

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 25 August 2021. 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 25 August 2021, the governance structures, principles, policies and practices it has adopted are in compliance with the NZX Corporate Governance Code dated 10 December 2020 (NZX Code) except to the extent set out in the following pages.

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

GOVERNANCE PRINCIPLES AND GUIDELINES

Principle 1 – Code of Ethical Behaviour

Directors set, observe and foster high ethical standards. The company 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, the company 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 the Company'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 below.

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.

Trading in Comvita securities

Directors, officers and employees are restricted in their trading of Comvita securities and must comply with the company's Financial Products 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.

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 Policy
	Director and Officer Remuneration Policy

Principle 2 – Board Composition and Performance

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. The Directors have each signed a written agreement with the company in accordance with Recommendation 2.3 of the NZX Code.

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

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.

Board size and composition

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 2021, the company complied with the Listing Rules dated 10 December 2020 with regard to the composition of the Board and the appointment and rotation of Directors.

Director profiles, ownership interests and meeting attendance

Profiles of each Director with details of their experience, length of service and independence are available on the company's website and/or in this Annual Report.

Director ownership interests (including beneficial ownership) as at 30 June 2021 are detailed in the statutory information section at the back of the 2021 Financial Statements.

Board and Committee meeting attendance for the year ended 30 June 2021 is set out below:

Board Member	Board		Audit and Risk Committee		Safety and Performance Committee	
	Eligible	Attended	Eligible ¹	Attended	Eligible	Attended
Lucas Bunt	11	11	3	3	–	–
Brett Hewlett	11	11	3	3	6	6
Sarah Kennedy	11	11	–	–	6	6
Robert Major	11	11	–	–	6	6
Paul Reid	11	11	3	2	–	–
Cheng Dayong	11	8 ²	–	–	–	–
Zhu Guangping	11	8 ³	–	–	–	–

1. Four Audit and Risk Committee meetings were scheduled for FY21. However, the meeting scheduled for June was postponed to early July, and all three directors attended.

2. Cheng Dayong joined these meetings in the afternoon, due to the time zone differences.

3. Zhu Guangping joined these meetings in the afternoon, due to the time zone differences.

Diversity and Inclusion Policy of Directors and Officers

The company is committed to diversity (gender, ethnicity, age, sexual orientation, education, religious and cultural beliefs etc.) in its employment of individuals at all levels in the organisation. As at 30 June 2021, the Board had one female Director and two Chinese nationals out of a total of seven Directors and four female officers and one NZ Chinese executive out of a total of nine officers (2020: one female Director out of a total of eight Directors and three female officers and one NZ Chinese executive out of a total of nine officers).

The company's commitment to diversity has been reflected in its ongoing appointments at all levels of suitably qualified women and others with diverse experiences and perspectives that contribute importantly to ongoing innovation throughout the organisation. This commitment is reflected in the company values and behaviours. The Safety and Performance Committee is monitoring gender pay equality, is positive about current progress and has strategies in place to maintain equality on a scheduled approach. The company has a Diversity Policy in accordance with Recommendation 2.5 of the NZX Code, which is available on the company's website. The Safety and Performance Committee has set measurable targets for achieving diversity within the company. The company is tracking well against its diversity objectives and targets.

Director training and performance

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.

The company 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.

Independence of Directors

The majority of the Board are independent Directors. The Chair is also independent.

For a Director to be considered to be independent, the fundamental consideration in the opinion of the Board is that the Director be 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.

Having considered these matters and the composition of the Board, the company considers the Directors hold an appropriate mix of skills, expertise and independence.⁴

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 seven Directors as at 30 June 2021 were independent.

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

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 at 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.

Safety and Performance Committee

The Safety and Performance Committee comprised of Sarah Kennedy (Chair), Brett Hewlett and Bob Major. The Committee met six times during the period.

For the FY21 year, all Committee members were independent Directors. The Committee provides oversight to health and safety by ensuring the business maintains a strong health and safety

4. Mr Zhu Guangping and Mr Cheng Dayong 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%. Cheng Dayong is associated with China Resources, which also has a shareholding of greater than 5%.

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 leadership team. 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.

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 Committee Charter.

Audit and Risk Committee

The Audit and Risk Committee currently comprises Luke Bunt (Chair), Brett Hewlett and Paul Reid and met three times during the period.⁵ For the FY21 year, all Committee members were independent Directors. The Committee reviews the annual audit process, the 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 Committee also reviews and monitors the Company's insurance programme in conjunction with management and recommends changes when deemed appropriate. The Chief Executive Officer, Chief Financial Officer and Group Financial Controller regularly attend meetings by invitation.

The company'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 Committee Charter.

Takeover protocols

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, the company 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.

5. Four meetings were scheduled for FY21. However, the meeting scheduled for June was postponed to early July, and all three Directors attended.

Principle 4 – Reporting and Disclosure

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

The company 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.

Financial reporting

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.

Timely and balanced disclosure

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.

Non-financial reporting

The company is committed to financial reporting that is balanced, clear and objective. Broader reporting of environmental, economic and sustainability factors is contained in the body of the Annual Report. Comvita has engaged an independent third party to align its non-financial reporting to the reporting practices of the Global Reporting Initiative framework and is on a road map to having fully integrated reporting by FY23.

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.

Non-Executive Directors' remuneration

The fees payable to the 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 2021 Financial Statements.

Chief Executive Officer remuneration

The Chief Executive's base salary for the FY21 year was \$520,000. Subject to Board approval, for FY21, 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 35% of base salary and the ability to achieve up to 44.8% of salary for overdelivery against Board-approved targets). Subject to Board approval and achievement of agreed Group performance targets, for FY21, the Chief Executive was also entitled to a long-term incentive in the form of Performance Share Rights (with on-target earnings of \$130,000). In relation to Performance Share Rights achievements in FY20, 11,831 shares vested to the Chief Executive Officer in FY21, being one-third of the long-term incentive granted by the Board.

Senior executive remuneration

For FY21, senior executive remuneration was made up of base or fixed remuneration, an employee bonus plan and a performance share rights plan, subject to Board approval.

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.

Policy

The company has a Remuneration Policy for Directors and officers in accordance with Recommendation 5.2 of the NZX Code, a copy of which is available on the company's website.

Principle 6 – Risk Management

The company 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. The company 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, the company reports on the most significant of these under its continuous disclosure obligations to the NZX market and in the Annual Report.

Health and safety

The company employs a Head of Safety and Sustainability 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 the company'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.

Chief Executive Officer and Chief Financial Officer assurance

The Chief Executive Officer and Chief Financial Officer have provided the Board with written confirmation that the Company's 2021 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 the company'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.

Principle 7 – Auditors

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.

Independence

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

External auditor

Comvita's external auditor is KPMG. KPMG was reappointed by shareholders at the 2020 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

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 includes 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 external auditors, 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

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.

The company 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. The company has engaged a communications agency to assist with its investor relations programme.

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.

Major decisions

All major decisions that may result in a change in the nature of the company's business are subject to shareholder approval in accordance with the company's Constitution, the Companies Act 1993 and the NZX Listing Rules. No major decisions required shareholder approval in the reporting period.

Capital raising

When considering any raising of additional capital, the Board considers the interests of all shareholders when assessing its options to raise capital.

Stakeholder interests

The Board respects the interests of stakeholders within the context of the company's ownership type and its fundamental purpose. The company is committed to taking a holistic view of how it creates long-term value for all stakeholders and considering the impact of its decisions on all stakeholders, including shareholders, employees, customers, suppliers, community and the environment.

The company is strongly committed to acting in a socially responsible manner with all stakeholders, including the wider community, whilst having an overall positive impact on the environment.

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.