

GOVERNANCE

_____ **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.**

_____ Comvita Limited is a company domiciled in Aotearoa New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The company is an issuer in terms of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013. Comvita has subsidiaries operating in Australia, China, Hong Kong SAR, Japan, South Korea, Malaysia, Singapore, United States, United Kingdom and the Netherlands.

_____ 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 27 September 2024. The full statement is available to view at www.comvita.co.nz.

_____ Any questions in relation this report should be directed to investor.relations@comvita.com.



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 27 September 2024, 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
	Directors and Officers Remuneration Policy
	Environmental Policy

Further detail

Further detail as required by the NZX Listing Rules and Companies Act 1993 is included in the [Financial Statements](#) included.

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 Comvita’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 Comvita 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 Comvita’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 2024, 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 2024 are detailed in the Statutory Information section at the back of the 2024 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 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 four of the eight Directors as at 30 June 2024 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 2024 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
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	
Brett Hewlett	12	12	4	4	5	5	6	6	7
Julia Hoare	12	12	4	4	5	5	–	–	1
Robert Major	12	12	4	4	–	–	6	6	5
Zhu Guangping	12	7	3	2	–	–	–	–	5
David Banfield	12	12	3	3	–	–	–	–	3
Yawen Wu	12	12 ⁵	3	3	–	–	–	–	3
Bridget Coates	12	12	4	4	–	–	6	6	3
Michael Sang ⁶	9	8	4	2	3	3	–	–	1
Lucas Bunt ⁷	3	3	0	0	2	2	–	–	9

1. Brett Hewlett is not considered independent due to Comvita being his sole directorship and accordingly the majority of his income comes from Comvita fees. Mr Zhu Guangping and Ms 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 Safety and Performance Committee has no casting vote.

5. Yawen Wu's alternative Ching Ho Luk attended 12 of these meetings on her behalf.

6. Michael Sang was appointed director effective 5 October 2023.

7. Lucas Bunt resigned effective 30 September 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 2024 (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)	5 (8)
Female	3 (3) 38%	1 (1)	1 (1)	5 (4)
Gender diverse	0 (0) 0%	0 (0)	0 (0)	0 (0)
Age				
Under 30 years	0 0%			
30–50 years	1 12%			
Over 50 years	7 88%			
Executive	1	0	0	
Non-executive	7	3	3	
Independent	4	2	2	
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	

Director competencies

	B. Hewlett	J. Hoare	B. Major	Z. Guangping	D. Banfield	Y. Wu	B. Coates	M. Sang
Board skills and competencies								
Commercial expertise, corporate governance and risk management	●	●	●	●	●	○	●	●
Key market insights, leadership and sales and marketing	●	○	●	●	●	●	●	○
Financial, investment, capital markets and corporate finance	●	●	●	○	○	●	●	●
Technology and digital innovation		○	○		○		○	○
Innovation and commercialisation of science	○	○	●	○	○		○	○
Agriculture industry	●	○	●		○		○	●
Manufacturing and supply chain	●	○	○	○	○		○	○
Sustainability	○	●	○		●		●	●
Stakeholder engagement	●	●	●	○	○	○	●	●
People, culture, health and safety	●	●	●		●	○	○	○

KEY: ● High capability ○ Medium capability

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 41.

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 as well as periodically seeking support of an external independent advisor to assist.

In the reporting year, the Directors undertook a session with a strategic consultant specifically focused on wellness 2030 trends.

There have also been a number of sessions held with the Board and Audit and Risk Committee in relation to education and upskilling on Climate Related Disclosure requirements, concepts and processes required under the Aotearoa New Zealand Climate Standards.

Independence of Directors (Recommendations 2.8, 2.9 and 2.10)

As at 30 June 2024 the Board was made up of 50% independent and 50% non-independent Directors, and the Chair was no longer considered independent as announced to the market on 30 August 2023. However, as at the date of this report, the Board is made up of 67% independent and 33% non-independent directors and the Chair is independent. The Chair and the Chief Executive Officer positions are not held by the same person.

It is viewed that the Chairs of the Audit and Risk Committee and the Safety and Performance Committee 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 www.comvita.co.nz. Committee members are appointed from members of the Board for an initial two-year term, with reappointment 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 at 30 June 2024 comprised of Julia Hoare (Chair), Brett Hewlett and Michael Sang and met five times during the period. For FY24, the majority of the Committee members were independent and all were non-executive Directors. The Committee reviews the annual audit process, the financial, non-financial and operational information provided to stakeholders and others, including climate statements, the management of risks facing the organisation relating to insurance, tax and treasury 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 report) and recommend to the Board the adoption of (or otherwise).

Safety and Performance Committee (Recommendations 3.3 and 3.4)

The Safety and Performance Committee as at 30 June 2024 comprised of Bob Major (Chair), Brett Hewlett and Bridget Coates. The Committee met six times during the period.

For FY24, the majority of the Committee members were independent and all were 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 (CPTO). The CPTO is supported by the Sustainability Steering Group, which meets at least every two months and consists of a sub-group of Leadership Team members and senior managers from relevant functions, and by the Sustainability team 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 Comvita's website.

Charters and policies (Recommendation 4.2)

Key corporate governance documents are available on Comvita'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 the 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, including reporting transparently on the material impacts of our business activities and how we are managing these. Broader reporting of environmental, social and governance factors is contained in this Annual Report. These disclosures have been developed in line with the Global Reporting Initiative Standards.

Comvita's consolidated financial statements and GHG inventory are subject to independent external assurance. The organisation that conducts the audits complies with the relevant independence and ethical requirements and there were no impairments of its independence for the purposes of the engagements. 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 has also released its first [Climate Statement](#) under the Aotearoa New Zealand Climate Standards, which can be found at comvita.co.nz/investor. This Climate Statement includes Comvita's GHG inventory for all scopes and removals and the related assurance report.

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 2024 financial Statements.

Senior executive remuneration (Recommendation 5.2)

For FY24, 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 FY24 was \$683,640. Subject to Board approval, for FY24, 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 FY24, the Chief Executive Officer was also entitled to a long-term incentive in the form of Performance Share Rights (with on-target earnings of \$335,489). In relation to performance Share Rights achievements in FY24, 74,130 shares vested to the Chief Executive Officer in FY24, being one-third of the long-term incentives granted by the Board.

Annual remuneration ratios:

- 1:1.95 = highest-paid employee to median annual remuneration of all other employees.
- 1:1.76 = 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's risk management framework is a structured and tailored approach to identifying, assessing and mitigating factors that may affect Comvita's ability to achieve its objectives and/or to protect its people, assets, reputation, communities and environment.

Comvita's Board is responsible for the strategic oversight of Comvita's risk management framework, including regular review of identified risks and opportunities and associated action planning to offset potential impacts against strategy. A risk matrix prepared by the Leadership Team measures the impact of the risk and likelihood of risk occurrence and is provided to the Board for review and discussion monthly. Alongside this operational view, the Leadership Team highlights the top three business risks for deeper assessment and prioritisation.

Twice a year, the Comvita Board and Leadership Team engage in formal, longer-term business strategy planning. This incorporates a 5–10 year view of existing and emerging external and internal risks and opportunities vs plan.

Supported by the Leadership Team, Comvita's Managing Director and Chief Executive Officer is responsible for the day-to-day leadership of Comvita's global business to ensure business objectives and strategies are developed and delivered. The Leadership Team oversees implementation of strategy, with a continuous view of risks and opportunities, performance, resource allocation and metrics, to meet agreed objectives. The Leadership Team is broadly responsible for managing business risk across Comvita and maintains the Business Risk Register.

Types of risk

When assessing risk, Comvita considers the impact on its business across several categories:

- Strategy – risk to strategic objectives and/or strategic execution risk.
- Financial – financial risk arising from business performance, increased costs, market value and/or liquidity changes.
- Operational – risk associated with internal processes, systems or delivery risks (including people-related) and the external events that may impact these.
- Customer and stakeholder – risk derived from misalignment with key stakeholder expectations, including the potential impact on brand and corporate reputation and/or financial performance.
- People – health and safety, talent attraction and retention and culture management.
- Technology and data – potential loss resulting from cyber attacks, data breaches or other security failures.
- Climate – impact of climate change.
- Legal and regulatory – risk arising from changing legal and regulatory landscapes, including food safety, and the impact of any non-compliance.
- Biological/biodiversity risk – change in ecosystems and the spread of disease or pests that may impact biodiversity and ecosystems.

Material risks and management

Risk	The risk and its impact	Response/mitigation
Strategic	<p>There is strategic execution risk that is impacted by our market geographical balance, the effective utilisation of our assets, geopolitical landscape and our ability to adapt and react. In particular, there is risk associated with reliance on the China market and the current China economic conditions.</p> <p>As a single product category business (bee products), we are reliant on maintaining or increasing Mānuka honey's share of the total honey market.</p>	<ul style="list-style-type: none">• Our strategy is reviewed regularly by the Leadership Team and the Board.• Our strategy includes business simplification, market reviews and roadmaps, market diversification and strategic asset and investment planning.• Regular review of honey category performance and outlook along with Mānuka share where available. Adjacent categories of propolis, lozenge and regional NPD aim to mitigate pure honey in a pot risk.
Financial	<p>Current market capitalisation and NZX listing means there is liquidity risk and market volatility risk, and overall, this impacts financial stability.</p> <p>Comvita's current high levels of debt and inventory means there are increased interest costs, operational constraints and risk associated with our syndicated bank facility and covenants.</p>	<ul style="list-style-type: none">• Strengthened and sustainable corporate and global positioning.• We are closely working and collaborating with our supportive banks to ensure we maintain transparent communication and a clear plan.• Focused management of procurement and inventory levels to effectively manage supply, demand and cash flow.
Technology and data	<p>Comvita is currently operating with complex legacy systems and processes in a global environment where Cyber attacks are on the rise and there is increased risk and focus on data and data security, including privacy risks.</p>	<ul style="list-style-type: none">• Comvita is investing in a digital transformation programme to set up systems and data for the future.• Cyber security enhancement work in progress, including governance, policies and response plans.

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 2024 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.

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 44.

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 auditors 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 auditors 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 2023 Annual Shareholders' Meeting in accordance with the provisions of the Companies Act 1993. KPMG was first appointed as auditor 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 engages an investor relations consultant 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.

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.