



BOARD CHARTER

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1. Purpose

Sanford Limited (the “Company”) is listed, and its securities are quoted, on the New Zealand stock exchange (“NZX”).

This Board Charter (“Charter”) sets out the role, responsibilities, composition, structure and approach of the Board of Directors of the Company (“Board”). The Board is legally responsible for the affairs and activities of the Company. The Charter provides guidance for the effective oversight of the Company by the Board on behalf of its shareholders, employees and other material stakeholders. The Charter should be read in conjunction with the Company’s Constitution.

The Company and the Board aim to achieve the highest standard of governance.

2. Role and Responsibilities of the Board

The primary role of the Board is to effectively represent and promote the interests of the shareholders with a view to adding long-term value to the Company’s shares. The Board has statutory responsibility for the affairs and activities of the Company, which in practice is achieved through delegation to the Chief Executive Officer who is charged with the day-to-day leadership and management of the Company, and to sub-delegate to other levels of Senior Management. The Board is responsible for the governance, proper direction, and control of the activities of the Company.

The Board seeks to ensure that new directors:

- are appropriately introduced to the Company’s management and businesses;
- are acquainted with relevant industry knowledge; and
- receive all appropriate papers, policies, and documents to enable them to effectively discharge their duties and add value to the Company.

3. Board Composition

The Board will be structured to ensure that, as a collective group, it has the skills, experience, knowledge, diversity, and perspective to fulfil its purpose and responsibilities.

The Constitution provides that the Company must comply with the minimum Board composition requirements of the NZX Listing Rules. Subject to these limitations, the number of directors to hold office will be fixed from time to time by the Board. The Board has agreed that a majority of the Board shall be comprised of Independent Directors at all times.

The Nomination Committee will recommend to the Board candidates to be considered for appointment as a Director. Appointments shall be made in accordance with the Board’s written procedure for the nomination and appointment of Directors outlined in the Nomination Committee’s Charter.

The Board's standards for determining independence will include the requirements of the NZX. In particular, the Board will give reference to the non-exhaustive factors set out in recommendation 2.4 of the NZX Corporate Governance Code. The Board will assess the independence of directors on their appointment and at least annually thereafter, and will report on the independence of each Director in the Company's annual report.

4. Delegations to management

The Board has delegated to the Chief Executive Officer the authority to manage the business and affairs of the Company and its subsidiaries, and to sub-delegate to other levels of management, subject to certain limitations and qualifications.

Directors are free to discuss business matters with management with the prior knowledge of the Chair and Chief Executive Officer but are expected to respect the distinction between Board and management responsibilities.

5. Chair

The Chair is appointed by the Directors and must be an independent non-executive director. The Chair shall hold his or her office until he or she vacates that office, or the directors elect a chairperson in his or her place.

The Chair will chair all meetings of the Board at which they are present. The Chair provides leadership to the Board and must endeavour to ensure that the Board is well informed and effective.

The Chair's role is to:

- manage the Board effectively and provide effective leadership in formulating strategic direction;
- foster a constructive governance culture and apply appropriate governance principles among directors and with management;
- make sure the Board is well informed and effective and that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Company;
- ensure there are processes and procedures in place to evaluate the performance of the Board, its committees, and individual directors; and
- approve expenses incurred by directors.

6. Corporate Secretary

The Board shall appoint a Corporate Secretary (the “Secretary”) who will be a Company employee nominated by the Board. The Secretary, in conjunction with the Chair, shall be responsible for the co-ordination of all Board business including meeting scheduling, agendas, distribution of Board papers, minutes, ensuring Board procedures are followed and applicable rules and regulations for the conduct of the Board are complied with, statutory filings, market disclosures and other communication with stock exchanges and regulatory bodies.

7. Committees

The Board has established three committees to handle particular analysis and work delegated by the Board. These committees are comprised of directors appointed by the Board and the chair of each committee is appointed by the Board. Current standing committees established by the Board are:

- Audit, Finance and Risk Committee;
- People, Health and Safety Committee; and
- Nomination Committee.

Each of the committees operate under its own written charter. All charters of Board committees are reviewed on a regular basis and made available on the Company’s website.

From time to time, the Board may also establish ad hoc or special purpose committees to examine, or have the delegated authority to deal with, specific issues on behalf of the Board.

8. Authority

The Board’s authority is derived from, and subject to, the Constitution. The Board is required to comply with the NZX Listing Rules and all other applicable laws and regulations. Directors are also subject to the Company’s Code of Ethical Behaviour.

9. Board and Committee meetings

Proceedings of the Board and committee meetings will be in accordance with the Constitution and otherwise as determined by the Chair of the Board or relevant committee.

The Chair is responsible, in consultation with the Secretary, for the conduct of all Board meetings. The agenda for each Board meeting will be determined by the Chair in consultation with the Secretary, with each director being entitled to suggest agenda items. The standing items for each full meeting will include:

- approval of minutes of the previous meeting;
matters arising;
- updating of the register of directors’ interests;
- an operational report from the Chief Executive Officer;
- a report from the Chief Financial Officer;

- reports from executive management on the activities of the Company's individual business units;
- specific proposals for capital expenditure and acquisitions in accordance with the Company's delegated authority and capital expenditure policies approved by the Board;
- major issues and opportunities for the Company; and
- matters requiring public disclosure.

The Board will normally hold at least eight meetings per year, and otherwise as it considers necessary. Written notice of Board meeting dates, times and locations will be prepared by the Secretary. Any director, or any other person at the request of a director, may convene a meeting of the Board by giving the required written notice.

The Board will at least annually:

- review and approve the strategic goals of the Company;
- review the operational plans for achieving the strategic goals of the Company;
- approve the annual budget;
- approve the yearly and half-yearly financial statements, associated reports to shareholders and public announcements;
- approve the annual report;
- review disclosure and reporting against the NZX Corporate Governance Code;
- consider the Company's dividend policy and, if appropriate, declare or recommend payment of dividends;
- review Board composition, structure and succession;
- review the Company's audit requirements;
- review the performance of, necessity for, and composition of, Board committees;
- undertake Board and individual director evaluations;
- review directors' remuneration;
- review the Chief Executive Officer's performance and remuneration;
- review remuneration policies and practices in general, including superannuation and incentive schemes for Senior Management;
- review risk assessment policies and controls including insurance cover and compliance with legal and regulatory requirements;
- review the Company's health and safety performance;
- review the Company's Code of Ethical Behaviour;
- review shareholder, customer, supplier, and regulator relations;
- review donations and sponsorships;
- assess the Company's objectives for achieving diversity and progress in achieving those objectives; and
- settle the Board's work plan for the following 12 months.

Open and constructive discussion is encouraged at all Board and committee meetings to ensure decisions are taken that benefit from the diverse range of skills, knowledge, and experience of directors.

Each director is expected to fully participate in meeting discussions, having read all Board and briefing papers provided. The papers will be provided sufficiently in advance of the meeting to allow adequate reading time. The content, presentation, quantum, and delivery of papers to directors for each meeting will be in accordance with guidelines agreed by the Board.

Minutes will be taken of all Board and committee meetings. All discussions and the record of the meeting will remain confidential unless there is a specific direction from the Board or disclosure is required by law. Subject to any legal or regulatory requirements, the Board will decide the manner, timing and method of publication of its decisions.

Senior Management may be invited to attend Board meetings.

The Board may meet periodically “in camera” without management present. This permits the Board to determine its priorities for the meeting to follow and to discuss matters which are not appropriate to be discussed in the presence of management.

The Chair may require any director or other attendee to leave a meeting at any time.

Visits to specific Company operations will be arranged when appropriate and reports and presentations from key executives on the Company’s business and operations will be incorporated into the Board meeting schedule on a regular basis.

10. Director Responsibilities and Duties

The conduct of directors will be consistent with their duties and responsibilities to the Company and to its owners. Directors are expected to act honestly, ethically, diligently and in good faith in what they believe to be the best interests of the Company and its shareholders while undertaking their duties. Directors will comply with the Company’s Code of Ethical Behaviour.

All directors are expected to continuously educate themselves, according to their individual needs, to ensure that they appropriately and effectively perform their duties.

Each director will receive a letter of appointment setting out the key terms and conditions of their appointment. Directors are expected to comply with their legal duties and obligations when discharging their responsibilities as directors.

In addition to fulfilling legal duties, directors are expected to exercise high standards of honesty and ethical behaviour. Without limiting directors’ right to express their views freely in discussions/meetings with other directors and to freely exercise their voting rights as directors, once decisions have been made by the Board all directors are expected to support the letter and spirit of those decisions outside the Board.

Directors will keep confidential all Board information, discussions, deliberations, and decisions that are not publicly known. Directors’ obligations of confidentiality will continue after they have ceased to be directors. Sanford has also implemented a Board Policy concerning information disclosure by directors (including to any shareholders with whom they may be associated), and each director must familiarise themselves with that Policy and comply with it.

11. Director Remuneration

Directors' remuneration is paid in the form of directors' fees. The total fee pool available to be paid to directors is subject to shareholder approval, unless there has been an increase in the number of directors following approval of the total fee pool by shareholders, in which case additional remuneration may be payable if permitted by the NZX Listing Rules.

12. Shareholding of Directors

Directors are required to hold at least 500 shares in the Company as required by the Constitution.

When buying or selling shares, directors must strictly observe the provisions of the Constitution, the Company's own internal rules (including the Company's Securities Trading Policy and Guidelines) and all relevant legislative or regulatory procedures.

All changes in shareholding shall be reported to the Board and where required to the NZX in accordance with the NZX Listing Rules.

13. Access and Independent Advice

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision-making.

In particular, directors are entitled to:

- have access to internal and external auditors without management present, to seek explanations or additional information; and
- seek independent professional advice at the Company's expense within specified limits, or with the prior approval of the Chair.

Directors are entitled to have access to Senior Management, via the Chief Executive Officer, at any time to request relevant additional information or seek explanations.

14. Conflicts

Directors must disclose to the Company any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue and take any necessary and reasonable measures to try to resolve the conflict. Directors will minimise the possibility of any conflicts by restricting involvement in any businesses that would be likely to lead to a conflict of interest.

Because a conflict of interest (actual or perceived) may be created, directors should not, generally, provide business or professional services of an ongoing nature to the Company. Notwithstanding the general rule, the Company may (for the purposes of a special assignment) engage the services of any director having special expertise in a particular field or engage the services of another member of a Director's organisation, so long as the terms of engagement are competitive, established on an arm's length basis, clearly recorded and all legal requirements for disclosure of the engagement are properly observed (including disclosure to the Board of any actual or perceived conflict of interest).

Sanford has implemented a Board Policy concerning Conflicts of Interest and each director must familiarise themselves with that Policy and comply with it.

15. Board Performance

The performance of the Board is to be reviewed annually. The evaluations will review the Board's role, Board processes and committees to support that role and the performance of the Board and each director.

16. Board Relationship with Shareholders and Stakeholders

The Board will ensure avenues are available for shareholder and stakeholder views to be communicated and heard.

The Board will monitor economic, political, regulatory, social, and legal issues and other relevant matters that may influence or affect the Company's ability to achieve its strategy and business plans.

Unless otherwise directed by the Chair, communications with the public must only be undertaken by specifically authorised Company representatives in accordance with the Company's Continuous Disclosure Policy.

17. Signed



Signed: Sir Robert McLeod
Chair

June 2022