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# Board Charter

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Select Harvests Limited ACN 000 721 380 (**Company**)

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## 1. Introduction

- 1.1 The board of directors (**Board**) of Select Harvests Limited ACN 000 721 380 (**Company**) is responsible for the corporate governance of the Company and its related bodies corporate (**Group**).
- 1.2 The purpose of this charter is to:
  - (a) promote high standards of corporate governance;
  - (b) clarify the role and responsibilities of the Board; and
  - (c) enable the Board to provide strategic guidance for the Group and effective management oversight.
- 1.3 This charter is supported by the Code of conduct for directors, senior executives and all other employees, the charters of the Audit and Risk Management Committee, the Remuneration and Nomination Committee and the Sustainability Committee, the Securities Trading Policy and the Market Disclosure Policy and other related Company policies as appropriate and adopted by the Board from time to time.
- 1.4 For the purpose of this charter, **senior executives** include all officers and employees who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.
- 1.5 To the extent that there is any inconsistency between this charter (or any other approved charter or policy of the Company) and the Company's constitution, the constitution will prevail to the extent of that inconsistency.

## 2. Board size, composition and independence

- 2.1 Subject to the Company's constitution and the Corporations Act, the size and composition of the Board is determined by the Board. The Board will review the skills, experience and diversity (including gender, age and social and ethnic backgrounds) represented by directors on the Board and determine whether the composition is appropriate for the Board to address the existing and emerging business and governance issues relevant to the Company.
- 2.2 The Board should ideally comprise:
  - (a) a majority of independent non-executive directors;
  - (b) directors with an appropriate range of expertise, skills and experience;
  - (c) directors who can understand and competently deal with current and emerging business issues; and
  - (d) directors who can effectively review and challenge the performance of management and exercise independent judgment.
- 2.3 An independent non-executive director is one who:
  - (a) is independent of management;
  - (b) is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their unfettered and independent judgment; and

- (c) otherwise meets the criteria for independence set out in the *Corporate Governance Principles and Recommendations 4th Edition* published by the ASX Corporate Governance Council.
- 2.4 The Board has formulated various criteria to determine the independence of directors.
- 2.5 The Board should regularly assess whether each non-executive director is independent and each non-executive director should provide to the Board all information relevant to his or her assessment.
- 2.6 If a director's independent status changes, this should be disclosed and explained to the market promptly and without delay.
- 2.7 The directors have absolute discretion to determine the appropriate composition of the Board from time to time. The Company's intention is to have a majority of independent non-executive directors, but this may not always be possible given the size of the Board and circumstances of the Group.
- 2.8 The Remuneration and Nomination Committee are responsible for recommending candidates for appointment to the Board.
- 2.9 Each director should be appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that the director clearly understands the Company's expectations of him or her.

### 3. The Board's role and responsibilities

- 3.1 The Board acts in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.
- 3.2 In addition to the matters required by law and by the Company's constitution to be performed by the Board, the Board has reserved to itself the following responsibilities:
  - (a) overseeing the Group, including providing leadership and setting its strategic objectives, control and accountability systems;
  - (b) defining the Company's purpose and setting strategic objectives;
  - (c) developing and approving the Company's statement of values and code of conduct to underpin the Company's desired culture;
  - (d) review of corporate codes of conduct;
  - (e) appointing the chair of the Board;
  - (f) appointing and removing the Managing Director and chief executive officer;
  - (g) approving delegations of authority to the Managing Director and chief executive officer;
  - (h) monitoring the performance of the Managing Director and chief executive officer;
  - (i) appointment of a director to fill a casual vacancy or as an additional director;
  - (j) where appropriate, ratifying the appointment and removal of senior executives and company secretary;
  - (k) ratifying other executive appointments, organisational changes and senior management remuneration policies and practices and ensuring that the remuneration policies are aligned with the Company's purpose, values, strategic objectives and systems of risk management;

- (l) approving succession plans for Board and management;
- (m) monitoring senior executives' performance and implementation of strategy, instilling of the Company's values and performance generally, and ensuring appropriate resources are available;
- (n) reporting to shareholders via the annual report and Annual General Meeting;
- (o) approving the dividend policy of the Company and authorising payment of dividends;
- (p) providing strategic advice to management;
- (q) approving management's corporate strategy and performance objectives;
- (r) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- (s) approving and monitoring operating budgets, corporate, financial and other reporting systems, including external audit, and overseeing their integrity;
- (t) reviewing and ratifying systems of risk management, accountability, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- (u) reviewing and overseeing the implementation of the code of conduct for directors, senior executives and all other employees;
- (v) overseeing the processes for maintaining the health, safety and wellbeing of employees;
- (w) establishment of Board committees, their membership and delegated authorities;
- (x) approving the charters of the various Board committees;
- (y) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies;
- (z) monitoring and ensuring compliance with best practice corporate governance requirements;
- (aa) monitoring the relationships with key regulators to ensure the Group's obligations are being met;
- (bb) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (cc) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board;
- (dd) calling of meetings of directors or shareholders;
- (ee) selecting and recommending to shareholders the appointment of the external auditor; and
- (ff) challenging management and holding it to account.

3.3 In performing its responsibilities, the Board will have regard to:

- (a) the interest of the Company's shareholders, customers, employees and government regulators;
- (b) the Group's licensing, WH&S and public health obligations; and
- (c) the Group's sustainability, social, ethical and environmental impact.

- 3.4 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director or other person, subject to ultimate responsibility residing with the directors.
- 3.5 Details of the responsibilities of the Board committees are set out in the committee charters noted above.

## 4. Board Committees

- 4.1 The Board has established the following committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:
- (a) Audit and Risk Management Committee;
  - (b) Remuneration and Nomination Committee; and
  - (c) Sustainability Committee.
- 4.2 It is intended that each non-executive director will be appointed to at least one of these committees.
- 4.3 The charter or terms of reference of each Board committee setting out matters relevant to the composition, responsibilities and administration of the committee must be approved by the Board. Each committee will review its charter from time to time as appropriate.
- 4.4 The Committees will have access to sufficient resources to carry out their activities effectively.
- 4.5 The Board may also constitute and convene ad hoc Board Committees as required.

## 5. Chair of the Board

- 5.1 The chair of the Board:
- (a) is appointed by the directors;
  - (b) should be an independent non-executive director; and
  - (c) may not be the same person as the Managing Director.
- 5.2 The division of the responsibilities of the chair of the Board and the Managing Director and chief executive officer has been agreed by the Board and is set out in this charter.
- 5.3 The responsibilities of the chair include:
- (a) providing leadership to the Board and the Group;
  - (b) promoting the efficient organisation and conduct of the Board's functions;
  - (c) ensuring the Board considers and adopts strategies designed to meet present and future needs of the Group;
  - (d) ensuring the Board has an effective composition, size and commitment to adequately discharge its responsibilities and duties;
  - (e) monitoring the performance of the Board;
  - (f) facilitating Board discussions to ensure core issues facing the Group are addressed;
  - (g) briefing all directors in relation to issues arising at Board meetings;
  - (h) facilitating the effective contribution and ongoing development of all directors;

- (i) promoting constructive and respectful relations between Board members and between the Board and management;
  - (j) ensuring the Board regularly meets to consider the Group's performance and key issues facing it;
  - (k) setting the agenda for the Board meetings after consulting with the Managing Director and chief executive officer; and
  - (l) chairing general meetings.
- 5.4 The chair has authority to act and speak for the Board between its meetings, including engaging with, and overseeing the activities of the Managing Director and chief executive officer. The chair will report to the Board and the Committee chairs as appropriate on decisions and actions taken between meetings of the Board.

The chair will engage with Managing Director and chief executive officer between meetings on matters related to strategy delivery, operational and market risks and material items related to the company's governance or any other items that may require discussion outside of the meeting cycle.

## 6. Performance of senior executives

- 6.1 The Board is responsible for:
- (a) regularly reviewing the performance of senior executives against measurable and qualitative indicators as decided by the Board; and
  - (b) ensuring that induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making at the earliest opportunity.
- 6.2 New senior executives must have knowledge about the Company and the industry within which it operates. An induction program is available to enable senior executives to gain an understanding of:
- (a) the Company's financial, strategic, operational and risk management position;
  - (b) the rights, duties and responsibilities of senior executives; and
  - (c) the respective rights, duties, responsibilities and roles of the Board and senior executives.

## 7. Managing Director and chief executive officer

- 7.1 Responsibility for day to day management and administration of the Group is delegated by the Board to the Managing Director and chief executive officer (**CEO**).
- 7.2 The Board sets the corporate objectives, duties and responsibilities of the Managing Director and CEO and the Managing Director and CEO is accountable to the Board in the exercise of those delegated duties and responsibilities.
- 7.3 The Managing Director and CEO will manage the Group in accordance with the strategy, plans and policies approved by the Board, and reports to the Board on key management and operational issues.
- 7.4 The Managing Director and CEO is appointed by the Board.
- 7.5 The Managing Director and CEO may not be the same person as the chair of the Board.
- 7.6 The responsibilities of the Managing Director and CEO include:
- (a) developing and recommending to the Board strategies, business plans and annual budgets for the Group;
  - (b) implementing the strategies, business plans and budgets adopted by the Board;
  - (c) providing effective leadership, direction and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the Board;
  - (d) developing and managing resources, policies and systems to ensure the effective operation of the Group (including developing and implementing policies on risk management, internal controls and human resources);
  - (e) managing resources within budgets approved by the Board;
  - (f) ensuring compliance with applicable laws and regulations;
  - (g) supporting a culture that promotes the expected values and behaviours;
  - (h) managing day-to-day operations in accordance with standards for sustainability, social, ethical, environmental and governance practices;
  - (i) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
  - (j) acting within authority delegated by the Board.
- 7.7 The Managing Director and CEO, must report to the Board on the exercise of their duties through reports, briefings and presentations to the Board.
- 7.8 The Board has in place procedures to assess the performance of the Managing Director and CEO.

## 8. Directors

- 8.1 Directors are expected to:
- (a) attend and participate in Board meetings and meetings of committees on which they serve;
  - (b) spend the time needed, and meet as often as necessary, to properly discharge their responsibilities; and
  - (c) review meeting materials before Board meetings and committee meetings.

- 8.2 Directors are encouraged to:
- (a) ask questions of, request information from, and raise any issue of concern with, management; and
  - (b) where possible, ask any questions and raise issues of concern before a meeting so that management is prepared to address them during the meeting.
- 8.3 Directors must exercise independent judgment when making decisions.
- 8.4 Publicly, directors are expected to support the letter and spirit of Board decisions.
- 8.5 Directors must keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential.
- 8.6 Directors must comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are:
- (a) to act in good faith and in the best interests of the Company;
  - (b) to act with care and diligence;
  - (c) to act for proper purposes;
  - (d) to avoid a conflict of interest or duty; and
  - (e) to refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

## 9. Non-executive directors

- 9.1 Non-executive directors are engaged through a letter of appointment and their appointment is confirmed by Shareholder vote at the next AGM.
- 9.2 New non-executive directors are required to participate in an induction program, which includes meeting with the Managing Director, Chief Financial Officer, Executive Team, Company Secretary and other relevant stakeholders. During these meetings and trainings, directors must familiarise themselves with the Company and Board practices and procedures.
- 9.3 Non-executive directors should consider the benefits of conferring regularly without management present, including at scheduled sessions or as otherwise required by the circumstances.
- 9.4 These discussions of non-executive directors can be facilitated by the chair or lead independent director (if any).
- 9.5 A non-executive director should inform the chair of the Board before accepting any new appointment as a director of another listed entity, another material directorship or other position with a significant time commitment attached.

## 10. Company secretary

- 10.1 The Board will appoint at least one company secretary.
- 10.2 The company secretary is accountable to the Board, and all directors will have direct access to the company secretary.
- 10.3 The company secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.
- 10.4 The company secretarial function supports Directors by providing:



- (a) continuing education to update and enhance their knowledge as the business environment changes;
- (b) access to information in appropriate form, currency and quality, including procedures to cover additional requests of management; and
- (c) access to independent professional advice, where requested.

10.5 The company secretary oversees and regularly reviews the director induction process.

## 11. Conflicts

11.1 Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.

11.2 Directors must:

- (a) disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
- (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
- (c) comply with the *Corporations Act 2001* (Cth) and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.

11.3 Directors will review, familiarise themselves, and abide by the conflicts policy of the Company.

11.4 The Board will agree, and directors will abide by, guidelines for declaring and dealing with potential conflicts of interest. Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.

11.5 If a conflict exists, it is expected that any director to whom the conflict relates will leave the meeting when the Board is discussing any matter to which the conflict relates.

11.6 Directors are expected to inform the chair of any proposed appointment to the Board or executive of another company as soon as practicable.

## 12. Access to information and independent advice by directors

12.1 Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

12.2 Directors have access to:

- (a) management to seek explanations and information from management; and
- (b) auditors, both internal and external, to seek explanations and information from them without management being present.

12.3 Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.

12.4 If the chair of the Board consents, the Company will pay a director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.

## 13. Retirement of directors

13.1 At the end of every annual general meeting, at least one of the directors must retire.

- 13.2 A director must retire at the end of the third annual general meeting after the director's appointment.
- 13.3 Those directors who have been longest in office since their last appointment must retire before other directors. Directors appointed on the same day may agree among themselves or determine by lot who must retire.
- 13.4 Retiring directors are eligible to stand for re-election as a director.
- 13.5 The Managing Director and CEO does not have to retire or stand for election or re-election by shareholders.
- 13.6 A director appointed to fill a casual vacancy or as an addition to the Board must retire at the next annual general meeting after their appointment, but is eligible for election.

## 14. Codes of conduct

- 14.1 The Group has adopted a corporate code of conduct setting out its legal and other obligations to all legitimate stakeholders including employees, customers and the community.
- 14.2 The Group has adopted a Code of conduct for directors, senior executives and all other employees setting out required standards of behaviour, for the benefit of all shareholders.
- 14.3 Each director, officer and employee will be given a copy of the code of conduct applicable to their position when joining the Group.

## 15. Communication of information

- 15.1 The Board will:
- (a) communicate effectively with shareholders;
  - (b) give shareholders ready access to balanced and understandable information about the Group and its corporate goals; and
  - (c) make it easy for shareholders to participate in general meetings.
- 15.2 The Board has adopted a communications strategy to facilitate and promote effective communication with shareholders and encourage participation at general meetings.

## 16. Review of Board performance

The Nomination and Remuneration Committee will annually review:

- (a) the Board's role;
- (b) the processes of the Board and Board committees;
- (c) the Board's performance; and
- (d) each director's performance before the director stands for re-election.

## 17. Review and changes to this policy

- 17.1 Management will review this charter periodically to ensure that it is operating effectively and recommend if any changes are required.
- 17.2 The Board may change this charter from time to time by resolution.

## 18. Approved and adopted

This charter was approved and adopted by the Board on the 30<sup>th</sup> of June 2023.