

Comvita Limited is committed to taking a holistic view of how it creates **long-term value** and the impact of its decisions on all stakeholders – including shareholders, employees, customers, suppliers, community and the environment.

The

Board's Charter sets out the governance principles, authority, responsibilities, membership and operation of the Board of Directors. This governance statement outlines the main corporate governance practices as at 22 August 2023. The full statement is available to view at www.comvita.co.nz.

COMPLIANCE

The Board has adopted codes and policies relating to the conduct of all Directors, executives and staff, taking guidance from the NZX Main Board Listing Rules relating to corporate governance and the NZX Corporate Governance Code.

For the purpose of Listing Rule 3.8.1, the Board considers that, as at 22 August 2023, the governance structures, principles, policies and practices it has adopted are in compliance with the NZX Corporate Governance Code dated 1 April 2023 (NZX Code) except to the extent set out in the following pages.

Comvita's Constitution, the Board and Committee Charters, codes and policies referred to in this section are available to view at www.comvita.co.nz.

Comvita makes the documents listed below available on its website.

Constitution/Charters	Codes/Policies
Constitution	Code of Ethics
Board Charter	Continuous Disclosure Policy
Safety and Performance Committee Charter	Financial Product Dealing Policy
Audit and Risk Committee Charter	Diversity and Inclusion Policy
	Director and Officer Remuneration Policy

Further detail

Further detail as required by the NZX Listing Rules and Companies Act 1993 is included in the financial statements supplied with, and as part of, the Annual Report.

GOVERNANCE PRINCIPLES AND GUIDELINES

Principle 1 – Ethical Standards

Code of Ethics (Recommendation 1.1)

Directors set, observe and foster high ethical standards. Comvita expects its Directors, officers, and employees to act legally, to maintain high ethical standards and to act with integrity consistent with Comvita's policies, guiding principles and values.

A Director-specific Code of Ethics sets out these standards for all Directors and can be found in the Appendix to the Board Charter on the company's website. Further, Comvita has a Code of Ethics applicable to all Directors, officers and employees in accordance with Recommendation 1.1 of the NZX Code, a copy of which is available on the website. Training on ethical behaviour is incorporated within Comvita's induction programme, with refresher training provided periodically.

Company rules, which all employees and officers are expected to adhere to, provide clear guidance across a range of ethical and legal matters to ensure high standards of performance and behaviour are maintained when dealing with the company's customers, suppliers, shareholders and staff.

Specific policies are also available on the company's website as noted above.

Mechanisms are provided within the company-wide Code of Ethics and general company rules for the safe reporting of breaches of ethical standards or other policies or laws, and the consequences of non-compliance are made explicit.

Financial Product Dealing Policy – Trading in Comvita securities (Recommendation 1.2)

Directors, officers and employees are restricted in their trading of Comvita securities and must comply with Comvita's Financial Product Dealing Policy, which is available on the company's website. The policy provides guidance on insider trading rules and outlines process and approval requirements for dealing in Comvita securities.

Principle 2 – Board Composition and Performance

Board Charter (Recommendation 2.1)

The Board operates in accordance with the Board Charter, which sets out the roles and responsibilities of the Board. A copy of the charter is available on the company's website.

There is a balance of independence, skills, knowledge, experience and perspective among Directors that allows the Board to work effectively.

Responsibility for the day-to-day operations and administration of the company is delegated by the Board to the Chief Executive Officer and the leadership team.

Nominations and appointments (Recommendation 2.2)

The nomination of candidates for appointment to the Board is overseen by the Safety and Performance Committee and the procedure for nomination and appointment is detailed in the Safety and Performance Committee Charter. Such procedure includes processes to be followed to ensure proper checks are carried out on all candidates and key information is obtained to enable the Board and shareholders to make an informed decision about whether to elect or re-elect a candidate. It also provides for an assessment of independence.

Written agreements (Recommendation 2.3)

The Directors have each signed a written agreement with the company outlining the terms of their appointment. The agreement includes expectations of the Director, expected time commitments, remuneration, indemnity and insurance provisions, disclosure requirements, confidentiality obligations, term and expectation of compliance with relevant corporate policies.

Board size and composition (Recommendation 2.4)

The Board is comprised of Directors with a mix of qualifications, skills and experience appropriate to the company's business. The number of Directors and rotation requirements are determined in accordance with the company's Constitution, the Board Charter and the NZX Main Board Listing Rules. The Constitution provides for the Directors to elect one of their number as Chair of the Board, and the Board Charter provides that the Chair should be an independent Director unless otherwise approved by all Directors. To encourage the process of constant evolution of the Board and succession of key roles within the Board, the Board Charter states that Directors are discouraged from standing for re-election a second time (i.e. after serving six years) unless by unanimous support from the whole Board. For the year ended 30 June 2023, the company complied with the current Listing Rules with regard to the composition of the Board and the appointment and rotation of Directors.

Director profiles (with details of their experience), ownership interests, meeting attendance, length of service and independence of each Director are available on the company's website and/or in this Annual Report.

Director ownership interests (including beneficial ownership) as at 30 June 2023 are detailed in the statutory information section at the back of the 2023 financial statements.

For a Director to be considered independent, the fundamental consideration in the opinion of the Board is that the Director is independent of the Executive and does not have any direct or indirect interest, position, association or relationship that could or could be perceived to influence in a material way the Director's capacity to bring an independent view to decisions, to act in the best interests of the company and to represent the interests of shareholders generally. In accordance with the NZX Code, any Director who is or who is associated with a substantial product holder is considered by the Board to not be independent.

The Board has reviewed which of its Directors are deemed to be independent in terms of the NZX Listing Rules and has determined that five of the eight Directors as at 30 June 2023 were independent.¹ Of the Directors that are independent, none of the factors listed in the NZX Code are relevant.

Board and Committee meeting attendance for the year ended 30 June 2023 is set out below:

Board member	Board ²		Conference calls and special meetings		Audit and Risk Committee ³		Safety and Performance Committee ⁴		Tenure on Board (years)
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	
Brett Hewlett	10	10	2	2	5	5	4	4	6
Luke Bunt	10	9	2	2	5	5	–	–	9
Sarah Kennedy	7 ⁵	7	1	1	–	–	3	3	–
Bob Major	10	9	2	2	-	-	4	4	4
Zhu Guangping	10	7 ⁶	2	2	–	–	–	–	4
David Banfield	10	10	2	2	–	–	–	–	2
Yawen Wu	10	10 ⁷	2	2	–	–	–	–	2
Bridget Coates	10	10	2	2	4	4	1	1	2
Julia Hoare	3 ⁸	3	1	1	1	1	–	–	<1

1. Zhu Guangping and Yawen Wu are not considered independent as they are associated with substantial product holders. Zhu Guangping is associated with Li Wang, the largest shareholder in the company with a shareholding of greater than 5%. Yawen Wu is associated with China Resources, which also has a shareholding of greater than 5%. David Banfield is not considered independent as he is Managing Director and CEO.

2. Chair of the Board has no casting vote.

3. Chair of the Audit and Risk Committee has no casting vote.

4. Chair of the Committee has no casting vote.

5. Sarah Kennedy resigned effective 1 March 2023.

6. Zhu Guangping joined two of these meetings late due to the time zone differences.

7. Yawen Wu's alternative Ching Ho Luk attended nine of these meetings on her behalf and joined one meeting late due to the time zone differences.

8. Julia Hoare was appointed Director effective 1 March 2023.

Gender composition of Directors and officers and diversity

Comvita is committed to diversity (race, gender, sexuality etc.) in its employment of individuals at all levels in the organisation.

As at 30 June 2023 (the prior year's comparison is in brackets):

	Board		Audit and Risk Committee	Safety and Performance Committee	Officers
Gender					
Male	5 (5)	62%	2 (2)	2 (2)	8 (8)
Female	3 (3)	38%	1 (1)	1 (1)	4 (5)
Gender diverse	0 (0)	0%	0 (0)	0 (0)	0 (0)
Age					
Under 30 years	0	0%			
30–50 years	1	13%			
Over 50 years	7	87%			
Executive	1		0	0	
Non-executive	7		3	3	
Independent	5		3	3	
Number of each individual's other significant positions and commitments and the nature of the commitments	Please refer to the statutory information section of the financial statements		Please refer to the statutory information section of the financial statements	Please refer to the statutory information section of the financial statements	
Membership of under-represented social groups	2 x Chinese ethnicity 1 x British ethnicity 3 x female		1 x female	1 x female	
Stakeholder representation	None		None	None	

Diversity Policy (Recommendation 2.5)

Comvita has maintained its commitment to diversity, equity, and inclusion – a stance that is reflected in the core values and behaviours of the company. Comvita has a Diversity Policy that is available on the company's website. The Safety and Performance Committee is monitoring set diversity objectives and targets specifically relating to pay policies and equity, development and growth, and the diversity of senior executives (gender, and global experiences and perspectives).

The Safety and Performance Committee is positive about current progress and strategies to maintain equality on a scheduled approach.

Further details on Comvita's diversity and inclusion are outlined on page 56-57.

Director training and performance (Recommendations 2.6 and 2.7)

Board members are encouraged to regularly participate in learning and self-development opportunities provided by the Institute of Directors or other professional groups to ensure they remain current on how best to perform their duties as a Director.

Comvita has a procedure to assess Director, Board and Committee performance, which is set out in the Board Charter. In particular, the Board periodically undertakes a self-assessment of its performance, processes and procedures.

In the reporting year, the Directors undertook sustainability reporting training on climate risk management and the Aotearoa New Zealand Climate Standards presented by Deloitte.

Comvita has also supported future Directors, with Institute of Directors observer Jerome Ng's term ending in February 2023.

Independence of Directors (Recommendations 2.8, 2.9 and 2.10)

The majority of the Board are independent Directors and the Chair is independent. The Chair and the CEO positions are not held by the same person.

It is viewed that the Chairs of the Audit and Risk and the Safety and Performance Committees are independent, as are the Committee members.

Principle 3 – Board Committees (Recommendation 3.5)

The Board uses Committees where this enhances the effectiveness in key areas while retaining Board responsibility. The Board operates two Committees to assist in the execution of the Board's duties: the Safety and Performance Committee and the Audit and Risk Committee. Each Committee has a specific Charter, which can be viewed on the company's website. Committee members are appointed from members of the Board for an initial two-year term, with re-appointment reviewed on an annual basis.

All matters determined by Committees are submitted to the full Board as recommendations for Board decision. Staff members attending those Committees are at the invitation of the specific Committee.

The Board did not consider it necessary to have any other Committees for the reporting period as a standing Board Committee.

Audit and Risk Committee (Recommendations 3.1 and 3.2)

The Audit and Risk Committee currently comprises Luke Bunt (Chair), Brett Hewlett and Julia Hoare and met five times during the period. For FY23, all Committee members were independent and non-executive Directors. The Committee reviews the annual audit process, the financial, non-financial and operational information provided to stakeholders and others, the management of business risks facing the organisation and the framework of internal control and governance that the leadership team and the Board have established. The Chief Executive Officer, Chief Financial Officer and Group Financial Controller regularly attend meetings by invitation.

Comvita's external auditors attend Committee meetings as deemed necessary by the Committee. Further detail on the Committee's roles and responsibilities is set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee will also provide guidance and review of Comvita's non-financial reporting and non-financial reporting audits (including GHG inventory reports) and recommend to the Board their adoption of (or otherwise).

Safety and Performance Committee (Recommendations 3.3 and 3.4)

The Safety and Performance Committee currently comprises of Bob Major (Chair), Brett Hewlett and Bridget Coates. The Committee met four times during the period.

For FY23, all Committee members were independent and non-executive Directors. The Committee provides oversight to health and safety by ensuring the business maintains a strong health and safety culture that meets or exceeds the company's obligations under legislation and best practice standards. The Committee also recommends the remuneration policies and packages, including performance incentives for the Chief Executive Officer and the Chief Financial Officer. Additionally, it reviews the performance targets of the Chief Executive Officer, succession planning for the leadership team and the Board, risk and compliance monitoring in relation to the company's human resources and operational health and safety oversight, and remuneration policies and guidelines for Directors. In determining remuneration, external independent consultants are engaged where appropriate in accordance with the Safety and Performance Committee Charter but the views of other stakeholders are not sought at this stage.

The Committee also carries out the functions of a nominations committee, recommending new Director appointments to the full Board. Further detail on the Committee's roles and responsibilities is set out in the Safety and Performance Committee Charter.

The Committee is also responsible for overseeing Comvita's purpose, values, strategies and goals related to sustainable development, including environmental, social and governance aspirations, making recommendations to the Board as appropriate. Comvita's sustainability framework is articulated through its Harmony Plan. The Committee delegates responsibility for identifying and managing stakeholder engagement and impacts on the economy, environment and people to the Chief Purpose & Transformation Officer, who is then supported by the Sustainability Lead and other employees. Monthly updates on Comvita's sustainability activities and impacts are provided to the full Board, with a detailed update and presentation of relevant topics to the Committee every quarter where the Committee will review recommendations and recommend to the Board annual, measurable ESG objectives, ESG strategies and policies and other ESG tasks as appropriate. Comvita also undertakes a

stakeholder engagement process and materiality assessment at least every two years using external experts to assist. The results and process itself, are reviewed by the Committee, and the results are communicated to the Board.

Takeover protocols (Recommendation 3.6)

The Board has established experience in respect of the various NZX and statutory requirements in the event of a takeover approach for the company. The key requirements of the Takeover Code are well understood by the Board.

Further, Comvita has established formal protocols that set out the procedure to be followed if there is a takeover offer in accordance with Recommendation 3.6 of the NZX Code.

Principle 4 – Reporting and Disclosure

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosure on entity affairs.

Comvita is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders that reflects a considered view on the present and future prospects of the company.

Continuous disclosure (Recommendation 4.1)

Continuous disclosure obligations of NZX require all listed companies to advise the market about any material events and developments as soon as the company becomes aware of them. The company has policies and monitoring in place to ensure that it complies with these obligations. In particular, the company has a Continuous Disclosure Policy applicable to all Directors, officers and employees that is available on the company's website.

Charters and policies (Recommendation 4.2)

Key corporate governance documents are available on the company's website.

Financial reporting (Recommendation 4.3)

The Audit and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness and timeliness of financial statements. It reviews half-year and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit. Management accountability for the integrity of the company's financial reporting is reinforced by certification from the Chief Executive Officer and Chief Financial Officer in writing that the company's financial statements are fairly stated in all material aspects.

Non-financial reporting (Recommendation 4.4)

Comvita is committed to non-financial reporting that is balanced, clear and objective. Broader reporting of environmental, social and governance factors is contained in this Annual Report. These disclosures have been developed with reference to Global Reporting Initiative Standards (GRI). This report links disclosed information to the GRI indicators as Comvita journeys towards reporting in accordance with GRI.

Comvita's consolidated financial statements and GHG inventory report are subject to independent external assurance. It is Comvita's intention that the rest of its sustainability reporting is also subject to assurance in the future. Where external assurance is not currently undertaken, data is gathered by appropriate internal business owners / experts, compared to the previous reporting period and cross-checked against other data.

Comvita is currently undertaking a project to build on and leverage its existing sustainability reporting framework in preparation for the release of its first climate statement under the new Aotearoa New Zealand Climate Standards. This is expected to be issued as at 30 June 2023. Comvita prepared its first GHG emissions report with an assurance report as at 30 June 2022, which will be mandatory under the climate standards by 2025.

Principle 5 – Remuneration

The remuneration of Directors and senior executives is transparent, fair and reasonable. Making sure team members and Directors get the rewards they deserve is the responsibility of the Safety and Performance Committee.

Comvita has a Remuneration Policy for Directors and officers, a copy of which is available on the company's website.

Non-executive Directors' remuneration (Recommendation 5.1)

The fees payable to Non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. The Board considers external information of peer companies in terms of scale and complexity when setting remuneration levels. The current Directors' fee pool limit is \$610,000, approved at the 2016 Annual Shareholders' Meeting. Information on payments to each Director is set out in the statutory information section at the back of the financial statements.

Senior executive remuneration (Recommendation 5.2)

For FY23, senior executive remuneration was made up of base or fixed remuneration, a short-term incentive plan and a long-term incentive plan, subject to Board approval.

The short-term incentive plan is a bonus opportunity based on company performance hurdles of EBITDA and return on capital employed, and the long-term incentive plan is a performance share rights plan vested over three years based on company total shareholder return performance against an NZX index.

Chief Executive Officer remuneration (Recommendation 5.3)

The Chief Executive Officer's base salary for FY23 was \$633,000. Subject to Board approval, for FY23, the Chief Executive Officer was also entitled to a short-term incentive if he met agreed financial and non-financial goals (with on-target earnings of 50% of base salary, and the ability to achieve up to 60% of salary for over-delivery against Board-approved targets). Subject to Board approval and achievement of agreed Group performance targets, for FY23, the Chief Executive Officer was also entitled to a long-term incentive in the form of performance share rights (with on-target earnings of \$316,500). In relation to performance share rights achievements in FY23, 40,848 shares vested to the Chief Executive Officer in FY23, being one-third of the long-term incentives granted by the Board.

Annual remuneration ratios:

1:12 = highest paid employee to median annual remuneration of all other employees

1:3.8 = percentage increase in annual remuneration for highest paid employee to median percentage increase for all other employees

Staff remuneration

All permanent staff are eligible to participate in a short-term incentive scheme. Bonus payments are contingent upon achievement of company targets for the year (as approved by the Board), as well as assessment of individual delivery against objectives cascaded through the organisation and individual behaviour in line with core values.

Principle 6 – Risk Management

Risk Management Framework – (Recommendation 6.1)

Comvita has carried out a robust risk assessment process, described in the following paragraphs. The Board regularly verifies that the entity has appropriate processes that identify and manage potential and relevant risks through monthly Board reporting of the risk register. Further detail on the role and responsibilities of the Audit and Risk Committee in relation to risk management is set out in the Audit and Risk Committee Charter.

Business risks

The Chief Executive Officer and leadership team are required to regularly identify the major risks affecting the business. These major risks are included in a risk management register. Strategies are consistently being developed to mitigate these risks. Significant risks are discussed at each Board meeting or as required. Comvita maintains insurance policies that it considers adequate to meet the insurable risks of the Group. Exposure to any foreign exchange risk is managed in accordance with policies laid down by the Directors.

As risk assessment is a dynamic environment and often commercially sensitive, Comvita reports on the most significant of these under its continuous disclosure obligations to the NZX market and in the Annual Report.

Chief Executive Officer and Chief Financial Officer assurance

The Chief Executive Officer and Chief Financial Officer have provided the Board with written confirmation that Comvita's 2023 financial statements are founded on a sound system of risk management and internal compliance and control and that all such systems are operating efficiently and effectively in all material respects.

Risk monitoring

The Board reviews Comvita's risk management policies and processes, and the leadership team provides an updated risk assessment profile to each meeting of the Board.

The Safety and Performance Committee reviews human resource management risks.

Health and safety (Recommendation 6.2)

Comvita employs a Health and Safety Lead with oversight of health and safety matters sitting with the Safety and Performance Committee. The health and safety functions of the Committee include undertaking due diligence in the identification and monitoring of critical workplace, health, safety and wellbeing, as well as the monitoring and review of Comvita's compliance with documented health and safety policies and procedures. Health and safety review reports are a priority agenda item at all Board meetings, and specific reviews are sought as required. The Board undertakes ongoing external health and safety governance training and undertakes safety walks in key operational sites on a scheduled basis.

Further details on Comvita's health and safety performance and management are outlined on page 62-65.

Principle 7 – Auditors

External auditor (Recommendations 7.1 and 7.2)

The Board ensures the quality and independence of the external audit process. A framework for the company's relationship with its external auditor is overseen by the Audit and Risk Committee. Further detail on that framework and the role and responsibilities of the Audit and Risk Committee in relation to the external audit framework is set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee actively engages the company's external auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and recommends to the Board appropriate action to ensure its independence.

Comvita's external auditor is KPMG. KPMG was reappointed by shareholders at the 2022 Annual Shareholders' Meeting in accordance with the provisions of the Companies Act 1993. KPMG was first appointed as auditors in 1998. KPMG has been invited to attend this year's Annual Shareholders' Meeting and will be available to answer questions about the audit process, Comvita's accounting policies and the independence of the auditor.

Internal audit (Recommendation 7.3)

Comvita currently does not have an internal audit function. However, the Audit and Risk Committee approves management's Internal Audit Plan annually. This programme of work includes internal and external reviews of specific risk areas and a review of one offshore subsidiary per year. The Audit and Risk Committee is responsible for reviewing and monitoring the company's risk management and internal control framework and has open communication with the external auditor, financial and senior management and the Board. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records and facilities and personnel of the company and the power to retain outside counsel or other experts for this purpose. In addition, the Board seeks reports on specific areas of potential concern or to evaluate business performance on a post-investment basis. The reviews are completed by appropriate internal staff and/or with external input.

Principle 8 – Shareholder Rights and Relations

Information and communication with shareholders (Recommendations 8.1 and 8.2)

The Board fosters constructive relationships with shareholders, which encourages them to engage with the company.

The Board aims to ensure shareholders are provided with all information necessary to assess the company's strategic direction and performance. It does this through a communication strategy that includes:

- periodic and continuous disclosure to NZX
- information provided to media and briefings to major shareholders
- half-year and annual reports
- the company's website with an investor relations section
- future direction presentation at the Annual Shareholders' Meeting, which is conducted in a very open manner, and a range of questions are considered.

Comvita aims to ensure the process of communication with investors is easy and uses a variety of channels and technologies to keep its shareholders informed, including by providing and encouraging investors to receive communications electronically. Comvita has engaged a communications agency to assist with its investor relations programme.

Major decisions (Recommendation 8.3)

All major decisions that may result in a change in the nature of Comvita's business are subject to shareholder approval in accordance with the Constitution, the Companies Act 1993 and the NZX Listing Rules. At Comvita's Annual Shareholders' Meeting in September 2022, the shareholders approved the revocation and adoption of a new Constitution (99.03% voted for this).

Capital raising (Recommendation 8.4)

When considering any raising of additional capital, the Board considers the interests of all shareholders when assessing its options to raise capital. The Board will usually look to raise additional equity capital from existing shareholders on a pro-rata basis.

Notice of meeting (Recommendation 8.5)

To encourage shareholder participation in meetings, the Board looks to ensure notices of annual or special meetings of shareholders are posted on the company's website at least 20 working days prior to the meeting.

GOVERNANCE DISCLOSURES

NZX exercised its power to place Comvita in a trading halt, which lasted less than a day, on 3 July 2023 pending release of further information relating to its announcement on its long-term partnership with Olé.