

BOARD CHARTER

Collins Foods Limited (the **Company**)

1 Purpose

This Charter sets out the role, composition and responsibilities of the Board of Collins Foods Limited (**CFL** or the **Company**) and describes processes the Board follows to discharge its role and responsibilities. The conduct of the Board is also governed by the Constitution of CFL and the laws of Australia (“laws”).

2 Roles and responsibilities

Board

- 2.1 The Board is responsible for the overall operation and stewardship of the Company and, in particular, for the long-term growth and profitability of the Company, the strategies, policies and financial objectives of the Company, and for monitoring the implementation of those policies, strategies and financial objectives, including the responsibilities set out below.
- 2.2 In performing the responsibilities set out below, the Board will endeavour to serve the interests of shareholders, employees, customers and the broader community honestly, fairly, diligently and in accordance with the Company’s Constitution and applicable laws.
- 2.3 **Strategy:**
- (a) Providing input to, and approval of, the Company’s strategic direction and budgets as developed by management.
 - (b) Directing, monitoring and assessing the Company’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.
- 2.4 **Risk management:**
- (a) Overseeing the establishment and implementation of the risk management framework, policies and the treatment of risks that are material to the Company.
 - (b) Reviewing the effectiveness of the implementation of the risk management framework and policies.
 - (c) Reviewing and ratifying the Company’s systems of internal compliance and control, risk management and legal and tax compliance, to determine the integrity and effectiveness of those systems.
- 2.5 **Reporting:**
- (a) Approving and monitoring internal and external financial and non-financial reporting, including reporting to shareholders, ASX and other stakeholders.
- 2.6 **Management appointment and performance:**
- (a) Appointing, (and, if appropriate, removing from office) the CEO, determining his/her conditions of service and monitoring his/her performance against established objectives.
 - (b) Approving the appointment (and, if appropriate, the removal from office) and remuneration of Key Management Personnel and Company Secretary.
 - (c) Assessing, monitoring and approving where appropriate, the selection, appointment, remuneration, succession and evaluation of the performance of management.

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- 2.7 **Board performance:**
- (a) Undertaking an annual board evaluation that compares the performance of the Board with the requirements of this Charter, sets forth the goals and objectives of the Board for the upcoming year.
- 2.8 **Corporate governance:**
- (a) Monitoring and evaluating the Company's compliance with the Company's own governing documents and corporate governance standards including the Company's Code of Conduct, and ensuring these are appropriate with reference to best practice corporate governance standards.
- 2.9 **Board committees:**
- (a) Establishing appropriate Board Committees to assist the Board in performance of its role.
- (b) Adopting Charters setting out the membership, responsibilities and reporting obligations of each Board Committee and evaluating the performance of the Board Committees.
- (c) Undertaking an annual performance evaluation of each Board Committee that compares the performance of the Board Committee with the requirements of the relevant Board Committee Charter, sets forth the goals and objectives of the Board Committee for the upcoming year and effecting any amendments to the relevant Board Committee Charter considered necessary or desirable.

Delegations to the CEO

- 2.10 The Board delegates to the CEO all powers and authority to achieve the Company's objectives and effectively manage the day-to-day operations of the Company, subject to any authority limits that the Board imposes from time to time.
- 2.11 The CEO's other responsibilities include:
- (a) Ensuring Directors are provided with accurate and clear information in a timely manner to promote effective decision making by the Board.
- (b) Ensuring all material matters affecting the Company are brought to the Board's attention.

3 Board Structure

Board size and composition

- 3.1 The Board determines the Board size and composition, subject to limits imposed by CFL's Constitution. The Constitution provides for a minimum of three Directors and a maximum of 10.
- 3.2 The Board should comprise:
- (a) a majority of independent Directors;
- (b) Directors with an appropriate range of skills, experience and expertise;
- (c) Directors who have a proper understanding of, and competence to deal with, current and emerging issues of the Company; and
- (d) Directors who can effectively review and challenge the performance of management and exercise independent judgement.
- 3.3 A Director will be considered independent from the Company 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.
- 3.4 CFL's guidelines for assessing the independence of Directors are attached in Appendix A.
- 3.5 The Board shall regularly review the independence of each Director in light of interests disclosed and will disclose any change to ASX, as required by the ASX Listing Rules.
- 3.6 Directors will be appointed pursuant to formal letters of appointment setting out the key terms and conditions of their appointment.

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Tenure of Directors

- 3.7 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 the Company's shareholders.
- 3.8 In accordance with Constitution of the Company, no Director except a 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.

Role of the Chairman

- 3.9 The Chairman should be an independent non-executive Director.
- 3.10 The Chairman presides over Board and General Meetings of CFL and is responsible for ensuring that these meetings are conducted competently and ethically.
- 3.11 The Chairman's responsibilities include:
- (a) providing leadership to the Board in the performance of its duties;
 - (b) facilitating effective discussions at Board meetings;
 - (c) briefing all Directors in relation to issues arising at Board meetings;
 - (d) facilitating the effective contribution and ongoing development of Directors;
 - (e) ensuring processes and procedures are in place to evaluate the performance of the Board, its committees and individual directors;
 - (f) ensuring effective communication with shareholders; and
 - (g) representing the Board in dealings with management.

4 Company secretary

- 4.1 The Company Secretary is accountable to the Board.
- 4.2 All Directors and Board Committees have access to the Company Secretary.

5 Board procedures

- 5.1 Meetings shall be held as frequently as deemed appropriate by the Chairman but not less than six times per year.
- 5.2 The Chairman or Company Secretary will convene a meeting of the Board whenever asked to do so by a Director.
- 5.3 A quorum for a meeting of the Board will be two Directors, at least one of whom must be an independent Director.
- 5.4 The Board may invite any person to attend for all or part of any of its meetings.
- 5.5 The Company Secretary will take minutes of all meetings held and keep records of all reports and resolutions made by the Board.

6 Conflicts of interest

- 6.1 A Director who has a direct or indirect interest in a matter being considered by the Board must disclose the nature of the interest or extent of the conflict to a meeting of the Board as soon as practicable after the relevant facts come to the Director's knowledge.
- 6.2 Each Director must comply with the laws in relation to being present, or voting, at a Board meeting that considers a matter in which the Director has a material personal interest.

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- 6.3 If a conflict or potential conflict situation exists, it is expected that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other Directors who do not have a material personal interest in the matter have passed a resolution that states that those Directors are satisfied that the interest should not disqualify the Director from being present or voting on the matter.

7 Independent professional advice for directors

- 7.1 Directors may obtain independent professional advice, at the Company's cost, in carrying out their responsibilities.
- 7.2 It will be appropriate to obtain independent professional advice where:
- (a) the issue or recommendation in question is one which the Director reasonably considers, after consulting with the Board or the Chairman of the Board, is of a character that makes obtaining independent advice appropriate; and
 - (b) the Board or Chairman, following such consultation consents to the obtaining of such advice.
- 7.3 Independent professional advice can be obtained without the involvement of the Company's Management where the Board or the Chairman considers it appropriate to do so.
- 7.4 A suitable qualified expert in the appropriate field should be instructed. Prior to instructing the expert, the Director should advise the Board or Chairman of the fee payable which must be reasonable having regard to the nature of the advice sought and the fees charged by comparable experts.
- 7.5 All instructions to the expert must be in writing specifying the party instructing and the capacity in which that party is acting and the party to whom the advice is to be addressed.
- 7.6 Except in circumstances of competing interests between the Directors or the Director and the Company, a copy of the advice, the letter of instruction, and all materials which accompanied the letter must be provided to the Board.

8 Review of amendment

- 8.1 The Board shall review and reassess the Charter annually or otherwise as it considers necessary.
- 8.2 To the extent that there is any inconsistency between this Charter and the Company's Constitution, the Constitution will prevail.

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Appendix A – Guidelines for Assessing the Independence of Directors

An independent Director is a non-executive Director and:

- Is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- Within the last three years has not been employed in an executive capacity by the Company or another member Company, or been a Director after ceasing to hold any such employment.
- Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another member Company or an employee materially associated with the service provided.
- Is not a material supplier or customer of the Company or other member Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has no material contractual relationship with the Company or another member Company other than as a director of the Company.
- Has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.
- Is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The threshold for materiality will be judged according to the significance of the relationship to the Director and CFL in the context of their activities as a whole, including:

- the proportion of a class of expenses or revenues that the relationship represents to both CFL and the third party;
- the strategic importance to the Company's business of the goods or services purchased or supplied by the Company;
- the extent to which the services supplied are integral to the operation of the Company's business, including the extent to which the services provided are unique and not readily replaceable.

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