversight of management and the operations of the Company.

The Board oversees management's annual 12-month budget process, approves the budget and operating plan for the Company each financial year and then monitors the Company's performance against the budget and operating plan objectives. Reforecasts of the annual 12-month budget are undertaken as required.

When possible, the Board makes periodic visits and holds board meetings on site at the Company's manufacturing facilities.

The Directors meet formally as a Board, normally monthly and informally more frequently as required. The CEO attends each Board and Committee meeting, and other senior executives attend meetings at the invitation of the Board or Committee, to present on specific aspects of the business.

The Company has a written agreement with each Director and senior executive setting out the terms of their appointment, including where appropriate the Company's obligation to indemnify each individual and provide access to documentation and appropriate insurance.

(Relevant ASX Recommendations 1.1; 1.3)

Management roles and responsibilities

The Board has delegated responsibility for the operation and administration of the Company and the implementation of the corporate strategy and budgets approved by the Board to the Chief Executive Officer, who is supported by a team of key executives. The performance of the Chief Executive Officer is reviewed annually and includes agreement on key performance measures for the following year. The Chief Executive Officer conducts annual performance reviews for the executives reporting directly to him or her.

The Board Charter and Delegation of Authority delineates the matters reserved for the Board and those delegated to the CEO and management.

(Relevant ASX Recommendations 1.1; 1.7)

Company Secretary

The Company Secretary is accountable directly to the Board on all matters relating to the proper functioning of the Board. The role of Company Secretary is performed by the Group General Counsel.

(Relevant ASX Recommendations 1.4)

COMMITMENT TO ETHICAL CONDUCT AND INTEGRITY OF REPORTING

Framework for ethical conduct

The Board acknowledges the need for, and continued development and implementation of, a high standard of corporate governance practices and ethical conduct by all Directors, CEO, senior executives and employees of the Company. The Board has adopted and continues to update a number of policies to underpin an ethical culture, including a Corporate Values Statement, Code of Conduct, Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy.

The Code of Conduct is a key element of the Company's governance and Risk Management Framework. The Board, senior executives and employees of the Company are committed to implementing the Code of Conduct and each individual is accountable for compliance with the Code. As part of the active promotion of ethical behaviour, any behaviour that does not comply with the Code of Conduct must be reported. The Company affords protection to those who report violations in accordance with the Company's Whistleblower Policy.

The Company ensures that a culture of strong ethics and integrity in behaviours and reporting is instilled into the Company's governance framework. The Board does not and will not tolerate behaviours that are not consistent with the principles outlined above. The Board has oversight of the compliance framework of the Company and implemented a periodic management compliance sign-off process to enhance the integrity of the framework.

The Company's Securities Trading Policy establishes requirements and controls for Directors, senior executives and employees to deal in the Company's securities, to ensure that those dealings only occur when that person does not have material information that has not been disclosed to the market. The Securities Trading Policy allows Directors and senior executives to deal in the Company's securities, subject to complying with the processes under the Securities Trading Policy, during permitted trading windows (other than during restricted periods as may be implemented in accordance with the Securities Trading Policy).

Each of the above policies is published on the Company's website under the "Corporate Governance" section.

(Relevant ASX Recommendations 3.1; 3.2; 3.3; 3.4)

INTEGRITY OF REPORTING AND PUBLIC COMMUNICATIONS

Integrity of reporting

The Board has established a Finance and Audit Committee, a Risk and Compliance Committee and a People and Culture Committee, each comprising at least three non-executive Directors, with appropriate experience. Every member of the Finance and Audit Committee must be able to read and understand financial statements and the majority have experience in financial and accounting matters. The details of these committees are disclosed elsewhere in this Statement.

As part of the structure of financial review and authorisation, the Chief Executive Officer and Chief Financial Officer are required to provide written assurances that:

- the financial reports present a true and fair view of the Company's and consolidated entity's financial position in all material respects;
- the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control that implements the policies adopted by the Board; and
- the system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

A management assurance and compliance attestation process is in place for completion by senior managers and provides support for the CEO and CFO attestations supporting the financial statements of the Company.

A policy is in place for verifying unaudited periodic corporate reports.

The internal auditor monitors the internal control environment to ensure the integrity of the financial statements. The internal auditor reports to the Board, via the Finance and Audit Committee.

The Board selects an external auditor based on the criteria relevant to the business of the Company, such as experience in the industry in which the Company operates, references, cost, independence and any other matters deemed relevant by the Board, including ensuring the appropriate rotation of the audit engagement partner.

The external auditors have a direct line of communication at any time to either the Chair of the Finance and Audit Committee or the Chair of the Board and have regular in camera sessions with the Board and the Finance and Audit Committee, without management being present.

The Chief Executive Officer, other senior management and the external audit partner attend Committee meetings at the discretion of the Committee.

(Relevant ASX Recommendations 4.1; 4.2; 4.3)

Continuous Disclosure and Shareholder Communication

The Company has implemented a Continuous Disclosure Policy to ensure there are mechanisms in place to provide all shareholders and potential investors with equal and timely access to material information concerning the Company and to ensure that the Company meets its continuous disclosure obligations under the ASX Listing Rules. All information disclosed to the ASX is presented in a clear and balanced way and so as not to omit any material information and to enhance the clarity and balance of reporting so as to enable investors to make an informed assessment of the Company's performance and financial results with appropriate commentary.

The Company aims to keep shareholders informed of the Company's performance in an ongoing manner. Apart from information provided pursuant to the Company's legal and ASX Listing Rules obligations regarding continuous disclosure, the Company also communicates information about itself and its performance with shareholders through the:

- (1) Annual Report, which is available to all shareholders if they have elected to receive a printed version or is otherwise available for viewing and downloading from the Company's website. The Annual Report includes relevant information about the Company's operations and performance;
- (2) Invitation to the Annual General Meeting and the accompanying papers;
- (3) The Company's website at www.noumi.com.au
- (4) Reports to the ASX and press releases;
- (5) Half-year and full-year profit announcements;
- (6) Quarterly activity reports lodged with the ASX; and
- (7) Information and presentations to analysts (which are released to the ASX).

The Company offers shareholders the ability to receive company information electronically by registering their email address with the Company's share registry.

The main forum for two-way communication between the Company and its shareholders is the Annual General Meeting. The Board encourages shareholders attending the annual or other general meetings to ask questions of the Directors and to express their views and respond to initiatives being proposed by the Board.

The Company ensures that the external auditor attends the Annual General Meeting and is available to answer shareholder questions about the audit and the preparation and content of the audit reports.

While the bulk of the information disclosed to shareholders consists of audited material, there is also information provided to shareholders that is unaudited, including by way of example the Appendix 4C Quarterly Activity Report and any prospectuses issued by the Company in connection with capital raising activities. The Company's process for verifying unaudited periodic corporate reports and other unaudited material provided to shareholders is as follows:

- reports are prepared by, or under the supervision of, subject-matter experts;
- material statements in the reports are reviewed for accuracy and material requirements;
- information in a report that relates to financial projections, statements as to future financial performance or changes to the policy or strategy of the Company (taken as a whole) must be approved by the Board; and
- the report is reviewed and approved for release to the ASX under the Company's Continuous Disclosure Policy.

This process is intended to ensure that all applicable laws, regulations and Company policies have been complied with, and that appropriate approvals are obtained before a report is released to the market.

(Relevant ASX Recommendations 4.3 5.1; 6.1; 6.2; 6.3; 6.5)

RISK MANAGEMENT

Risk Management Framework

The Company is committed to protecting itself, its people, its customers, its suppliers, and the public while conducting its business activities, in the pursuit of its strategic and financial objectives. It recognises that effective risk management is critical for anticipating and managing situations or events that could prevent it from achieving the commitment of the risk management strategy. The taking of risk and the management of the risk taken is integral to the successful achievement of the Company's mission, vision, and values.

The Company's Risk Management Framework and related risk and governance processes aim to ensure that risk management is embedded throughout the business and managed in a structured and systematic manner. This Framework has been developed taking into account the Group's risk appetite and the business risk profile by reviewing its size, the industries it operates in, its business mix, its ability to accept and/or manage risks, the resources available to manage risks, and its organisational culture and risk maturity. The Framework seeks to enable the Company's Board, management, and employees to identify, assess, treat, monitor, and report on risks consistent with an enterprise risk management approach.

The Risk and Compliance Committee, during the course of FY21, undertook a comprehensive review of the Company's risk appetite and Risk Management Framework and this work is ongoing.

The Board seeks to ensure that the processes of risk identification, assessment and management are embedded in every aspect of the Company's businesses. Through the Risk and Compliance Committee, it monitors whether the level of compliance and governance within the Company is appropriate, with a particular focus on risk culture, reporting and ensuring that an appropriate Risk Appetite Statement is set that is suitable for the Company's scale and complexity and that addresses the need for the Company to take appropriate business risk.

There are a number of material risks to which the Company is exposed. These risks are detailed in the Company's Annual Report

The Company seeks, wherever reasonably practical, to implement appropriate mitigating steps to manage the various risks to which the Group is exposed.

Risks out of tolerance are regularly reported to management and tabled at meetings of the Risk and Compliance Committee.

Internal Audit and Controls

As noted earlier in this statement, the Company has an experienced Head of Internal Audit who reports to the Board via the Finance and Audit Committee. If necessary, due to a need for specialised expertise, certain internal audit engagements may be outsourced.

(Relevant ASX Recommendations 7.1; 7.2; 7.3)

Environmental and Social Risks

The Company has exposure to various environmental and social risks in respect of which the Board and management are in the process of undertaking a comprehensive assessment.

In conjunction with external advisers, the Company has developed a comprehensive Environmental, Social and Governance (ESG) strategy to assist in mitigating these risks, identifying strategic opportunities and improving its ESG performance, reporting and profile. As part of the transformation underway, a focus on the refresh of the Company's ESG aspirations has identified: what must we do; what should we do; what could we do. These strategic aspirations drive the Company's ESG strategy and reporting and enable the measurement and management of ESG factors such as carbon emissions, workforce diversity and supply chain sustainability.

(Relevant ASX Recommendations 7.4)

REMUNERATION

Committee

The Board has established a People and Culture Committee to consider and report on, among other matters, remuneration policies and packages applicable to Board members and senior executives of the Company. The Committee is responsible for reviewing the Remuneration Report, ensuring that any equity-based executive or non-executive Director remuneration is made in accordance with any thresholds approved by shareholders.

The Committee operates independently of the senior management of the Company. Further detail on the Committee is contained elsewhere in this statement.

(Relevant ASX Recommendations 8.1)

Structure of Non-Executive Director and Executive Remuneration

The Board believes that Directors are properly rewarded through payment of a fee which is reviewed annually in the light of market conditions, regularly benchmarked against market practice and has regard to the responsibilities and workload placed on the Directors by the legal and financial framework within which they act.

Non-executive Directors receive fees determined by the Board, but within the aggregate limit approved by shareholders at a general meeting. Non-executive Directors do not participate in bonus payments, or any retirement benefits other than statutory superannuation.

The structure of remuneration for non-executive Directors and senior executives differs. As explained in the Remuneration Report, senior executives receive fixed remuneration, employer contributions to superannuation funds and, at the discretion of the Board, short- and long-term incentives, the latter of which may be cash or equity-based at the discretion of the Board.

The Chief Executive Officer is currently remunerated solely on the basis of fixed remuneration, including employer contributions to a superannuation fund on the basis that he has voluntarily agreed to waive any current entitlement to short and long-term incentives.

The Securities Trading Policy for Directors and senior executives prohibits them entering into transactions in products that operate to limit the economic risk of any unvested entitlements under any equity-based remuneration scheme offered by the Company.

Details of the remuneration paid to Directors and senior executives is contained in the Remuneration Report of the Company's 2022 Financial Report.

(Relevant ASX Recommendations 8.2; 8.3)

DIVERSITY AND INCLUSION

The Board has adopted an Equal Opportunity and Diversity Policy, which can be access on the Company's website at www.noumi.com.au

The objectives of this Policy include:

- to continue to build a company culture that supports equal opportunity and diversity in the workplace while maintaining a strong commitment to high performance;
- to continually promote inclusiveness, respect and diversity, and to value individuals for their diverse skills, experiences, backgrounds and attributes; and
- to design people and culture policies, programs and processes that are free from bias, and to continue to support equal opportunity and diversity at all levels of seniority.

The Company acknowledges the positive outcome that can be achieved through a diverse workforce and is committed to actively managing diversity as a means of enhancing the Company's performance.

The Company is a relevant employer under the Workplace Gender Equality Act and the Company's most recent Workplace gender Equality Report can be accessed on the Company's website at www.noumi.com.au

As at 30 June 2022, the proportion of women employed by the Company was as follows:

- Board of Directors: 40%
- Management and leadership positions: 31%
- Total Company workforce: 29%

(Relevant ASX Recommendations 1.5)

This Corporate Governance Statement is accurate and up to date as at 29 August 2022 and has been approved by the Board.