

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

COLLINS FOODS LIMITED
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ABN/ARBN

13 151 420 781
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Financial year ended:

2 MAY 2021
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://www.collinsfoods.com/investors/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at *[insert effective date of statement]* and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 23 July 2021

Name of authorised officer authorising lodgement: Frances Finucan

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<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: • <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies/">https://www.collinsfoods.com/investors/corporate-governance/key-policies/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <ul style="list-style-type: none"> <li><a href="http://www.collinsfoods.com/investors/corporate-governance/key-policies/">http://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer Diversity and Inclusion Policy)</li> </ul> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <ul style="list-style-type: none"> <li><a href="http://www.collinsfoods.com/investors/corporate-governance/key-policies/">http://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer Corporate Governance Statement and Reports: Workplace Gender Equality Agency report)</li> </ul> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <ul style="list-style-type: none"> <li><a href="https://www.collinsfoods.com/investors/corporate-governance/">https://www.collinsfoods.com/investors/corporate-governance/</a> (refer to the Corporate Governance Statement)</li> </ul> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <ul style="list-style-type: none"> <li><a href="https://www.collinsfoods.com/investors/corporate-governance/">https://www.collinsfoods.com/investors/corporate-governance/</a> (refer to the Corporate Governance Statement)</li> </ul>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/">https://www.collinsfoods.com/investors/corporate-governance/</a> (refer to the Corporate Governance Statement)</li> </ul> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/">https://www.collinsfoods.com/investors/corporate-governance/</a> (refer to the Corporate Governance Statement)</li> </ul>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies/">https://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer to the Remuneration and Nomination Committee Charter)</li> </ul> <p>and the information referred to in paragraphs (4) and (5) at:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.collinsfoods.com/about-us/board-of-directors/">http://www.collinsfoods.com/about-us/board-of-directors/</a> AND <a href="https://www.collinsfoods.com/investors/news-and-announcements/">https://www.collinsfoods.com/investors/news-and-announcements/</a> (refer to the Company's 2021 Annual Report)</li> </ul> <p><i>[If the entity complies with paragraph (b):]</i></p> <p><del>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</del></p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/">https://www.collinsfoods.com/investors/corporate-governance/</a> (refer to the Corporate Governance Statement)</li> </ul>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the names of the directors considered by the board to be independent directors;</li> <li>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</li> <li>(c) the length of service of each director.</li> </ul>	<input checked="" type="checkbox"/> <p>and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.collinsfoods.com/about-us/board-of-directors/">http://www.collinsfoods.com/about-us/board-of-directors/</a> AND <a href="https://www.collinsfoods.com/investors/news-and-announcements/">https://www.collinsfoods.com/investors/news-and-announcements/</a> (refer to the Company's 2021 Annual Report)</li> </ul> <p>and, where applicable, the information referred to in paragraph (b) at:</p> <ul style="list-style-type: none"> <li>• N/A</li> </ul> <p>and the length of service of each director at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/news-and-announcements/">https://www.collinsfoods.com/investors/news-and-announcements/</a> (refer to the Company's 2021 Annual Report)</li> </ul>	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: <a href="https://www.collinsfoods.com/investors/news-and-announcements/">https://www.collinsfoods.com/investors/news-and-announcements/</a> (refer to the Company's 2021 Annual Report and 2021 Positive Impact Report)	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: • <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies/">https://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer to the Group Code of Conduct)	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: • <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies/">https://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer to the Group Whistleblowers Policy)	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies/">https://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer to the Group Code of Conduct)	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <ul style="list-style-type: none"> <li><a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies">https://www.collinsfoods.com/investors/corporate-governance/key-policies</a> (refer to the Audit and Risk Committee Charter)</li> </ul> <p>and the information referred to in paragraphs (4) and (5) at:</p> <ul style="list-style-type: none"> <li><a href="https://www.collinsfoods.com/investors/news-and-announcements/">https://www.collinsfoods.com/investors/news-and-announcements/</a> (refer to the Company's 2020 Annual Report)</li> </ul> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies">https://www.collinsfoods.com/investors/corporate-governance/key-policies</a> (refer to the Group Continuous Disclosure Policy, Group Disclosure Guidelines and Group Communications Policy)</li> </ul>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance">https://www.collinsfoods.com/investors/corporate-governance</a>;</li> <li>• <a href="https://www.collinsfoods.com/about-us">https://www.collinsfoods.com/about-us</a></li> </ul>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies">https://www.collinsfoods.com/investors/corporate-governance/key-policies</a> (refer to the Group Communications Policy)</li> </ul>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies">https://www.collinsfoods.com/investors/corporate-governance/key-policies</a> (refer to the Audit and Risk Committee Charter)</li> </ul> and the information referred to in paragraphs (4) and (5) at: <ul style="list-style-type: none"> <li>• <a href="http://www.collinsfoods.com/about-us/board-of-directors/">http://www.collinsfoods.com/about-us/board-of-directors/</a></li> <li>• <a href="https://www.collinsfoods.com/investors/news-and-announcements/">https://www.collinsfoods.com/investors/news-and-announcements/</a> (refer to the Company's 2021 Annual Report)</li> </ul>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies">https://www.collinsfoods.com/investors/corporate-governance/key-policies</a> (refer to the Group Risk Management Policy)</li> </ul>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	<input checked="" type="checkbox"/> and we have disclosed how our internal audit function is structured and what role it performs at: <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/">https://www.collinsfoods.com/investors/corporate-governance/</a> (refer to the Corporate Governance Statement)</li> </ul>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: <a href="https://www.collinsfoods.com/investors/corporate-governance/">https://www.collinsfoods.com/investors/corporate-governance/</a> (refer to the Corporate Governance Statement and Sustainability (Positive Impact) Report)	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies/">https://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer to the Remuneration and Nomination Committee Charter)</li> </ul> <p>and the information referred to in paragraphs (4) and (5) at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/about-us/board-of-directors/">https://www.collinsfoods.com/about-us/board-of-directors/</a></li> </ul>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies/">https://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer to the Remuneration Policy)</li> </ul>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.collinsfoods.com/investors/corporate-governance/key-policies/">https://www.collinsfoods.com/investors/corporate-governance/key-policies/</a> (refer to the Group Securities Trading Policy)</li> </ul>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

# CORPORATE GOVERNANCE STATEMENT

## Collins Foods Limited

Collins Foods Limited (**Collins Foods**), its subsidiaries (together, the **Group**) and its Board of Directors strongly support high standards of corporate governance, recognising that the adoption of good corporate governance protects and enhances stakeholder interests.

The following statement provides an overview of Collins Foods' governance practices and reports against the fourth edition of the ASX Corporate Governance Council's (**Council**) Corporate Governance Principles and Recommendations (**Principles and Recommendations**) released by the Council in February 2019. The first full financial year of Collins Foods following the release of the Principles and Recommendations ended on 2 May 2021. The Company's corporate governance practices were in place for the entire year and meet the Principles and Recommendations.

This Corporate Governance Statement (**Statement**) was approved by the Board on 29 June 2021.

Collins Foods' corporate governance practices are reviewed regularly and continue to be developed and refined to meet the needs of Collins Foods, taking account of best practice.

Further information and supporting material can be found on the Collins Foods' website located at [www.collinsfoods.com](http://www.collinsfoods.com).

## 1 Lay solid foundations for management and oversight

### The role of the Board

- 1.1 The Board's primary role is the protection and enhancement of shareholder value. Central to this role is the establishment of a clear framework delineating the responsibilities of the Board and management, to ensure Collins Foods is properly managed.
- 1.2 The Board has identified the key functions which it has reserved for itself, as set out in the Board Charter, a copy of which is available from the *'Investors/ Corporate Governance'* section of Collins Foods' website.
- 1.3 The responsibilities of the Board include:
- (a) providing input to, and approval of, Collins Foods' strategic direction and budgets as developed by management;
  - (b) directing, monitoring and assessing Collins Foods's performance against strategic and business plans, to determine if appropriate resources are available;
  - (c) approving and monitoring capital management and major capital expenditure, acquisitions and divestments;
  - (d) overseeing the establishment and implementation of risk management and internal control systems and reviewing the effectiveness of their implementation;
  - (e) approving and monitoring internal and external financial and non-financial reporting, including reporting to shareholders, ASX and other stakeholders;
  - (f) appointment, performance assessment and, if appropriate, removal of the Chief Executive Officer (CEO);
  - (g) approving the appointment and/or removal of the Group Chief Financial Officer (Group CFO) and Company Secretary and other members of the senior executive management team where appropriate;
  - (h) overseeing and contributing to the performance assessment of members of the senior management executive team; and
  - (i) encouraging ethical behaviour and compliance with Collins Foods' own governing documents, including Collins Foods' Group Code of Conduct.

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- 1.4 The Board has established Committees to assist in carrying out its responsibilities and to review certain issues and functions in detail. The Board Committees are discussed at '2' below.
- 1.5 Non-executive Directors are issued with formal letters of appointment governing their roles and responsibilities.

### Delegations to Management

- 1.6 The Board has delegated responsibility for implementing Collins Foods' strategy as approved by the Board and for the day-to-day management and administration of Collins Foods to the CEO supported by the senior leadership team.
- 1.7 Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Management provides detailed reports for each four week trading period on financial and non-financial matters to the Board regardless of whether a Board meeting is scheduled. Issues escalation to the Board occurs on a risk-based approach. The Board has unrestricted access to company records and information.
- 1.8 Senior leaders are issued with formal letters of appointment governing their roles and undergo a formal induction process. The appointment of new senior executives is subject to the return of no material adverse information revealed by checks performed about the executive.

### Company Secretary

- 1.9 All Directors have access to the Company Secretary, who supports the effectiveness of the Board and is accountable to the Board on all governance matters. The appointment and removal of the Company Secretary is a matter for approval by the Board.

### Diversity and Inclusion Policy

- 1.10 Collins Foods values and is proud of its strong and diverse workforce and is committed to supporting and further developing this diversity. Accordingly, Collins Foods has developed a Diversity and Inclusion Policy which outlines Collins Foods' diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives and Collins Foods' progress in achieving them.
- 1.11 The Board has established the overarching objective of females representing at least 51% of the organisation's workforce. The Board also endorses other objectives of the organisation's businesses including measures in relation to female regional general manager levels, flexible working arrangements, and maternity and return to work arrangements.
- 1.12 For the Workplace Gender Equality Agency (GEA) reported period, information on the actual number and proportion of women employed by Collins Foods is set out below.

	2020 ACTUAL		2019 ACTUAL	
	Number	%	Number	%
Number of women employees in the whole organisation	7,346	49.8	6,564	51.4
Number of women in senior executive <sup>1</sup> positions	3	50	2	33
	2020 ACTUAL		2019 ACTUAL	
	Number	%	Number	%
Number of women on the Board	2	33	2	33

<sup>1</sup> Senior executives includes managers who hold roles designated as senior executive roles, as well as Key Management Personnel.

- 1.13 The Diversity and Inclusion Policy is available from the '*Investors/ Corporate Governance*' section of Collins Foods' website.

### Executive performance assessment

- 1.14 The Board approves criteria for assessing performance of the CEO and other KMP Executives and monitoring and evaluating their performance.
- 1.15 The Remuneration and Nomination Committee is responsible to the Board for ensuring the performance of the CEO and other senior management executives is reviewed at least annually. The Committee reviews the performance of the CEO, while the CEO is responsible for performance reviews of KMP Executives.

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- 1.16 Performance evaluations for the CEO and other executives were undertaken during the year in accordance with the above process.

## 2 Structure the Board to add value

### Board skills

- 2.1 The Board is responsible for the overall operation and stewardship of Collins Foods and, in particular, for the long-term growth and profitability of Collins Foods. The Board succession policy is therefore focused upon maintaining a director membership with diverse yet complimentary skills and experience that enables it to appropriately and effectively oversee the execution of Collins Foods' policies, strategies and financial objectives.
- 2.2 The Directors of Collins Foods identify the following strategic priorities that are regarded to be key drivers of long term shareholder value creation:
- (a) A focus upon driving sales with innovative products to maximise turnover and enhance profitability;
  - (b) Promoting superior operational performance that supports cost management initiatives and drives efficiencies that can meet the challenges of an evolving and increasingly competitive food services industry;
  - (c) Pursuing sustainable and strategic growth opportunities through investments and acquisitions that further strengthen the resilience of the business, enhance the existing network and support increased market penetration.
- 2.3 The Board has conducting a self-assessment across two categories: technical skills and depth of experience.
- 2.4 The Board skills and experience matrix identifies the skills and experience considered to be required, taking into account the Company's strategy and principal operations. The Board as a collective meet the skills and experience competencies as set out in the matrix.

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**Total number of directors at date of corporate governance statement: 7**

<b>Essential technical skills</b>	<b>Number Directors with skills</b>
Financial qualifications, experience and literacy <i>Ability to critically assess financial performance and external and internal audit processes, contribute to Collins Foods' strategic financial planning and probe adequacies of financial, risk and other internal controls</i>	2
Legal <i>Demonstrated experience to identify and oversee Collins Foods' compliance and regulatory obligations, provide broad legal perspective on matters before the board including identification of potential legal issues</i>	1
Governance qualifications <i>Developing and overseeing sophisticated corporate governance frameworks and ability to apply that knowledge and experience to continually improve</i>	6
<b>Experience based competencies</b>	
Audit experience <i>Critically assessing financial performance, external and internal audit processes and contributing to strategic financial planning</i>	1
Business / commercial experience <i>Strong understanding of business operations, Collins Foods' operating environment</i>	7
Mergers and Acquisitions <i>Critically assessing treasury management, capital management, financing arrangements for new acquisitions, strategies and investment performance</i>	6
Executive management <i>Management of large complex businesses, setting of appropriate performance indicators and reports to assist with monitoring of organisational performance, critically assessing effectiveness of underlying business performance systems</i>	7
International business experience <i>Experience working in multiple geographies over an extended period of time, including a deep understanding of and experience with global markets, and the macro-political and economic environment</i>	5
Listed environment <i>Developing and overseeing sophisticated corporate governance frameworks appropriate for listed entities and applying knowledge and experience for continuous improvement</i>	6
Project management <i>Critically assessing and contributing to strategic projects</i>	7
Retail food <i>Demonstrated experience in the retail industry including a wide range of areas products, practices and performance measures, the regulatory environment and key stakeholders</i>	5
Risk and compliance <i>Demonstrated experience to identify and oversee management of key risks in a wide range of areas, assist with setting risk appetite and risk culture, monitor effectiveness of risk and compliance management frameworks and systems</i>	5
Stakeholder communication <i>Form and maintain positive relationships with a wide range of stakeholders</i>	7
Strategy and planning <i>Formulating and implementing strategies to successfully deliver intended strategic outcomes, identifying and critically assessing strategic opportunities and threats</i>	6

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- 2.5 The Board considers that all directors have the following necessary attributes: acting ethically, committing sufficient time to undertake the responsibilities of the role, communication in an open, respectful manner with a preparedness to challenge and critique. In performing these responsibilities, the Board endeavours to serve the interests of shareholders, employees, customers and the broader community. The Board regards itself as carrying all the appropriate attributes required for fulfilling its director duties, overseeing the performance of senior management and the execution of Collins Foods' long term strategy.

### **Board composition**

- 2.6 Consistent with its Charter, the Board of Collins Food Limited is comprised of Directors with diverse yet complementary skills and experience, enabling it to appropriately and effectively oversee all aspects of Collins Foods' operations and enhance performance.
- 2.7 Until 29 June 2021, the Board was comprised of six non-executive Directors (Collins Foods Limited's Constitution provides for a minimum of three and a maximum of ten Directors). On 29 June 2021, the CEO was appointed to the Board. The Board believes the size of the Board is appropriate to discharge its duties as well as being conducive to effective discussion and efficient decision making.
- 2.8 Four directors, including the Chair, are considered to be independent non-executive Directors forming an independent majority. This structure enables an appropriate balance to be struck between Directors with experience and knowledge of the business operations and Directors with an external perspective and a level of independence.
- 2.9 The Chair is elected by the Board and is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their roles and responsibilities, facilitating Board discussions and managing the Board's relationship with Collins Foods' executives, including the CEO (a role which is exercised by a separate individual).
- 2.10 The CEO is responsible for implementing Company strategies and policies.
- 2.11 Details for each director of Collins Foods, including details of skills, experience and expertise are set out in the Directors' Report as well as at the 'About Us' section of Collins Foods' website: [www.collinsfoods.com](http://www.collinsfoods.com).

### **Director independence and conflicts of interest**

- 2.12 A Director will be considered independent from Collins Foods if they have no business or other relationship which could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.
- 2.13 The Board requires each Director to disclose any new information, matter or relationship which could, or could reasonably be perceived to, impair the Director's independence, as soon as these come to light. All material personal interests are verified at each Board meeting under a standing agenda item. Materiality is assessed on a case by case basis from the perspective of both Collins Foods and the director concerned.
- 2.14 The Board periodically assesses the independence of each director, utilising independence criteria aligned with the Principles and Recommendations. Four of the six non-executive Directors of Collins Foods were, throughout the financial year and as at the date of this Statement determined to be independent.
- 2.15 In accordance with the Corporations Act 2001 (Cth) and the Constitution of Collins Foods, directors are restricted in their involvement when the Board considers and votes on any matter in which a director has a material personal interest.
- 2.16 The Board also has procedures in place to ensure it operates independently of management. Non-executive directors meet together generally before each Board meeting in the absence of executives of Collins Foods to discuss the operation of the Board and a range of other matters.

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2.17 The independent directors and length of service is set out in the table below.

Name	Appointment	Most recent election/ re-election
Robert Kaye SC	October 2014	Re-election at 2021 AGM
Bronwyn Morris AM	August 2011	2019 AGM
Russell Tate	August 2011	2020 AGM
Christine Holman	December 2019	2020 AGM

### Board access to information and advice

2.18 Directors and Board Committees have the right to seek independent professional advice at Collins Foods' expense to assist them to discharge their duties. Whilst the Chair's prior approval is required, it may not be unreasonably withheld.

### Selection, appointment and re-election of Directors

2.19 When it is assessed that a new director should be appointed to the Board, as an outcome from size and composition review or succession planning, a position brief is prepared identifying the skills required. These identified skills ensure a complementary mix of financial, legal, industry and listed entity knowledge and experience is maintained on the Board, having regard to Collins Foods' Diversity and Inclusion Policy. From this, a short list of candidates is prepared, from already identified individuals and/or independent search consultants.

2.20 The appointment of new directors is subject to the return of no material adverse information revealed by checks performed about the director. The Board appoints the most suitable candidate who must stand for election at the next annual general meeting.

2.21 The Remuneration and Nomination Committee is also responsible for making recommendations whether or not Directors, whose term of office is expiring, should be proposed for re-election at Collins Foods' next annual general meeting.

2.22 All directors are expected to continue as directors only for so long as they have the confidence of their fellow Board members and the confidence of Collins Foods' shareholders.

2.23 In accordance with the Constitution of Collins Foods, no Director, except the Managing Director, shall hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election.

2.24 Selected directors are then offered for re-election at the next annual general meeting, with sufficient details to allow shareholders to make an informed decision on their election.

### Commitment

2.25 The commitments of non-executive directors are considered prior to a director's appointment to the Board and are reviewed each year as part of the annual performance assessment.

2.26 Prior to appointment or being submitted for re-election, each non-executive director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to Collins Foods.

2.27 Commitment is required in relation to preparation and attendance at scheduled Board meetings, strategy workshops and non-scheduled meetings called to address specific matters needing urgent attention.

### Induction and education

2.28 Each new director appointed undergoes a formal induction which provides them with information to enable them to actively participate in Board decision making as soon as possible, including information on Collins Foods' operations and Board and management roles, responsibilities and interactions. Directors are provided access to continuing education to update and enhance their skills and knowledge.

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### Review of Board performance

- 2.29 The Board undertakes Board evaluations periodically with the most recent evaluation occurring in the first half of calendar year 2021. The review involved consideration of the Board’s performance against the Board Charter, and set forth goals and objectives for the Board for the upcoming year.
- 2.30 The Remuneration and Nomination Committee oversees the evaluation of the performance of the Board and each Director, including an assessment of whether each Director has devoted sufficient time to his or her duties.
- 2.31 Performance evaluations for the Board and each Director are undertaken in accordance with the above via a process convened by the Chair and/ or by an independent third party approximately every three years or otherwise determined as appropriate by the Board.

### Board Committees

- 2.32 To assist in undertaking its duties, the Board has established the following Committees:
- (a) the Audit and Risk Committee; and
  - (b) the Remuneration and Nomination Committee.
- 2.33 Charters specify the responsibilities, composition, membership requirements, reporting processes and the manner in which the Committees are to operate. These Charters are reviewed on an annual basis. All matters determined by Committees are submitted to the Board as recommendations for Board decisions.
- 2.34 The Audit and Risk Committee and Remuneration and Nomination Committee Charters from the ‘Investors/ Corporate Governance’ section of Collins Foods’ website.
- 2.35 Details of directors’ membership of each Committee and their attendance at meetings are set out in the Directors’ Report.

## 3 Instil a culture of acting lawfully, ethically and responsibly

### Group Code of Conduct

- 3.1 Collins Foods’ commitment to maintaining ethical standards in its business activities is demonstrated in its values and its Group Code of Conduct which embraces these values. Collins Foods vision to be the ‘World’s Top Restaurant Operator’ and mission that ‘Restaurants are Done Better’ are underpinned by six core values:
- (a) ‘People at the Heart’: We are deeply committed to the wellbeing, development and safety of our people, and treat them as our family.
  - (b) ‘Customer Drive’: We are passionate about our customers. We work together to create unrivalled experiences.
  - (c) ‘Operational Excellence’: ‘Being Brilliant at the Basics’ is in our DNA – we are fanatical about driving performance and getting it right every time.
  - (d) ‘Ownership’: This is our company. We treat it like our own and take complete accountability for results.
  - (e) ‘Innovation Mindset’: Life is too short to stick with the status quo. We think big and take bold moves to make sure we are even better tomorrow than we were today.
  - (f) ‘Positive Impact’: Our people, our communities and our planet deserve our wholehearted commitment. We want our growth to be sustainable.
- 3.2 The Group Code of Conduct, which applies to all Directors and employees of Collins Foods, contains policy statements and describes the standards of behaviour expected by Collins Foods. The Board reviews the Group Code of Conduct annually. In summary, the Group Code of Conduct requires that all Directors and employees perform their duties professionally, in compliance with laws and regulations; and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of Collins Foods. The Group Code of Conduct includes provisions relating to anti-bribery and corruption matters.

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- 3.3 At the end of each financial year, an annual “*Conflicts of Interest and Anti-bribery/ Corruption Disclosure and Political Contributions Questionnaire*” (**Questionnaire**) is issued and completed by restaurant management and restaurant support centre employees. In addition to responses to the Questionnaire on these topics and securities trading, employees are required to acknowledge that they have read and understood the Group Code of Conduct and Group Securities Trading Policy. Collated responses are reported to the CEO and where necessary, the Chair.
- 3.4 Employees are encouraged to report any breaches of the Group Code of Conduct or other policies and procedures in place, and Collins Foods has a Group Whistleblower Policy and Ethics and Integrity line in place in support of this. The Audit and Risk Committee receives a summary of all investigation reports.
- 3.5 The Group Code of Conduct, Group Whistleblower Policy and Group Securities Trading Policy are available from the ‘*Investors/ Corporate Governance*’ section of Collins Foods’ website: [www.collinsfoods.com](http://www.collinsfoods.com).

## 4 Safeguard integrity in corporate reports

### Audit and Risk Committee

- 4.1 The Audit and Risk Committee has been established to assist the Board to focus on issues relevant to the integrity of the Group’s financial reporting and financial reporting process, internal control structure, risk management systems (financial and non-financial) and the internal and external audit process.
- 4.2 Its main responsibilities include:
- (a) reviewing, assessing and recommending the Board approve the Group’s annual and half-year financial reports and all other financial information published by Collins Foods or released to the market;
  - (b) overseeing the implementation and effective operation of the Group’s Risk Management system by management;
  - (c) monitoring the adequacy and effectiveness of the Group’s internal control framework including administrative, operating, accounting and financial controls to produce reliable financial reporting information and compliance with legal and regulatory obligations;
  - (d) making recommendations to the Board on the appointment, reappointment or replacement and remuneration of the external auditors, their terms of engagement and scope of audits;
  - (e) monitoring the effectiveness and independence of the external auditors;
  - (f) recommending to the Board, the appointment (and if appropriate, the removal) of the internal auditor; and
  - (g) monitoring and reviewing Management’s performance in establishing systems to provide for safe operations and for safety management in all the Group’s workplaces.
- 4.3 In carrying out its responsibilities, the Committee is authorised to:
- (a) have access to, and meet with, auditors (external and internal), employees of the Group and any external advisors without executives or management of the Group being present; and
  - (b) seek any information it requires from an employee (and all employees are directed to co-operate with any request made by the Committee) or external parties.
- 4.4 Consistent with its Charter, the Audit and Risk Committee is currently comprised of six non-executive Directors, is chaired by an independent Chairperson who is not Chair of the Board and four of six members are independent Directors. All members of the Committee are financially literate and have an appropriate understanding of the industry in which Collins Foods operates. One member has extensive experience and expertise in accountancy, as a former partner of a major accounting firm. The Committee meets at least four times a year. During the financial year, the Committee met six times.
- 4.5 The background details of the Audit and Risk Committee members and attendance at Committee meetings are set out in the Directors’ Report.

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### External auditors

- 4.6 The Audit and Risk Committee reviews the effectiveness of the external auditors and makes assessments in relation to their continued independence at least annually.
- 4.7 PwC was appointed external auditor in 2005. It is PwC's policy to rotate audit engagement partners on listed companies at least every five years.
- 4.8 An analysis of fees paid to the external auditors, including fees for non-audit services, is provided in the Directors' Report and notes to the financial statements. It is the policy of PwC to provide an annual declaration of its independence to the Audit and Risk Committee.
- 4.9 The external auditor will attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report. Questions may also be submitted in writing to the external auditor prior to the AGM; the process is set out in the Notice of Annual General Meeting.

### Declaration by Management

- 4.10 The CEO and Group CFO provide formal assurance to the Board that the Group's financial statements present a true and fair view of the Group's financial condition and operational results.

## 5 Make timely and balanced disclosure

### Continuous disclosure and shareholder communications

- 5.1 The Group has policies and procedures in place in relation to continuous disclosure and shareholder communications. These outline the Group's commitment to providing all shareholders and investors with equal access to the Group's information and disclosing all information that a reasonable person would expect to have a material effect on the share price to ASX, in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules (including any investor or analyst presentations). Copies of the Group Continuous Disclosure Policy, Group Communications Policy and Group Disclosure Guidelines are available from the *'Investors/ Corporate Governance'* section of the Collins Foods' website.
- 5.2 The Company Secretary has primary responsibility for all communications with ASX, overseeing and co-ordinating all information disclosure to ASX, shareholders and other relevant parties. All information released to ASX is posted on the *'Investors/ News & Announcements'* section of Collins Foods' website. Announcements are automatically emailed to directors and other key stakeholders of Collins Foods upon release by the ASX Market Announcements Office on the ASX Market Announcement Platform by ASX.
- 5.3 All employees have a responsibility to report any potentially price or value sensitive information to the Company Secretary, who is then responsible for ensuring this information is advised to the Disclosure Committee which then makes recommendations to the Board.
- 5.4 Collins Foods has also assigned Authorised Spokespersons for Collins Foods, to ensure all public communications are within the bounds of information that is already in the public domain, and/ or is not material.

## 6 Respect the rights of shareholders

- 6.1 The Group is committed to effective communication with its stakeholders and seeks to ensure that all stakeholders, market participants and the wider community are informed of its activities and performance. This commitment and supporting policies are set out in the Group's Communication Policy which is available from the *'Investors/ Corporate Governance'* section of the Collins Foods' website.
- 6.2 Information is communicated to shareholders through Collins Foods' website, annual report, ASX announcements and media releases, dividend mailouts, email broadcasts and other means where appropriate. Shareholders can elect whether they receive communications via Collins Foods' registry electronically or in print form.

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- 6.3 Where appropriate, Collins Foods communicates with all investors (retail, institutional and beneficial owners), generally in the period prior to the annual general meeting but also at other times of the year in accordance with the Group Disclosure Guidelines regarding ‘communication black-out periods’. Collins Foods also periodically conducts investor briefings to its institutional investors, brokers and analysts.
- 6.4 Collins Foods encourages attendance at, and participation in, general meetings. Shareholders are encouraged to submit questions ahead of the annual general meeting. Executives as well as the Board, are present at the annual general meeting to answer questions regarding Collins Foods’ business operations. Resolutions at the 2021 annual general meeting will be determined by poll.

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## 7 Recognise and manage risk

- 7.1 Risk management is viewed by the Group as integral to its objective of creating and maintaining shareholder value and is the responsibility of all Directors and employees.
- 7.2 The Board is responsible for satisfying itself at least annually and more frequently as required, that management has developed and implemented a sound system of risk management and internal control. The Board has delegated to the Audit and Risk Committee responsibility for the detailed work involved in this oversight role.
- 7.3 The Group undertakes its risk management activities utilising a Risk Management Framework, the methodology for which is consistent with the International Risk Management Standard ISO31000.
- 7.4 Key risk registers and general risk registers, utilising web enabled software, are maintained and regularly reviewed by management.
- 7.5 Those with assigned accountability for risks are required to sign off regularly that those risks have been managed effectively. Risk reports are reviewed periodically, but at least twice annually by the Audit and Risk Committee. The overall results of this assessment are presented to the Board at its next meeting. The Board also considers risk management at every Board meeting and requests additional information as required.
- 7.6 Compliance programs operate to ensure the Group meets its regulatory obligations.
- 7.7 Management reports to the Board as to the effectiveness of the Group’s management of its material business risks on an annual basis.
- 7.8 The Board receives a written assurance from the CEO and the Group CFO that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

### Risk profile

- 7.9 The key risks faced by the Group that have the potential to affect the financial prospects of the Group and how the Group manages these risks, include:
- (a) **food safety** - there is a risk that the health and safety of the public is compromised from food products. We address this risk through robust internal food safety and sanitation practices, audit programs, customer complaint processes, supplier partner selection protocols and communication policy and protocols. International and national regulatory bodies maintain that there is no evidence that COVID-19 is transmitted through food. Re-enforcing stringent food safety and hygiene practices during this time is the priority with the focus on illness exclusion policies, hand washing practices and hygiene and cleaning standards;
- (b) **workplace health and safety** - there is a risk that the Group does not provide a safe working environment for its people, contractors and the community. We address this risk through robust internal work health and safety practices, the implementation of initiatives and education programs with a focus on preventative measures with enhanced dedicated support in high risk areas to ensure the wellbeing of our key stakeholders. Since March 2020, there has been an increased focus on health, hygiene and social distancing practices (front of and back of house) across all brands, with staff kept up to date on a regular basis;

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- (c) **culture and people** - there is a risk that the Group's culture and people are negatively impacted by new acquisitions and growth and/or are not aligned or sustainable to support strategic priorities. We address this risk through deploying contemporary people practices, reward and recognition programs, talent management strategies and designation of appropriate human resources. As part of the COVID-19 response, the Group significantly increased the frequency of communications with both restaurant employees and support centre employees. Feedback through employee surveys has confirmed that the vast majority of our employees feel supported and well informed during this unprecedented and challenging time;
- (d) **brand growth and diversification (non-KFC)** - there is a risk that the Group does not successfully grow emerging brands and/or acquire and integrate new brands. We address this risk through having an experienced management team, robust project management processes involving trials and staged rollouts and regular strategic reviews and driving sales and financial performance in Taco Bell;
- (e) **deterioration of KFC brand** - there is a risk that the global KFC brand and reputation is damaged impacting the brand's performance in Australian and European markets. We address this risk through maintaining a close working relationship with the franchisor, having our team members sit on relevant KFC advisory groups and committees and monitoring compliance obligations. Metrics around brand health as part of regular marketing tracking have continued to reflect KFC's position as a strong, trusted brand in the Australian market. Performance during the COVID-19 crisis has reflected this strength as external research indicated that consumers gravitate toward trusted, safe brands in a time of crisis, and KFC's trading performance since the onset of the crisis is testament to the brand reputation being well-regarded;
- (f) **supply chain disruption** - there is a risk that the Group's inability to source key food and consumable products in an ethical manner, at the quality required, within the prescribed time frames. We address this risk through use of multiple suppliers where possible with a diverse geographic base with multiple distribution routes. During COVID-19, supply chain continuity has been maintained;
- (g) **systems integrity and cyber security** - there is a risk that key systems are not sufficiently stable, integrated and/or secure to support business operations and decision making. We address this risk through the increase of financial and human resources to the systems function and implementation of a systems and cyber security plan. The outbreak of COVID-19 and the resultant "work from home" mobilisation has increased this risk. We are managing this risk by increasing network monitoring, deploying multi-factor authentication and increasing communication to employees to reduce the impact of potential phishing attacks;
- (h) **inability to identify and react to consumer and competitive behaviour** - during COVID-19, we have responded to all government-imposed restrictions and the resultant changes in customer behaviour. Collins Foods have concentrated efforts toward consumer shifts in behaviour during the COVID-19 crisis, including quick and well-executed launches of delivery models and an expansion of cooperation with delivery aggregators in all brands in Australia as well as KFC Europe; and
- (i) **inability to adapt, innovate and change** - there is a risk that the Group's inability to adapt, innovate and manage change may negatively influence achievement of strategic and business priorities. We address this risk through having an experienced management team, robust fit for purpose project and change management practices involving pilots/trials and staged rollouts and regular strategic reviews. Since the COVID-19 crisis evolved, significant changes have been put in place across restaurants and moving the restaurant support centre to a fully functional work from home model within a short amount of time. Teams have shown incredible resourcefulness and commitment to finding solutions. Both KFC and Taco Bell have been able to rapidly respond to all government restrictions and provide great tasting, great value food to customers in a contactless way. Both brands have increased the level of digital communications with customers and the number of restaurants offering delivery.

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- 7.10 Collins Foods works toward ensuring that risk management practices are embedded into all processes and operations. Collins Foods is exposed to an element of climate related risks such as floods, drought and bushfires. Apart from these, Collins Foods does not consider that it has a material exposure to environmental or social risks. Collins Foods continuously seeks opportunities to reduce the environmental impact of its operations across all its restaurants, whether they are owned and operated in a franchisor or franchisee capacity. In 2021, Collins Foods released its inaugural positive impact report describing the environmental, social and governance related initiatives and opportunities relevant to Collins Foods.
- 7.11 The first modern slavery statement for Collins Foods was published in calendar year 2020 and the second modern slavery statement will be published in the second half of calendar year 2021.
- 7.12 In light of its partnership with the franchisor of its KFC Australia restaurants, it is suggested that the Collins Foods modern slavery statement and Positive Impact Report be read together with the KFC Australia modern slavery statement and Social Impact report both available via its website: [www.kfc.com.au](http://www.kfc.com.au).

### Internal audit

- 7.13 Collins Foods has an established internal audit function. The Audit and Risk Manager is responsible for establishing and maintaining an internal audit function and improving the Group's risk assurance maturity, with outsourced assistance as appropriate.
- 7.14 The reporting lines of the Audit and Risk Manager is to the and Chair of the Audit and Risk Committee and functionally to the Chief Legal and Compliance Officer.

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## 8 Remunerate fairly and responsibly

### Remuneration and Nomination Committee

- 8.1 The Remuneration and Nomination Committee has been established to assist the Board and operates in accordance with a Charter which is available from the *'Investors/ Corporate Governance'* section of the Collins Foods' website: [www.collinsfoods.com](http://www.collinsfoods.com).
- 8.2 Its main responsibilities, with respect to remuneration, include:
- (a) reviewing and making recommendations to the Board with respect to Collins Foods' remuneration principles, framework and policy for senior executives and Directors;
  - (b) providing advice in relation to remuneration packages of senior management executives, non-executive Directors and executive Directors;
  - (c) reviewing and making recommendations to the Board with respect to Company incentive schemes, including the implementation and operation of equity-based incentive plans, bonus plans and other employee benefit programs; and
  - (d) reviewing Collins Foods' recruitment, retention and termination policies.
- 8.3 In carrying out its responsibilities, the Remuneration and Nomination Committee is authorised to obtain outside professional advice as it determines necessary and it has received briefings during the year from external remuneration experts on various matters.
- 8.4 Consistent with its Charter, the Remuneration and Nomination Committee is chaired by an independent Chairperson and four of six members are independent Directors. The Committee meets at least three times a year. During the financial year, the Committee met five times.
- 8.5 The background details of the Remuneration and Nomination Committee members and attendance at Committee meetings are set out in the Directors' Report.
- 8.6 Information on Directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the heading 'Remuneration Report'.
- 8.7 The summary of the terms and conditions of the Collins Foods Executive and Employee Incentive Plan (LTIP) are set out in the Directors' Report under the heading 'Remuneration Report'. The LTIP is put to shareholders for approval in accordance with the ASX listing rules. The performance rights granted pursuant to the LTIP are subject to the operation of the Group Securities Trading Policy.

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