

## Oliver's Real Food Limited ACN 166 495 441

### 2019 Corporate Governance Statement

The Board plays a key role in overseeing the policies, performance and strategies of Oliver's Real Food Limited and its subsidiaries (**Oliver's** or the **Group** or the **Company**). It is accountable to Oliver's Shareholders as a whole and must act in the best interests of Oliver's. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic objectives, plans and budgets of Oliver's. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of Oliver's. In conducting Oliver's business in line with these objectives, the Board seeks to ensure that Oliver's is properly managed to protect and enhance Shareholder interests and that Oliver's, its Directors, officers and personnel operate in an appropriate environment of corporate governance.

The Board has created a framework for managing Oliver's, including adopting relevant internal controls, risk management processes and corporate governance policies and practices, which it believes are appropriate for Oliver's business, and which are designed to promote the responsible management and conduct of Oliver's. The Board sets the cultural and ethical tone.

The main policies and practices adopted by Oliver's are summarised in this Corporate Governance Statement (**Statement**).

Each of the charters and policies referred to in this Statement are available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

This Statement reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and the practices detailed in this Corporate Governance Statement are current as at 30 September 2019. It has been approved by the Board and is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

#### **Principle 1: The Board lays solid foundations for management and oversight**

##### *Role and responsibilities of the Board and management*

The Board has adopted a written charter to provide a framework for the effective operation of the Board. The Board Charter sets out the:

- Board's composition and processes;
- Board's role and responsibilities;
- relationship and interaction between the Board and management; and
- authority delegated by the Board to management and Board committees.

The Board's role is to, among other things:

- represent and serve the interests of Shareholders by overseeing and appraising Oliver's strategies, policies and performance. This includes overseeing the financial and human resources Oliver's has in place to meet its objectives and reviewing Management performance;
- protect and optimise Oliver's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with Oliver's values and governance framework (including establishing and observing high ethical standards); and
- ensure that Shareholders are kept informed of Oliver's performance and major developments affecting its state of affairs.

Matters which are specifically reserved to the Board or its committees include:

- determine the Company's business strategy and monitoring achievement;
- appointment of the Chairman of the Board;
- appointment and removal of the CEO;
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and their delegated authorities;

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- review of corporate codes of conduct;
- review and oversee systems of risk management;
- adopt the annual budget and monitor financial performance
- calling meetings of Shareholders; and
- any other specific matters nominated by the Board from time to time.

The management function is conducted by, or under the supervision of, the CEO, as directed by the Board.

The Board may from time to time establish committees to assist in the discharge of its responsibilities. The Board has established the following committees:

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

The Board's responsibilities are set out in the Board Charter, which is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

#### *Access to information and independent professional advice*

Management must supply the Board information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. In order to discharge its duties, the Board will have open access to members of the senior management team and reasonable access to all the Company's employees and contractors to discuss current and future business issues, risks and strategies.

Directors are entitled to request additional information at any time they consider appropriate. The Board collectively, and individual Directors, may seek independent professional advice at Oliver's expense, subject to the approval of the Chairman. Prior approval from the Chairman may not be unreasonably withheld or delayed.

#### *Board meetings*

The Board holds regular meetings and in the year ended 30 June 2019 met 19 times.

For details of the current Directors, their qualifications, skills and experience, refer to the Directors' Report contained within the Annual Report. For details of Directors' attendance at Board and committee Meetings for the year ended 30 June 2019, refer to the Directors' Report contained within the Annual Report.

#### *Appointment and re-election of directors*

The Board, together with the RNC, determines the size and composition of the Board, subject to the terms of the Constitution.

The composition of the Board is determined by the following principles:

- the Board will comprise members with an appropriate range of skills, expertise, experience and contacts relevant to the Company's business;
- the Company's Constitution provides for a minimum of three directors and a maximum of nine Directors as determined from time to time;
- the number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified;
- the Chairman of the Board must be an Independent Director;
- the office of the Chairman of the Board and the role of Chief Executive Officer (**CEO**) must not be exercised by the same individual.

When a vacancy exists for a Board position for any reason, or where the Board considers that it would benefit from the services of a new member with particular skills, the Board will consider candidates identified and selected by the RNC (exercising its duties under the RNC Charter) having regard to:

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- the skills, expertise and experience of the candidates;
- the desirability of those skills, expertise and experience when combined with those of the existing Directors and taking into account the benefit of diversity to the Company; and
- the perceived compatibility of the candidates with the Company and with the existing Directors.

The Board may elect any person as a casual Director and that person shall continue in office only until the next Annual General Meeting (**AGM**) where they must resign and are then eligible for election. Such Directors are not taken into account in determining the number of Directors to retire by rotation at the AGM.

Under the Constitution at least one-third of all Directors (rounded down, if necessary, to the nearest whole number), being the Directors serving longest since last re-election, must retire at each AGM. Directors, excluding the Managing Director, must also retire if a third AGM falls during the period in which they have held office. Retiring Directors are eligible to be re-elected.

Shareholders will be provided with details about each Director for election or re-election in the notice of meeting for the AGM to enable them to make a decision on election/re-election.

At the commencement of any Director selection process, Oliver's will undertake appropriate checks on potential candidates to consider their suitability. This was undertaken for all Directors as part of the ASX listing process.

Oliver's enters into a written agreement with each Director and senior executive setting out the terms of the Director's or senior executive's appointment.

#### *Chairman*

The Chairman is to be elected from the full Board by the Non-executive Directors. The Chairman must be an independent Director and the role is not to be exercised by the same person as the CEO. The current Chairman is Nicholas Dower, an Independent Non-executive Director.

#### *Company Secretary*

All Directors have direct access to the Company Secretary who is responsible to the Board, through the Chairman, on all corporate governance matters. The Company Secretary's responsibilities are set out in the Board Charter, which is available on the Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

#### *Diversity*

Oliver's values a strong and diverse workforce and is committed to promoting a corporate culture that embraces diversity. The Board has formally approved a Diversity Policy in order to address the representation of women in management and on the Board, and to actively facilitate a more diverse and representative management and leadership structure. The Board is responsible for establishing and monitoring the Company's overall diversity strategy and policy. It has delegated to the RNC the responsibility for annually:

- monitoring, reviewing and reporting to the Board the relative proportion of women and men in the workforce at all levels of the Company and remuneration by gender; and
- reviewing and making recommendations to the Board about the development, implementation and effectiveness of board diversity policies.

Oliver's commitment to diversity forms part of a merit-based organisational culture dedicated to the appointment of the best qualified employees, consultants, management and Board.

Oliver's commitment applies in all phases of employee engagement including recruitment, selection, development, promotion, rewards and remuneration. In particular, Oliver's seeks to recruit from a rich, diverse pool of qualified candidates at all levels.

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Oliver's seeks to create a work environment where people are free to achieve their best, without encountering prejudice regarding their gender, ethnicity, age, disability, religion, sexual orientation or cultural differences. Oliver's will not tolerate any form of unlawful discrimination, harassment or victimisation of an employee who raises concerns or provides information about such conduct.

Oliver's also acknowledges the need for its people to combine and balance their career and family obligations, and recognises the importance of caring for family members. Oliver's will explore innovative flexible work options to enable its people to balance family and work, and in particular, to support the care of children.

Oliver's measurable objectives for FY18 in relation to gender diversity and achievement is as follows:

	Target	FY19 achievement
Female Non-executive Directors by 30 June 2019	25%	0%
Senior leadership team – proportion of females by 30 June 2019	20%	40%
All employees – proportion of females by 30 June 2019	50%	75%

The programs Oliver's currently has in place to support diversity include options for flexible working arrangements, including flexible hours, variable start and finish times and part time work, subject to business needs.

The Diversity Policy is available on the Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

Oliver's is covered under the *Workplace Gender Equality Act 2012* and need to report to the Workplace Gender Equality Agency. Oliver's has met the threshold of 100 or more employees' when the total number of employees in Australia of the parent corporation, plus the employees in Australia of any subsidiaries are combined. The compliance report submission deadline is 31 May annually and the first report will be completed by 31 May 2019.

Oliver's workforce diversity is as follows:

#### Female employees as a percentage of workforce participation as at 30 June 2018

Oliver's	Females Percentage at 30 June 2018	Females Percentage at 30 June 2019	Males Percentage at 30 June 2018	Males Percentage at 30 June 2019
Board	25%	25%	75%	75%
Non-executive Directors	25%	25%	75%	75%
Senior Leadership Team*	40%	40%	60%	60%
Overall for Oliver's	75%	75%	25%	25%

\* Senior Leadership Team is the level reporting to the Chief Executive Officer.

#### Performance review of the Board

The Chairman determines the evaluation criteria and process for the evaluation of the Board, its committees and individual directors, based on input from the Board and the RNC. The RNC is responsible for assisting the Board as required in relation to the performance evaluation of the Board, its committees and individual Directors, and in developing and implementing plans for identifying, assessing and enhancing Director competencies.

The Board conducted a Board, committee and Director Assessment process during June/July 2018. The process followed was a self-assessment questionnaire developed by the Chairman and Company Secretary, completed by each Director, covering Board composition, operation of the Board and its committees, management of the meetings by the Chairman, and the contributions of individual directors.

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Following the responses from Directors, a collated document was prepared which the Chairman discussed with each Director. A number of areas for improvement were identified and addressed in 2019.

This process has also provided a review of each Director seeking re-election at the AGM to enable a recommendation to be made by the Board to Shareholders.

#### *Performance review of executive management*

The performance of the Chief Executive Officer and Chief Financial Officer is reviewed annually by the Board on a balanced scorecard basis. The performance of other key executives is reviewed annually by the Chief Executive Officer against predetermined goals and criteria.

This process was followed for FY19.

#### **Principle 2: The Board is structured to add value**

##### *Remuneration and Nomination Committee (RNC)*

The RNC Committee will assist the Board with fulfilling its responsibilities to Shareholders and other stakeholders to ensure that Oliver's:

- has coherent and appropriate remuneration policies and practices which enable Oliver's to attract and retain Directors and executives who will create value for Shareholders;
- fairly and responsibly remunerates Directors and executives having regard to Oliver's performance, the performance of the executives and the general market environment;
- has policies to evaluate the performance and composition of the Board, individual Directors and executives on (at least) an annual basis with a view to ensuring that Oliver's has a Board of effective composition, size and diversity, expertise and commitment to adequately discharge its responsibilities and duties;
- has adequate succession plans in place (including for the recruitment or appointment of Directors and management); and
- has policies and procedures that are effective to attract, motivate and retain appropriately skilled and diverse people that meet Oliver's needs and that are consistent with Oliver's strategic goals and human resource objectives.

The committee's charter provides that the RNC must comprise at least three Non-executive Directors, a majority of whom must be independent Directors. The Chairman will be an independent non-executive Director and only non-executive directors may be members of the Committee.

Currently, the Remuneration and Nomination Committee comprises:

- Nicholas Dower (Chairman); and
- Amanda Gunn
- Steven Metter

Non-committee members, including members of management and the external auditor, may attend meetings of the RNC by invitation of the committee chair.

The RNC may obtain outside legal or other independent professional advice as necessary to assist in the proper exercise of its powers and responsibilities, with the cost to be borne by Oliver's. In addition, the RNC has unrestricted access to company records and any other document, report, material or information in the possession of an employee or external adviser of Oliver's and, as appropriate, has unrestricted access to all staff or external advisers of the Company.

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The RNC met 3 times in the year ended 30 June 2019. For details of Directors' attendance at RNC Meetings for the year ended 30 June 2019, refer to the Directors' Report contained within the Annual Report.

Non-executive Directors inform the Chairman before accepting any new appointment as a Director of another listed entity, another other material directorship or other position with a significant time commitment attached.

The RNC charter is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

*Board Skills Matrix*

The Board seeks to ensure that it has the appropriate mix of skills, knowledge and experience to guide Oliver's and assist management achieve the strategic objectives set by the Board. The RNC is responsible for implementing plans for identifying, assessing and enhancing Director competencies.

The Board prepared and considered a board skills matrix in 2017 and reviewed and updated the matrix in 2018 and 2019. The board skills matrix looks at the current skills and diversity of the Board and its needs going forward. The Board considers that there is currently an appropriate mix of skills, diversity and experience on the Board, taking into account the size of Oliver's and the nature of Oliver's operations. Following the turmoil at Board level during the 2019 financial year (February/March 2019) the current Board is one non-executive director short. This has been recognized by the Board, which has spent the past few months identifying and interviewing to fill this vacancy. As at 30 September 2019, there are a number of possible candidates but no such appointment has yet been made.

The mix of skills and experience in the current Board, and that the Board would look to maintain, and build on, includes:

<p><b>Industry Experience</b></p> <p>Understanding of the sectors in which Oliver's operates</p>	<p><b>Strategy</b></p> <p>Ability to identify and critically assess strategic opportunities and threats to the organization. Develop strategies in context to our policies and business objectives</p>
<p><b>Remuneration</b></p> <p>Ability to review and make recommendations regarding remuneration structures, including equity incentives</p>	<p><b>Risk Management</b></p> <p>Identify and monitor key risks to the organisation related to each key area of operations</p>
<p><b>Legal and Governance</b></p> <p>Ability to review legal, regulatory and governance developments and impact on Oliver's</p>	<p><b>Senior executive experience</b></p> <p>Experience in evaluating performance of senior management, and oversee strategic human capital planning</p>
<p><b>Marketing</b></p> <p>Understanding of key marketing principles and experience in development and implementing marketing strategies</p>	<p><b>Social media</b></p> <p>Understanding of role of social media and experience in developing and reviewing social media strategies</p>
<p><b>Financial and Audit</b></p> <p>Experience in accounting and finance to analyse statements, assess financial viability, contribute to financial planning, oversee budgets, oversee funding arrangements</p>	<p><b>Interpersonal skills</b></p> <ul style="list-style-type: none"> <li>• leadership</li> <li>• ethics and integrity</li> <li>• contribution</li> </ul>

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<p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Diversity</li> <li>• Previous Board experience</li> </ul>	
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The Board will continue to monitor and update the skills matrix at least annually to ensure that as Oliver's develops the Board comprises the appropriate mix of skills and experience.

The Board recognises the importance of succession and renewal. It continues to monitor the Board composition accordingly.

*Independence*

The Board comprises four Directors, including an Independent Chairman, one further Independent Director and two Executive Directors who are not independent. As stated above, the Board is currently actively interviewing in order to make the appointment of a third non-executive Director, as required by the Oliver's Board Charter.

The Board considers a Director to be independent where he or she is not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted materiality guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board.

Independent Directors are required to notify the Board promptly if they become aware of any factor which may affect their status as an Independent Director.

The Board considers that Nicholas Dower and Steven Metter are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Director's unfettered and independent judgement and are able to fulfil the role of Independent Director for the purposes of the ASX Recommendations.

A full description of Oliver's policy on the criteria the Board considers when assessing independence is included in the Board Charter which is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

Director	Independence status	Length of service/ Appointment date
Nicholas Dower (Chairman)	Independent Chairman	March 2019
Steven Metter	Independent	March 2019
Jason Gunn	Executive Director and Not Independent	February 2019
Amanda Gunn	Executive Director and Not Independent	February 2019

For details of the current Directors, their qualifications, skills and experience refer to the Directors' Report within the Annual Report.

*Induction and education*

The RNC is responsible for implementing an induction program that enables new Directors and executives to gain an understanding of:

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- the Company's financial, strategic, operational and risk management position;
- their rights, duties and responsibilities; and
- the role of any Board committees.

Each Director completed an induction program through their involvement in the due diligence process as part of listing on the ASX. There have been no new directors appointed since that time, however an induction program has been developed for any new director appointed in the future.

Directors are provided with access to continuing education in relation to the Company and its group members extending to its business, the industry in which it operates, and information generally required by them to discharge the responsibilities of their office. This includes regular access to sites and facilities.

**Principle 3: The Board promotes ethical and responsible decision-making**

*Code of Conduct*

Oliver's is committed to a high level of integrity and ethical standards in all business practices. The Board has adopted a formal Code of Conduct which outlines how Oliver's expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All Oliver's employees (including temporary employees, contractors and Directors) must comply with the Code of Conduct.

The Code is designed to:

- provide a benchmark for professional behaviour throughout Oliver's;
- support Oliver's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the policy.

The Code of Conduct is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

*Securities Trading Policy*

Oliver's has adopted a Securities Trading Policy which is intended to explain the types of dealings in securities that are prohibited under the Corporations Act and establish a best practice procedure for the buying and selling of securities that protects Oliver's and its Directors and employees against the misuse of unpublished information which could materially affect the value of securities. The policy applies to all Directors, officers, senior executives and employees of Oliver's and its related bodies corporate and their connected persons (Relevant Persons).

The policy provides that Relevant Persons must not deal in Oliver's securities:

- when they are in possession of price-sensitive or 'inside' information or Oliver's is in possession of price-sensitive or 'inside' information and has notified them they must not deal in Oliver's securities; or
- on a short-term trading basis (which excludes exercising rights under an equity plan and electing to immediately sell those Shares issued on exercise of the rights).

In addition, Key Management Personnel as defined in the Policy must not deal in Oliver's securities during closed periods, being between 1 January and one business day after the announcement by the Company of its half year results and between 1 July and one business day after the announcement by the Company of its annual results (except in exceptional circumstances and then only with Board written permission) and such other periods as determined by the Board.

The Securities Trading Policy is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.



*Whistleblower Policy*

Olivers recognises that we have legal obligations under the Corporations Act 2001 (Corporations Act) and other laws if we receive a revelation from a whistleblower. Olivers understands that corporate cultures of silence, which allow wrong doing to go undetected contribute to the problem and that a regime of protecting whistleblowers is necessary because it encourages reporting of contraventions by employees and others. Olivers firmly believes in fostering and encouraging whistleblower behaviour by staff and has the relevant protection mechanisms in place by creating an environment free from recriminations and victimisation.

*Protection of whistleblowers: By law, and to which Olivers fully subscribes*

A person is protected as a whistleblower if they are:

- an officer or
- an employee of a company or
- a contractor or their employee who has a contract to supply goods or services to the company.

The Corporations Act restricts any retaliation against a whistleblower and gives them a civil right, including seeking reinstatement of employment. Protection is extensive:

- providing qualified privilege against defamation and
- precluding contractual or other remedies being enforced, including civil and criminal liability, for making the disclosure. This means that secrecy provisions in employment contracts and the like will not preclude whistleblowing.

To qualify for protection a whistleblower's revelation must be made to:

- ASIC or
- the company's auditor or a member of the audit review committee or
- a director or company secretary or
- senior manager of the company or
- another person authorised by the company to receive revelations of this kind. ( external auditor)

To trigger the provisions of the Corporations Act the whistleblower must:

- give their name before making the disclosure and
- have reasonable grounds to suspect that their revelation indicates the company or an officer or employee has, or may have, contravened the Corporations legislation (which includes both the Corporations Act and the ASIC Act) and
- act in good faith.

The above protection only covers whistleblowers reporting breaches of the Corporations Act and the ASIC Act (protected disclosure), but Olivers extends this protection to any person acting as a whistleblower on any contravention issue so long as they comply with the above.

*Whistleblower Protection Officers (WPO)*

Olivers has created a team of WPO's each of whom has been appointed by the Audit and Risk Committee of Olivers to:

- safeguard the interests of a Whistleblower;
- assess the immediate welfare and protection needs of a Whistleblower and, where the Whistleblower is an employee, seek to foster a supportive work environment;
- respond as appropriate and necessary to any concerns or reports of victimisation by a Whistleblower.

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Olivers WPOs are:

- Head of Operations, Executive Director – Amanda Gunn;
- Chief Financial Officer, David McMahon; and
- Martin le Marchant, Bishop Collins (external auditor)

The WPOs may be contacted:

- via email at [amanda.gunn@oliversrealfood.com.au](mailto:amanda.gunn@oliversrealfood.com.au) or [david.mcmahon@oliversrealfood.com.au](mailto:david.mcmahon@oliversrealfood.com.au);
- in person; or
- via post to the attention of “The Whistleblower Protection Officers” at 10 Amsterdam Court, Wyong NSW.

If a complainant is uncertain how to contact a WPO, they may seek clarification from their supervisor

As the formal policy needs to be in place by January 2020, Olivers is currently considering the most appropriate set of procedures for the company, with a focus on these being both practical and effective, with Whistleblowers having direct access to all the WPO's. This is a relatively new policy for Olivers and is in its infancy, and it is the Board's intention to formalise this policy and its procedures during the 2020 financial year.

#### *Anti-Bribery & Corruption Policy*

The purpose of this policy is to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that the Company's business is conducted in a socially responsible manner.

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero- tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws in Australia in respect of our conduct both at home and abroad. Bribery and corruption are punishable for individuals by up to ten years' imprisonment and a fine. If we are found to have taken part in corruption, we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.

In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as employees in this policy).

This policy covers:

- Bribes;
- Gifts and hospitality;
- Facilitation payments;
- Political contributions;
- Charitable contributions.

Employees must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor). Specifically, employees must not bribe a foreign public official anywhere in the world.

Employees must not offer or give any gift or hospitality:

- which could be regarded as illegal or improper, or which violates the recipient's policies; or
- to any public employee or government officials or representatives, or politicians or political parties; or
- which exceeds \$100 in value for each individual gift or \$500 in value for each hospitality event (not to exceed a total value of \$1000 in any financial year), unless approved in writing by the employee's manager.

Employees may not accept any gift or hospitality from our business partners if:

- it exceeds \$100 in value for each individual gift or \$500 in value for each hospitality event (not to exceed a total of \$1000 in any financial year), unless approved in writing by the employee's manager; or
- it is in cash; or
- there is any suggestion that a return favour will be expected or implied.

Other considerations:

- Where a manager's approval is required above, if the manager is below Director level then approval must be sought from an appropriate Director.
- If it is not appropriate to decline the offer of a gift, the gift may be accepted, provided it is then declared to the employee's manager and donated to charity.
- We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.
- Within these parameters, local management may define specific guidelines and policies to reflect local professional and industry standards. Where this policy requires written approval to be given, the Company Secretary shall put in place a process to maintain a register of all such approvals.

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

Olivers is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform Nick Dower, Chairman of Olivers immediately.

The Company Secretary will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing. Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Company Secretary. This policy does not form part of any employee's contract of employment and it may be amended at any time.

#### **Principle 4: The Board safeguards integrity in corporate reporting**

##### *Audit and Risk Committee (ARC)*

The ARC will assist the Board in fulfilling its accounting, auditing, financial reporting and risk management responsibilities, including to:

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- oversee Oliver's relationship with the external auditor and the external audit function generally;
- oversee the preparation of the financial statements and reports;
- oversee Oliver's financial controls and systems; and
- manage the process of identification and management of financial risk.

The ARC has been established with a formal charter which provides for the committee to oversee the internal programs to evaluate risk management and internal control processes for managing risk and to review whether the appointment of an internal auditor is recommended.

The ARC's charter provides that the committee must comprise only Non-executive Directors, a majority of independent Directors, and a minimum of three Directors.

The current composition of the ARC is:

- Jason Gunn (Chair); and
- Steven Metter
- David McMahon (CFO)

Non-committee members, including members of management and the external auditor, may attend meetings of the ARC by invitation of the committee chair.

In accordance with its charter, at least one member of the ARC has accounting and financial expertise and each member is able to read and understand financial statements.

For further details regarding the qualifications of the members of the ARC refer to the Directors' Report contained within the Annual Report.

*Selection and rotation of the external auditor*

The external auditors are selected according to criteria set by the ARC which include:

- the lack of any current or past connection or association with the Company or with any member of senior management which could in any way impair, or be seen to carry with it any risk of impairing, the independent external view the external auditor is required to take in relation to the Company and the Company Group;
- their general reputation for independence and probity and professional standing within the business community; and
- their knowledge of the industry within which the Company and the Company Group operate;

The committee has discretion to require rotation of the audit staff employed by the external audit partner, including the partner or other principal with overall responsibility for the engagement and the committee must review any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor.

The ARC has access to the external auditor to discuss matters without management being present.

The ARC met 4 times in the year ended 30 June 2019. For details of Directors' attendance at ARC Meetings for the year ended 30 June 2019, refer to the Directors' Report contained within the Annual Report.

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*CEO and CFO declaration*

Prior to Board approval of Oliver's half year and annual financial reports, the ARC ensures it receives from the CEO and CFO of the Company, a declaration that, in their opinion, the financial records of the Company 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 (as required under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles).

For the year ended 30 June 2019, the CEO and CFO made a declaration in accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles as detailed above. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively.

*Auditor at AGM*

At Oliver's AGM, the external auditor attends and is available to answer Shareholder questions on the:

- conduct of the audit;
- preparation and content of the external auditor's report;
- accounting policies adopted by Oliver's in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.

The Audit and Risk Committee Charter is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

**Principle 5: The Board makes timely and balanced disclosure**

Oliver's places a high priority on communication with Shareholders and is aware of the obligations it has under the Corporations Act and the ASX Listing Rules, to keep the market fully informed of any information Oliver's becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of Shares.

Oliver's has adopted a Continuous Disclosure Policy which establishes procedures to ensure that Directors and employees are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

The Company Secretary has primary responsibility for all communication with ASX in relation to ASX Listing Rule matters.

The Continuous Disclosure Policy is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

**Principle 6: The Board respects the rights of Shareholders**

Oliver's aim is to ensure that Shareholders are kept informed of all major developments affecting Oliver's. In addition to Oliver's continuous disclosure obligations, Oliver's recognises that potential investors and other interested stakeholders may wish to obtain information about Oliver's from time to time and Oliver's will communicate this information regularly to Shareholders and other stakeholders through a range of forums and publications, including:

- website ([www.oliversrealfood.com.au](http://www.oliversrealfood.com.au));
- email;
- webcast and conference calls;
- telephone;
- presentations, briefings and investor meetings (including site visits);

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- mail; and
- facsimile

All ASX announcements made to the market, including annual and half year financial results, are posted on Oliver's website at <http://www.investor.oliversrealfood.com.au/> as soon they have been released by the ASX. The full text of all notices of meetings and explanatory material, Oliver's annual report and copies of all media releases made by Oliver's and copies of all investor presentations made to analysts and media briefings will be posted on Oliver's website. The website will also contain a facility for the Shareholders to direct queries to Oliver's and to elect to receive communications from Oliver's via email. Oliver's has a Shareholder Communication Policy which is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

In addition shareholders can opt for electronic communications from Oliver's share registry.

The Shareholder Communication Policy and the strategies outlined above and detailed in the policy facilitate effective two-way communication with investors.

#### *Company website*

Oliver's website is at [www.oliversrealfood.com.au](http://www.oliversrealfood.com.au) and is regularly kept up-to-date to maintain effective communication with Shareholders and other stakeholders.

The following information is available on the website:

- all ASX announcements made to the market as soon as they have been released by the ASX;
- notices of meetings and explanatory material, the Annual Report and copies of all investor presentations made to analysts and media briefings (as they are published);
- company history, store locations and menu;
- members of the Board and senior leadership team;
- share price details;
- corporate governance charters and policies; and
- contact details.

Alternatively, Company announcements can be accessed from the 'announcements' section of the ASX website (ASX code: OLI).

#### *Investor relations program and shareholder engagement and participation*

Oliver's investor relations program includes communication with shareholders mainly by its website as detailed above and also through its AGM.

To encourage Shareholder engagement and participation at the AGM, Shareholders have the opportunity to attend the AGM, ask questions from the floor, participate in voting and meet the Board and executive management in person.

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the notice of meeting or online through the share registry's website. Shareholders have the opportunity to submit written questions to Oliver's and external auditor, or make comments on the management of Oliver's and access AGM presentations and speeches made by the Chairman and CEO prior to the commencement of the meeting. Oliver's publishes results of the meeting to the ASX and on its website following the conclusion of the AGM.

The contact details of Oliver's and its share registry (see below under 'electronic communications') are available to Shareholders to address and facilitate any Shareholder-related enquiries.

#### *Electronic communications*

Oliver's contact details are available on the Oliver's website under 'contact'. Shareholders can also contact its share registry, Boardroom Pty Limited via the Oliver's website under My Shareholding.

Shareholders can access a number of services provided by Boardroom online. The online service can be used to obtain information on current holdings and transaction history including dividend payment information for taxation purposes. Shareholders may also advise of changes to their holding such as Direct Credit banking instructions, change of address and notification of tax file number.

Shareholders may elect to receive all Shareholder communications (including notification that the annual report is available to view, notices of meeting and payment statements) by email. Electronic communications have the added advantage of being more timely and cost effective, which benefits all Shareholders. Shareholders should contact Boardroom if they want to elect to receive electronic communications.

#### **Principle 7: The Board recognises and manages risk**

The Board has the final responsibility for the identification of significant business risks. This responsibility is fulfilled by the ARC which reviews the process used by management to monitor and mitigate major risks affecting each business segment. The ARC is to report to the Board promptly following each of its meetings.

The CEO and Chief Financial Officer each provide a statement to the Board with the annual and half yearly reports to the effect that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

The identification and proper management of the Oliver's risks are an important priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business. This policy highlights the risks relevant to the Oliver's operations and Oliver's commitment to designing and implementing systems and methods appropriate to minimise and control its risks.

The Board is responsible for risk management and for setting the organisation's risk appetite. However, strategic oversight of the organisation's approach to risk management is vested in the ARC, which must report to the Board at least annually on the adequacy of the Risk Management Policy.

The ARC is responsible for overseeing and approving risk management strategy and policies, monitoring risk management, and establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

The ARC will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations.

The Company has in place a system whereby management is required to report its adherence to policies and guidelines approved by the ARC for the management of risks.

Details of the ARC and its membership are contained in the disclosure under Principle 4. The ARC met 4 times in the year ended 30 June 2019. For details of Directors' attendance at ARC Meetings for the year ended 30 June 2019, refer to the Directors' Report contained within the Annual Report.

#### *Risk Management Policy*

During the financial year ended 30 June 2019, the Board conducted a review of Oliver's material risks and the relevant controls. The Board has a Risk Management Policy which is available on Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

The Risk Management Policy details specific roles and responsibilities with respect to risk management and the core principles underpinning the risk management framework.

The ARC is responsible for:

- maintaining an up-to-date understanding of areas where the Company is, or may be, exposed to risk and compliance issues and seek to ensure that management is effectively managing those issues, including:

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- non-compliance with laws, regulations, standards and best practice
- guidelines including industrial relation, occupational health and safety,
- environmental and trade practice laws;
- importing judgements and accounting estimates;
- litigation and claims;
- fraud and theft; and
- relevant business risks not dealt with by other Board committees;
- receiving reports concerning material and actual incidents within the risk areas above and ensuring that macro risks are reported to the Board at least annually;
- reviewing the adequacy and effectiveness of the Company's policies and procedures which relate to risk management and compliance;
- making recommendations to the Board on the appropriate risk and risk management reporting requirements to the Board and ARC;
- assessing existing controls that management has in place for unusual transactions or transactions with more than an accepted level of risk;
- meeting periodically with senior key officers of the Company, internal and external auditors and compliance staff to understand the Company's risk management and internal compliance and control system;
- providing advice to the Board on relevant corporate level performance indicators and targets for risk management and compliance activities;
- undertaking an annual review of the Risk Management Policy and underlying strategies and procedures to ensure its continued application and relevance;
- examining and evaluating the effectiveness of the internal control system with management and internal and external auditors; and
- receiving and considering reports on risk management and compliance programs and performance against policy and strategic targets.

The policy and the associated procedures have been drafted taking into account current best practice, AS/NZS ISO 31000:2009: Risk Management – Principles and Guidelines and ASX Principle 7: Recognise and Manage Risk.

The Group's Risk Management Framework is built on a foundation that includes:

- awareness and commitment to a single mission, common objectives, shared values, and a Code of Conduct that is reviewed and renewed periodically;
- human resources practices intended to recruit, train and retain people with the required specialist skills;
- delegation of responsibility throughout the Group and accountability for outcomes;
- control processes including structured management reporting, links to strategic and business planning processes, a system of independent review and Board oversight; and
- an operational philosophy that seeks to anticipate and mitigate risks in their relevant context before they occur and that reflects on the lessons learned when problems arise.

Oliver's is committed to:

- providing appropriate resources to develop and maintain an effective risk management framework;
- developing, reviewing and clearly documenting processes and guidelines for the implementation of this Policy;
- establishing and monitoring performance against annual approved strategic KPIs; and
- undertaking risk reviews and internal audits on a periodic basis.

The Board reviewed the Risk Management Framework and developed the Risk Register during FY19. The Risk Management Framework is reviewed on an annual basis and following the FY19 review is satisfied the Framework is sound.

Senior Management has reported to the Board (through the ARC) on the effectiveness of the management of the material risks faced by Oliver's during the financial year ended 30 June 2019.

*Internal audit*



Due to the size and current stage of development of Oliver's, Oliver's does not have an independent internal audit function. Oversight of the effectiveness of Oliver's risk management and internal control processes currently form part of the responsibilities of management. As Oliver's continues to develop, the ARC will consider establishing an independent internal audit function.

*Economic, environmental and social sustainability risks*

Oliver's has exposures to economic sustainability risks, including:

- Market risk which includes the competitive landscape in the retail fast food market, sourcing of products, food safety and growth strategies. The adverse effects that could be caused by these risks include downturn in revenue and/or margins, increased costs, interruption to supply, and reduction in product quality.
- Financial risks which include relationships with landlords, input costs and employment costs. The effects of these risks could be lower profitability.

These risks are managed by the CEO and Senior Management Team regularly reviewing and evolving the product and service offering, ensuring thorough due diligence processes for any acquisitions, and constant review of financial performance and drivers of any changes.

Oliver's does not have material exposures to environmental and social sustainability risks. Oliver's mission is to increase consciousness for positive social and environmental impacts from people's food choices. Oliver's approach is to provide a healthy, fresh food alternative to traditional fast food for travellers on Australia's major arterial highways. Oliver's is believed to be the world's first certified organic fast food chain and provides its customers with premium quality, "real" food that is fresh and natural, free from additives and preservatives. Oliver's is passionate about nutrition and the benefits of eating well, and approximately 50% of the food and beverages sold at Oliver's sites is organically grown. This philosophy is a key part of managing any social sustainability and environmental risks. Oliver's also actively works to minimise waste and monitors performance in this area closely.

**Principle 8: The Board remunerates fairly and responsibly**

*Remuneration and Nomination Committee (RNC)*

In its function as a remuneration committee, the RNC assists the Board in fulfilling its corporate governance responsibilities by:

- reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and senior executives;
- ensuring that the remuneration policies and practices are consistent with the Company's strategic goals and human resources objectives; and
- ensuring that Directors and senior management are remunerated fairly and responsibly;
- engaging remuneration consultants and receiving any advice and/or recommendations from them with respect to the setting remuneration.

Details of the RNC and its members are contained in the disclosure under Principle 2. The RNC met 4 times in the year ended 30 June 2019. For details of Directors' attendance at RNC Meetings for the year ended 30 June 2019, refer to the Directors' Report contained within the Annual Report.

*Remuneration report and remuneration policies*

Oliver's remuneration strategy and policies aim to attract and retain talented people to run and manage Oliver's and to align their interests with those of the Shareholders. The Board is committed to having a remuneration strategy and policy that rewards and retains appropriately experienced and skilled employees and executives throughout all levels of the company.

In the case of all senior employees, this is realised by providing a fixed remuneration component together with specific 'at risk' performance based short-term incentives and, where appropriate for

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selected executives, long-term equity incentives subject to market competitive service and performance conditions.

In the case of Non-executive Directors, remuneration will be market competitive and will not contain performance-based components. Non-executive Directors will receive fees (and statutory superannuation entitlements) commensurate with their role and this does not include an incentive component. There are also no retirement schemes for Non-executive Directors, other than superannuation.

A minimum shareholding policy guideline has been adopted to further assist in aligning Non-executive Director's interests with all Shareholders.

The Board has committed to regularly reviewing all Board and key executive management remuneration and incentive arrangements (at least biennially) to ensure they remain competitive, in line with market expectations and guidelines, and remain appropriate for Oliver's as it changes and grows.

Further details on the Remuneration framework for Executives and Non-executive Directors is included in the Remuneration Report, within the Annual Report.

*Equity-based remuneration scheme*

Oliver's has established the Oliver's Real Food Equity Incentive Plan, under which eligible participants receive Options which will vest on meeting agreed criteria.

The Board will use equity based remuneration to reward, motivate and retain management. The Board's objective is to implement a remuneration framework that aligns the interests of participants with Oliver's strategic objectives in order to maximise shareholder value.

Under the Oliver's Real Food Equity Incentive Plan and Securities Trading Policy, participants are prohibited from entering into any transaction or arrangement, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested equity awards. In addition, under the Securities Trading Policy, Key Management Personnel are not permitted to enter into (directly or indirectly) a margin loan or other financing arrangement where there is a risk that Oliver's Securities will be traded pursuant to the terms of the margin loan or financing arrangement, unless they have obtained the prior written consent of the Chairman to enter into the Margin Loan.

The terms and conditions of the Oliver's Real Food Equity Incentive Plan are available on the 'Announcements' section of the ASX website for 'OLI' lodged on 20 June 2017. The Securities Trading Policy is available the Oliver's website at <http://www.investor.oliversrealfood.com.au/>.

Further detail is available in the Remuneration Report contained within the Annual Report.