# FORBIDDEN FOODS LIMITED

## 2021 Corporate Governance Statement

The Board of Forbidden Foods Limited (**FFF** or **Forbidden Foods**) is committed to maximising performance, generating appropriate levels of shareholder value and sustaining the growth and success of FFF. With these objectives in mind, the Board is concerned in ensuring that FFF is properly managed to protect and enhance shareholder interests and that FFF, its directors, officers and employees, operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing FFF including adopting corporate governance policies and practices which it believes are appropriate for FFF's business and which are designed to promote the responsible management and conduct of FFF.

The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities (the **Recommendations**) in order to promote investor confidence and assist companies in meeting shareholder expectations. The Recommendations are set out in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th Edition)*. Under the ASX Listing Rules, FFF is required to provide a statement in its annual report disclosing the extent to which it has followed the Recommendations in the relevant reporting period. Where FFF does not follow a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not doing so.

This statement describes Forbidden Foods' position in relation to each of the Recommendations as at 30 September 2021.

| ASX Recommendation (4th edition) | Compliance (Yes/No) | Explanation |
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| **Principle 1: Lay solid foundations for management and oversight**<br>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance. | | |
| **Recommendation 1.1:** A listed entity should have and disclose a board charter setting out:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management. | Yes | **The Board**<br>Forbidden Foods' constitution (the **Constitution**) provides that the business of Forbidden Foods will be managed by the Board. The Board operates under a board charter (the **Board Charter**), a copy of which is available on Forbidden Foods' corporate website www.forbiddenfoodsgroup.com (the **Corporate Website**). The key roles and responsibilities of the Board are set out in the Board Charter.<br>**Senior management**<br>The Board Charter also sets out the key roles and responsibilities of senior management, and it articulates the division of responsibilities between the Board and management. To assist in the execution of the Board's responsibilities, the Board has established the following two committees of the Board (each a **Board Committee**): the Audit, Risk and Compliance Committee and the Remuneration and Nomination Committee. The key responsibilities of each Board Committee are set out in their respective charters (which are also available on the Corporate Website. The Board Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so. |
| **Recommendation 1.2:** A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(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. | Yes | The Constitution sets out the process of appointment, retirement and rotation of directors.<br>In accordance with the Remuneration and Nomination Committee Charter, before a person is appointed as a director or is put forward to shareholders as a candidate for election as a director, Forbidden Foods will ensure that appropriate checks are undertaken, including checks as to the person's character, experience, education, criminal record and bankruptcy history.<br>The Remuneration and Nomination Committee is responsible for reviewing potential candidates for directorship and making a recommendation to the Board. In addition, each candidate for directorship is required to be interviewed by the Chair (and any other person that the Chair considers appropriate).<br>The Board will provide shareholders with all material information in the possession of Forbidden Foods relevant to a decision on whether or not to elect or re-elect a person as a director. |
| **Recommendation 1.3:** A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | Yes | In accordance with the Board Charter, the appointment of any new director of Forbidden Foods and each senior executive will be made by, and in accordance with, a formal letter of appointment or written agreement setting out the key terms and conditions relative to that appointment. Each of Forbidden Foods' executive directors and senior executives have entered into services agreements with Forbidden Foods, and each of Forbidden Foods' non-executive directors have signed appointment letters with Forbidden Foods. |
| **Recommendation 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. | Yes | In accordance with the Board Charter, the decision to appoint or remove the company secretary must be made or approved by the Board. The company secretary of Forbidden Foods is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The key roles and responsibilities of the company secretary are set out in the Board Charter. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Recommendation 1.5:** A listed entity should:<br>(a) have and disclose a diversity policy;<br>(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<br>(c) disclose in relation to each reporting period:<br>(1) the measurable objectives set for that period to achieve gender diversity;<br>(2) the entity's progress towards achieving those objectives; and<br>(3) either:<br>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<br>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. | No | Forbidden Foods has adopted a Diversity Policy, a copy of which is available on Forbidden Foods' Corporate Website. Forbidden Foods recognises that a diverse workplace is likely to be the natural long-term consequence of merit-based decision-making in hiring, firing and promotions, and that a diverse workforce achieved through merit-based decision-making is integral to building and sustaining a culture that fosters equal opportunity.<br><br>Forbidden Foods has not yet set measurable diversity objectives. Forbidden Foods has only become a public company recently and has a relatively small workforce. The Board has not yet set measurable objectives but believes that this is appropriate for the size of the Company and the scale of its operations. As the size and scale of the Company change, this will continue to be reviewed for appropriateness. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Recommendation 1.6:** A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and<br>(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. | Yes | Forbidden Foods' Board Charter states that an annual performance evaluation of the Board, its committees and individual directors will be undertaken.<br>The Board of Forbidden Foods undertook a process for evaluating its performance and that of its committees and individual directors during FY21. The form of that process was by way of internal review, self-assessment and review by the Chair. |
| **Recommendation 1.7:** A listed entity should:<br>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and<br>(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. | Yes | Forbidden Foods has established a process of evaluating the performance of its Key Management Personnel. These reviews are conducted in the form of performance reviews with, in the case of the Managing Director, the Chair, and in the case of the COO and CFO, the Managing Director. These were undertaken in respect of FY21. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Principle 2: Structure the board to be effective and add value**<br>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value. | | |
| **Recommendation 2.1:** The board of a listed entity should:<br>(a) have a nomination committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director, and<br>disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | Yes | The Board has established a Remuneration and Nomination Committee governed by the Remuneration and Nomination Committee Charter adopted by the Board, a copy of which is available on Forbidden Foods' Corporate Website. The Committee Charter sets out the roles, responsibilities, composition, structure and membership requirements of the Committee.<br>The Committee is comprised of at least three members, a majority of whom are independent directors. The Committee is currently comprised of two independent non-executive director members being Colleen Lockwood (Chair) and Mark Hardgrave. Marcus Brown is an executive director member of the Committee. The Board is satisfied that the composition of the Committee reflects an appropriate balance of independence, skills and experience for Forbidden Foods.<br>The number of meetings and individual attendances held during the year is included in Forbidden Foods' FY21 Annual Report. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Recommendation 2.2:** A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | Yes | The Remuneration and Nomination Committee is responsible for preparing (and updating as and when required) a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.<br><br>Forbidden Foods has established a Board skills matrix including diversity. This matrix is annexed to this Corporate Governance Statement. |
| **Recommendation 2.3:** A listed entity should disclose:<br><br>(a) the names of the directors considered by the board to be independent directors;<br><br>(b) if a director has an interest, position, 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, association or relationship in question and an explanation of why the board is of that opinion; and<br><br>(c) the length of service of each director. | Yes | The Board comprises 4 members, two of whom Forbidden Foods considers to be independent, Mark Hardgrave (non-executive chairman) and Colleen Lockwood (non-executive director).<br><br>The Board Charter sets out guidelines for the purpose of determining independence of Forbidden Foods directors in accordance with the Recommendations and has adopted a definition of independence that is based on that set out in the Recommendations.<br><br>The Board is required to regularly, but at least annually, assess the independence of each director. In the case of a change in a director's interests, this assessment is required to be made as soon as practicable after the Committee becomes aware of the change.<br><br>The non-executive directors have received options in Forbidden Foods, as disclosed in its prospectus dated 21 July 2020. These were a one-off issue in conjunction with Forbidden Foods' initial public offering and the Board does not consider that the granting of these options to non-executive directors has compromised their status as independent. Forbidden Foods made the grant of director options to maintain cash reserves for its operations whilst providing cost effective consideration to the non-executive directors for agreeing to join the Board and rewarding their commitment and contribution to Forbidden Foods.<br><br>Forbidden Foods considered the grant of director options reasonable given the experience and reputation of the non-executive directors, the relationship between the director option exercise price and the offer price, the implied value of the director options and current market practices. The options expire 3 years after Forbidden Foods' listing date. |
| **Recommendation 2.4:** A majority of the board of a listed entity should be independent directors. | No | Two of Forbidden Foods' directors are independent (Mark Hardgrave, Chair, and Colleen Lockwood) and the remaining two directors are not independent (Marcus Brown and Jarrod Milani). Accordingly, the Board consists of an equal number of independent and non-independent directors. The Board considers that each director adds significant value given their considerable skills and experience and brings objective and independent judgement to the Board. |
| **Recommendation 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. | Yes | The Chair, Mark Hardgrave, is an independent director.<br><br>The Board supports the separation of the role of the Chair from that of the CEO. Forbidden Foods' CEO is Marcus Brown. |
| **Recommendation 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. | Yes | In accordance with the Remuneration and Nomination Committee Charter, the Committee is required to ensure that any new director is appropriately introduced to Forbidden Foods and is acquainted with knowledge of Forbidden Foods and the industry within which it operates.<br><br>The Remuneration and Nomination Committee is responsible for induction and continuing professional development opportunities for directors to maintain the skills and knowledge needed to perform their role effectively. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Principle 3: Instil a culture of acting lawfully, ethically and responsibly**<br>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly. | | |
| **Recommendation 3.1:** A listed entity should articulate and disclose its values. | Yes | Forbidden Foods' core values are set out on its Corporate website under the "about" section. Forbidden Foods' core values are:<br>• Provide quality, health food products that satisfy and delight every customer.<br>• Act with pure intent through ethical and sustainable sourcing.<br>• Build long-term genuine relationships in the food, farming and agriculture industries.<br>• Create a challenging, rewarding and inclusive culture where everyone can contribute. |
| **Recommendation 3.2:** A listed entity should:<br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code. | Yes | Forbidden Foods has adopted a code of conduct, a copy of which is available on Forbidden Foods' Corporate Website. Forbidden Foods's code of conduct applies to all personnel of Forbidden Foods and its subsidiaries (including all directors, senior management, employees, contractors and consultants).<br>Any material reports of unacceptable behaviour will be reviewed by the company secretary and reported to the Board. |
| **Recommendation 3.3:** A listed entity should:<br>(c) have and disclose a whistleblower policy;and<br>(d) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | Yes | Forbidden Foods has adopted a whistleblower policy, a copy of which is available on Forbidden Foods' Corporate Website. The policy includes that the Board will be informed of any material incidents reported under the policy as appropriate. |
| **Recommendation 3.4:** A listed entity should:<br>(e) have and disclose an anti-bribery and corruption policy;and<br>(f) ensure that the board or a committee of the board is informed of any material breaches of that policy. | Yes | Forbidden Foods' anti-bribery and corruption policies are included in its Code of Conduct, a copy of which is available on Forbidden Foods' Corporate Website.<br>Any material reports of unacceptable behaviour will be reviewed by the company secretary and reported to the Board. |

| **Principle 4: Safeguard the integrity of corporate reports**<br>A listed entity should have appropriate processes to verify the integrity of its corporate reports. | | |
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| **Recommendation 4.1:** The board of a listed entity should:<br>(a) have an audit committee which:<br>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and<br>(2) is chaired by an independent director, who is not the chair of the board,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the relevant qualifications and experience of the members of the committee; and<br>(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<br>(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. | No | The Board has established an Audit, Risk and Compliance Committee governed by the Audit, Risk and Compliance Charter approved by the Board, a copy of which is available on Forbidden Foods' Corporate Website. The Charter sets out the roles, responsibilities, composition, structure and membership requirements of the Audit, Risk and Compliance Committee.<br>The Committee is comprised of at least three members, a majority of whom are independent directors. The Committee is currently comprised of two independent non-executive director members being Mark Hardgrave (Chair) and Colleen Lockwood. Jarrod Milani is an executive director member of the Committee. The Board is satisfied that the composition of the Committee reflects an appropriate balance of independence, skills and experience for Forbidden Foods.<br>The Chair of the Committee, Mark Hardgrave, is an independent director who is also the Chair of the board. Given the composition of the Board, there are not three Non-Executive Directors and accordingly the requirement for all members to be non-executive directors cannot presently be met. Further, the Board considers that Mark Hardgrave is the most appropriate chair of the Audit, Risk and Compliance Committee given his qualifications and extensive professional background (notwithstanding that he is also Chairman of the Board). The Board considers that the members of the Audit, Risk and Compliance Committee bring the desired mix of skills and qualifications required to effectively assist the Board in matters relating to the Company's audit, risk and compliance functions.<br>The number of meetings and individual attendances held during the year is included in Forbidden Foods' FY21 Annual Report. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Recommendation 4.2:** 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. | Yes | Before the Board approves Forbidden Foods' financial statements for a financial period, it will receive from Forbidden Foods' CEO and Chief Financial Officer a declaration that, in their opinion, Forbidden Foods' financial records have been properly maintained, and that the financial statements comply with the appropriate accounting standards and give a true and fair view of Forbidden Foods' financial position and performance and that opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. Forbidden Foods confirms that this process was followed in respect of its FY2021 Financial Statements. |
| **Recommendation 4.3:** A listed entity should disclose its process to verify the integrity of any period corporate report it releases to the market that is not audited or reviewed by an external auditor. | Yes | Forbidden Foods has adopted a process for verifying the integrity of periodic corporate reports that are not audited or reviewed by an external auditor. Given the size of the Company and the scale of its operations, this verification work is undertaken by the CFO in respect to financial reporting undertaking standard accounting verification practices prior to submitting reports to the Board for approval. |
| **Principle 5: Make timely and balanced disclosure**<br>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. | | |
| **Recommendation 5.1:** A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1. | Yes | Forbidden Foods has adopted a Continuous Disclosure Policy for complying with its continuous disclosure obligations under the ASX Listing Rules (and the *Corporations Act 2001* (Cth) (the **Act**)). A copy of the policy is available on Forbidden Foods' Corporate Website.<br>Forbidden Foods will disclose to ASX any information concerning Forbidden Foods which a reasonable person would expect to have a material effect on the price or value of Forbidden Foods' securities.<br>Forbidden Foods' continuous disclosure policy establishes procedures to ensure that Forbidden Foods' directors, member of management, employee, consultant or contractor are aware of, and fulfil their obligations in relation to, providing timely, full and accurate disclosure of material information to Forbidden Foods' stakeholders and comply with Forbidden Foods' disclosure obligations under the Act and the ASX Listing Rules.<br>Forbidden Foods is committed to observing its disclosure obligations under the ASX Listing Rules and the Act. Information will be communicated to shareholders through the lodgement of all relevant financial and other information with the ASX and continuous disclosure announcements will be made available on Forbidden Foods' Corporate Website. |
| **Recommendation 5.2:** A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | Yes | Forbidden Foods' Continuous Disclosure Policy provides that the company secretary is responsible for distributing continuous disclosure announcements to the Board and senior managers by email promptly after they have been released to ASX. |

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| **Recommendation 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. | Yes | Forbidden Foods' Continuous Disclosure Policy provides that the Company must not release any Price Sensitive Information publicly before it is provided to the ASX, including in the following contexts:<br>(a) one-on-one briefings and speeches made to market participants, the financial community or institutional investors;<br>(b) open briefing sessions, including public speeches (presentation materials for which will be disclosed to ASX prior to commencement of the briefing session);<br>The company secretary will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of any applicable presentation. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Principle 6: Respect the rights of security holders**<br>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively. | | |
| **Recommendation 6.1:** A listed entity should provide information about itself and its governance to investors via its website. | Yes | Forbidden Foods' has adopted a Communication Strategy. Under this strategy, Forbidden Foods' Corporate Website will be the primary means of providing information to all investors (and other stakeholders), in addition to the lodgement of all relevant financial and other information with ASX (which will also be available on Forbidden Foods' and ASX's websites).<br>The "Corporate Governance" section on Forbidden Foods' Corporate Website contains the following information for the benefit of Forbidden Foods' security holders (and other stakeholders):<br>• information about Forbidden Foods and its governance, including the names, photographs and a brief biographical information for each of its directors and senior executives; and<br>• copies of Forbidden Foods' governance documents, Board Charter, Board Committee charters and policies.<br>Forbidden Foods' ASX announcements, annual reports and financial statements will be available on the Forbidden Foods Corporate Website when its listing on ASX occurs. |
| **Recommendation 6.2:** A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | Yes | Forbidden Foods has adopted a Communication Strategy which supports the Board's commitment to effective communication with its shareholders, a copy of which is available on Forbidden Foods' Corporate Website.<br>Forbidden Foods communicates with shareholders in a number of ways, including:<br>• annual and half-yearly reports;<br>• ASX market disclosures in accordance with Forbidden Foods's continuous disclosure policy;<br>• updates on operations and developments;<br>• announcements on Forbidden Foods' website;<br>• market briefings; and<br>• presentations at general meetings.<br>In addition, shareholders are encouraged to attend and participate at general meetings. To facilitate this, meetings will be held during normal business hours and the Company may use technology to facilitate participation at AGM's. |
| **Recommendation 6.3:** A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | Yes | Forbidden Foods' Communication Strategy (a copy of which is available on Forbidden Foods' Corporate Website) provides that the company encourages full participation of shareholders at its AGM each year.<br>As set out in Forbidden Foods' Constitution, shareholders may attend meetings in person, appoint a proxy, attorney or representative to vote on their behalf or directly vote on the resolution(s) proposed at the relevant meeting. Forbidden Foods' AGMs will be held during normal business hours and the company may use technology to facilitate participation at AGM's. Due to the ongoing COVID-19 restrictions in Victoria, Forbidden Foods' 2021 AGM will be a "virtual" meeting. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Recommendation 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. | Yes | Forbidden Foods' Constitution (a copy of which is available on Forbidden Foods' Corporate Website) provides that the chairperson may determine that any question to be submitted to a general meeting will be determined by a poll without first submitting the question to a show of hands. Forbidden Foods will ensure that all substantive resolutions (as opposed to procedural resolutions) at shareholder meetings are decided by poll rather than a show of hands. |
| **Recommendation 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. | Yes | The "Corporate Governance" section on Forbidden Foods' Corporate Website contains a link enabling shareholders to register to receive communications and shareholder materials from Forbidden Foods and its security registry electronically. Where permissible, shareholders will be given the option to send communications to Forbidden Foods and its security registry electronically. |
| **Principle 7: Recognise and manage risk**<br>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework. | | |
| **Recommendation 7.1:** The board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director, and<br>disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | Yes | The Board, through the Audit, Risk and Compliance Committee ensures, amongst other things, that Forbidden Foods has an effective risk management system in place and to manage key risk areas. The Committee is governed by the Audit, Risk and Compliance Charter approved by the Board, a copy of which is available on Forbidden Foods' Corporate Website. The Charter sets out the roles, responsibilities, composition, structure and membership requirements of the Audit, Risk and Compliance Committee.<br>The Committee is comprised of at least three members, a majority of whom are independent directors. The Committee is currently comprised of two independent non-executive director members being Mark Hardgrave (Chair) and Colleen Lockwood. Jarrod Milani is an executive director member of the Committee. The Board is satisfied that the composition of the Committee reflects an appropriate balance of independence, skills and experience for Forbidden Foods.<br>The number of meetings and individual attendances held during the year is included in Forbidden Foods' FY21 Annual Report. |

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| **Recommendation 7.2:** The board or a committee of the board should:<br>(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<br>(b) disclose, in relation to each reporting period, whether such a review has taken place. | Yes | The Board, through the Audit, Risk and Compliance Committee ensures, amongst other things, that Forbidden Foods has an effective risk management system in place and to manage key risk areas.<br>The Audit, Risk and Compliance Committee is required, at least annually, to review Forbidden Foods' risk management framework and to identify any changes to material risks and whether they remain within the risk appetite set by the Board.<br>This review was undertaken during FY21. |
| **Recommendation 7.3:** A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(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. | Yes | Forbidden Foods does not currently have an internal audit function, however it has adopted processes for evaluating and continually improving the effectiveness of its risk management and internal control processes as set out in the Audit, Risk and Compliance Committee Charter. For example, the Audit, Risk and Compliance Committee can engage external auditors, compliance staff and other experts and consultants, as relevant, to review and evaluate the effectiveness of Forbidden Foods' risk management framework. |
| **Recommendation 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. | Yes | Forbidden Foods is subject to risk factors that are both specific to its business activities and that are of a more general nature. Specific risks disclosure is included in its Prospectus dated 21 July 2020, and is available on Forbidden Foods' Corporate Website. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Principle 8: Remunerate fairly and responsibly**<br>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite. | | |
| **Recommendation 8.1:** The board of a listed entity should:<br>(a) have a remuneration committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director, and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(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<br>(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. | Yes | The Remuneration and Nomination Committee is governed by the Remuneration and Nomination Committee Charter adopted by the Board, a copy of which is available on Forbidden Foods' Corporate Website. The Charter sets out the roles, responsibilities, composition, structure and membership requirements of the Remuneration and Nomination Committee.<br>The Committee is comprised of at least three members, a majority of whom are independent directors. The Committee is currently comprised of two independent non-executive director members being Colleen Lockwood (Chair) and Mark Hardgrave. Marcus Brown is an executive director member of the Committee. The Board is satisfied that the composition of the Committee reflects an appropriate balance of independence, skills and experience for Forbidden Foods.<br>The number of meetings and individual attendances held during the year is included in Forbidden Foods' FY21 Annual Report. |

| ASX Recommendation | Compliance (Yes/No) | Explanation |
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| **Recommendation 8.2:** 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. | Yes | Information on Forbidden Foods' remuneration of non-executive directors and the remuneration of executive directors and other senior executives is detailed in the remuneration report section of its FY21 Annual Report. |
| **Recommendation 8.3:** A listed entity which has an equity-based remuneration scheme should:<br>(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<br>(b) disclose that policy or a summary of it. | Yes | Forbidden Foods established an equity-based remuneration scheme during FY2021. The Board has adopted a Securities Dealing Policy, a copy of which is available on Forbidden Foods' Corporate Website. Under this policy, employees, directors, officers, senior management, consultants and contractors of Forbidden Foods must not enter into any arrangements that operate to limit the economic risk associated with holding securities in Forbidden Foods. Securities in Forbidden Foods which are acquired under an equity plan operated by the company must never be hedged prior to vesting. |

**Annexure – Board Skills Matrix**

The current mix of skills and experience represented on the Board as at 30 June 2021 is set out in the below skills matrix:

| **Skills, experience, and expertise** | **Board representation with at least a "competent" self-rating (out of 4 directors)** |
|---|---|
| Senior management positions held outside FFF (past and present) | 4 |
| Directorships held outside FFF (past and present) | 3 |
| Strategy | 4 |
| Corporate Governance - comparable or more complex organisation | 3 |
| Risk & Compliance | 3 |
| Legal | 3 |
| Health/Safety/Environment/Sustainability | 4 |
| Investor / Public Relations | 3 |
| Food sourcing and supply chain | 3 |
| Retail sales and distribution | 4 |
| New product development | 3 |
| Commercial / Operational – including growing a business / implementing capital projects | 4 |
| Financial / Accounting | 4 |
| Capital Markets | 3 |
| Mergers & Acquisitions | 3 |
| Funds Management | 3 |