

CORPORATE GOVERNANCE STATEMENT

As at 31 December 2022

Corporate governance statement

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At Seeka we conduct our business safely and ethically within the legal and regulatory framework so we can deliver the best outcomes for our growers, clients, employees, shareholders, customers and the communities we operate in.

Seeka's Board and management are committed to best practice governance and Seeka has adopted the recommendations in the [NZX Corporate Governance Code, 17 June 2022](#) (the Code). Our practices are set out in this corporate governance statement. The Board regularly reviews Seeka's corporate governance structures against the eight principle recommendations in the Code, and considers Seeka's practices and procedures substantially meet Code recommendations. Any exceptions are noted in this governance statement, and listed on [page 10](#) of this annual report.

Seeka's governance policies are available on Seeka's website, see [Seeka.co.nz/corporate-governance](https://seeka.co.nz/corporate-governance).

The Board approved this governance statement on 23 February 2023.

Principle 1. Code of ethical behaviour

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

Seeka commits to high ethical standards in all dealings undertaken by the Group's directors, employees and suppliers. We are a produce business that connects growers with customers. Our business spans cultural, regulatory, and country boundaries, and our directors and management understand that high ethical standards deliver the best outcomes for our growers, clients, employees, shareholders, customers and communities.

Our commitment to ethical dealings is captured by Seeka's core brand attribute "founded on relationships."

Seeka's Code of Ethics is included in employee induction packs, is available on Seeka's intranet, and the code's principles and objectives are promoted to staff each year at staff meetings. The code outlines how directors and management are to consistently act with honesty and integrity, and model high ethical standards to all employees and stakeholders, adhering to the principle "we do what we say and are accountable for what we do."

The Code of Ethics provides clear guidance on:

- Conflicts of interest
- Proper use of Seeka information, assets and property
- Conduct, valuing individuals' differences and respecting all stakeholders
- Dealing with gifts or gratuities
- Whistle blowing for safe reporting of potential wrong doing
- Compliance with laws and Seeka policies
- Managing breaches of Seeka's Code of Ethics

Seeka also has a strict [Insider Trading Policy](#) that applies to the Seeka team of directors, officers, senior managers and all employees, that prohibits team members from direct or indirect dealing in Seeka financial products when holding inside information, plus a duty of confidentiality that protects the dissemination and use of confidential company information.

The Insider Trading Policy defines black-out periods during which restricted persons (defined below) are prohibited from trading in Seeka shares unless provided with a specific exemption by the Board. Each black-out period starts 30 days prior to, and finishes the first trading day after, key events; being the half-year and full-year balance dates, and the release to the NZX of any announcement relating to an offer in Seeka shares.

Restricted persons includes all directors, executive officers, members of the management executive team and their administrative staff, any trusts and companies controlled by such persons, and advisors. The policy also specifies that Seeka team members should not engage in short-term trading.

Prior to trading in Seeka shares, directors must notify the chair of the Board, and the chair must notify the chair of the audit and risk committee.

No breaches of the Code of Ethics or Insider Trading Policy were reported in the year.

Principle 2. Board composition and performance

"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Seeka's Board commits to acting in the best interests of the company, to deliver benefits to stakeholders and grow shareholder returns.

Board charter and responsibilities

The [Board Charter](#) sets out the Board's structure, appointments, remuneration, committees and process for performance review, along with the duties and responsibilities of the Board and chief executive officer. Seeka's Board is primarily responsible for:

- Robust and effective health and safety systems and standards
- Compliance with the Financial Markets Authority (FMA) and NZX Listing Rules
- Establishing corporate objectives and strategies
- Meeting obligations under environmental, social and governance (ESG) principles
- Monitoring management's implementation of Seeka's strategies
- Overseeing high standards of ethical behaviour
- Approving budgets and monitoring financial performance
- Managing risk to Seeka's business
- Ensuring timely and transparent stakeholder and market communication

The Board delegates the chief executive officer to lead and manage Seeka's operations, including being the company's principal representative. The chief executive officer is not a Board member.

Board composition

Seeka's [Company Constitution](#) specifies that the Board has a minimum of three and a maximum of seven directors, with provision for an eighth to be appointed between annual shareholder meetings for Board succession planning. This occurred on 1 September 2021, when Robert Farron was appointed to the Board.

At the annual shareholders meeting held 22 April 2022, Robert Farron and Stewart Moss were elected by shareholders, and John Burke and Amiel Diaz retired, at which point the Board reverted to seven directors.

Directors are to contribute a mix of complementary skills that support Seeka's objectives and strategies, with at least two being independent, and at least two ordinarily residing in New Zealand. To maintain proper separation between governance and management, all directors are non-executive and the constitution has no provision for a managing director.

Seeka's Board is led by the independent chair Fred Hutchings. Non-independent director Amiel Diaz (retired 22 April 2022) was the only director residing overseas. Since 22 April 2022, the Board has a majority of independent directors.

The following table summarises current director qualifications, independence, skills and experience.

| | Qualification | Independent | Executive leadership | Financial | Legal | Sustainability | Kiwifruit industry | Governance | Cultural | International markets | Brand management | Technology | Property valuation |
|-----------------|------------------|-------------|----------------------|-----------|-------|----------------|--------------------|------------|----------|-----------------------|------------------|------------|--------------------|
| Fred Hutchings | BBS, FCA | ● | ● | ● | | | | ● | | | | ● | ● |
| Martyn Brick | BAGCom | | ● | ● | | | ● | ● | | ● | | | ● |
| Ratahi Cross | | | ● | | | ● | ● | ● | ● | | | | |
| Robert Farron | BBS, CA | ● | ● | ● | | | | ● | | ● | | | ● |
| Stewart Moss | | | ● | | | | ● | ● | | | | | |
| Cecilia Tarrant | BA/LLB Hons, LLM | ● | ● | ● | ● | ● | | ● | | | | | |
| Ashley Waugh | BBS | ● | ● | ● | | | | ● | | ● | ● | ● | |

Director independence

The Board's Charter follows [NZX Listing Rules](#) to determine the independence of a director. Directors must inform the Board of all relevant information and the Board confirms director independence at least annually.

Two directors that served on the Board in 2022 were appointees of large shareholders and deemed non independent;

- Ratahi Cross is a representative of Seeka shareholder Te Awanui Huka Pak Limited and is the chair of the Ngai Tukairangi Trust, a large kiwifruit grower supplying Seeka, and
- Amiel Diaz (retired 22 April 2022), was a representative of Seeka's shareholder Sumifru Singapore Pte Limited.

As Seeka's foundation business is kiwifruit, the Board considers experience in the kiwifruit industry a core competency. Four directors that served on the Board in 2022 have extensive experience in kiwifruit production and handling, and through their extensive interests in kiwifruit orchards that supply Seeka were considered non-independent directors;

- Martyn Brick
- Ratahi Cross
- John Burke (retired 22 April 2022), and
- Stewart Moss (elected 22 April 2022)

The Board has four independent directors;

- Fred Hutchings, Board chair and Remuneration Committee chair
- Robert Farron, Audit and Risk Committee chair (since 21 March 2022)
- Cecilia Tarrant, Sustainability Committee chair, and
- Ashley Waugh (Audit and Risk Committee chair, up to 21 March 2022)

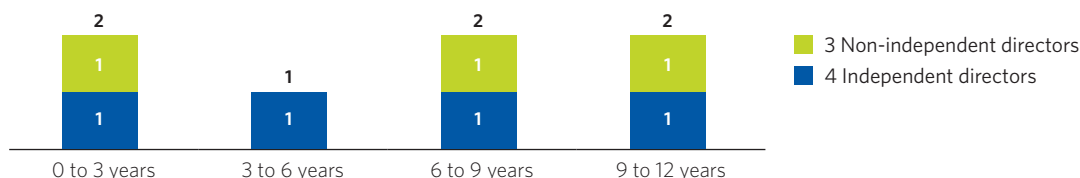
Director appointments and induction

As required, the chair establishes a Nominations Committee to review the Board's composition and performance, and recommend people with complementary skills to join the Board. Nominees can be appointed by the Board, with the appointment to be approved by shareholders at the next annual shareholder meeting, or nominated and elected to the Board by shareholders at the annual shareholder meeting. The Board provides guidance to shareholders on a candidate's suitability for appointment or reappointment.

Directors enter a written agreement covering the term of their appointment and are provided with detailed information about Seeka, the Group's strategies, policies and procedures, and any other training or other support that will help the director become a fully-functioning member of the Board.

The chair undertakes an annual assessment of Board, director and committee performance, seeking assistance, as required, from the Nominations Committee and external advisors.

Director tenure at 31 December 2022



While there is no maximum term, the Board annually reviews director length of service and any potential impact on director independence. When the Board recommends the re-election of a director whom has served longer than 12 years, it will explain to shareholders its rationale for supporting re-election.

At the April 2022 annual shareholders meeting, two directors retired; Amiel Diaz, having served 12 years, and John Burke, having served ten years.

Director profiles

Director profiles are listed on Seeka's website (see [Seeka.co.nz/investors](https://seeka.co.nz/investors)), and are included on page 11 of this annual report. Full disclosure of director interests according to section 140 (2) of the Companies Act 1993 are listed on page 13 of this annual report.

Diversity

Diversity is the range of attributes held by members of a group. Seeka's Board believes diversity within the Board and the company provides a deeper understanding of stakeholders, broadens the range of skills available to Seeka, and will lead to improved business performance.

The Board works to optimise diversity across directors, while managing an efficient governance process. The Board's focus is on diversity in culture and ethnicity, business skills and innovative thinking as these attributes are key to understanding the operating environment of our key clients, creating unique solutions, and improving stakeholder outcomes and shareholder returns. Notably Ratahi Cross of Ngai Tukairangi is a lecturer in Māori history, and Martyn Brick, Stewart Moss, Cecilia Tarrant and Ashley Waugh have rural backgrounds.

The following table reports self-identified gender composition of the Board and senior management team as at 31 December 2022.

| | FY22 | | | FY21 | | |
|-----------------|--------|------|----------------|--------|------|----------------|
| | Female | Male | Gender diverse | Female | Male | Gender diverse |
| Directors | 1 | 6 | 0 | 1 | 7 | 0 |
| Senior managers | 2 | 6 | 0 | 2 | 7 | 0 |
| Total | 3 | 12 | 0 | 3 | 14 | 0 |

Diversity policy

Seeka is committed to providing an inclusive environment that supports a diversity of thinking and skills. Aspects of diversity include gender, ethnic background, religion, marital status, culture, disability, economic background, education, language, physical appearance and sexual orientation.

During the year ended 31 December 2022, Seeka performed in adherence to the principles of our [Diversity Policy](#).

Professional development

Directors are supported to undertake professional development through individual training and by attending relevant courses.

Evaluation of board, committee and director performance

The Board Charter specifies that the chair undertakes an annual review of Board, committee and director performance. The chair's 2022 review found that the Board, committees and directors have fulfilled all their duties and responsibilities for sound corporate governance as specified by the Board Charter.

Principle 3. Board committees

"The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

The Board has three permanent committees and will form ad-hoc committees to efficiently and effectively carry out key governance functions, while retaining ultimate responsibility for all decisions and actions.

All committees operate under written charters which define the role, authority and operations of the committee. All Seeka directors and committee members are non-executive, and Seeka management and other employees may only attend committee meetings when invited by the committee. The Board reviews the Audit and Risk, Sustainability, Remuneration, and Nominations Committee Charters biennially.

Committee membership and workload management

Seeka is governed by a seven-member non-executive Board, except during succession planning when an eighth director may be appointed until the next annual shareholders meeting, at which point the Board reverts to seven directors. To provide effective and transparent committee governance, while managing workload across Board members, Seeka's committee charters ensure each committee is chaired by an independent director, with committee members drawn from both independent and non-independent directors that furnish the best skill set. The Audit and Risk Committee Charter specifies a majority of independent directors.

The current standing committees and their members are:

Audit and risk

| Composition | Role | Members | Charter |
|---|---|--|--|
| Independent chair with a minimum of two other directors. The committee must have a majority of independent directors, with at least one having an accounting or financial background. The chair may not be the Board chair. | Examines financial reporting, compliance, external and internal auditing, risk management and risk insurance. As required, the committee also undertakes the duties of a Due Diligence Committee. | Robert Farron, chair Martyn Brick Ashley Waugh | Audit and Risk Committee Charter |

Sustainability

| Composition | Role | Members | Charter |
|--|--|--|--|
| A minimum of two directors appointed by the Board. No management members, but the chief executive or delegate to be invited to meetings. | Ensures Seeka uses an appropriate reporting framework, provide strategic guidance on targets, measures and performance, and examines the strategic implications of climate change. | Cecilia Tarrant, chair Fred Hutchings Ratahi Cross | Sustainability Committee Charter |

Remuneration

| Composition | Role | Members | Charter |
|--|--|--|--|
| Independent chair with a minimum of two other directors. When not an appointed member, the Board chair will be an ex-officio member. | Examines the performance, remuneration and succession planning of the chief executive officer, the remuneration of senior managers, company-wide employee remuneration policy and human resource plans and policies. | Fred Hutchings, chair Cecilia Tarrant Stewart Moss | Remuneration Committee Charter |

In addition, the chair periodically establishes an ad-hoc nominations committee.

Nominations

| Composition | Role | Members | Charter |
|--|---|-------------------------|---|
| Independent chair with a minimum of two other directors. | Examines the directors' terms of engagement, Board succession planning, seeks and evaluates nominees, and advises the Board on director appointments. | Established as required | Nominations Committee Charter |

In the event of a takeover offer, the Board Charter provides for the formation of an ad-hoc Initial Response Committee and an Independent Takeover Response Committee to enact the procedures and protocols of the Board's Takeover Response Manual.

Initial Response Committee

| Composition | Role | Members |
|------------------------|---|--|
| Independent directors. | Manage the initial response to an unexpected takeover notice. | Fred Hutchings Robert Farron Cecilia Tarrant Ashley Waugh |

Independent Takeover Response Committee

| Composition | Role | Members |
|--|--|------------------------|
| Directors that are independent of the bidder and of the bid. | Manage the takeover response and act in the interests of all shareholders. | Appointed by the Board |

To date there has been no need to convene an Initial Response Committee meeting or form an Independent Takeover Response Committee.

While the Board considers the current range of committees comprehensively manages the governance of Seeka's business, and provides the best outcomes for shareholders and other stakeholders, the Board Charter allows ad-hoc committees to be formed as required to aid Board decision making.

The following table reports Board and committee meeting attendance in 2022, see [page 12](#) for changes to Board and committee membership during the year.

| | Independent director | Board Meetings | Board Attended | Audit and Risk Meetings | Audit and Risk Attended | Sustainability Meetings | Sustainability Attended | Remuneration Meetings | Remuneration Attended | Nominations Meetings | Nominations Attended |
|-----------------|----------------------|----------------|----------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|----------------------|----------------------|
| Fred Hutchings | Yes | 11 | 11 | - | - | 5 | 5 | 3 | 3 | - | - |
| Martyn Brick | No | 11 | 10 | 4 | 4 | - | - | - | - | - | - |
| John Burke | No | 3 | 3 | 5 | 3 | 1 | 1 | - | - | - | - |
| Ratahi Cross | No | 11 | 11 | - | - | 4 | 3 | 2 | 2 | - | - |
| Amiel Diaz | No | 3 | 3 | - | - | - | - | - | - | - | - |
| Robert Farron | Yes | 11 | 11 | 9 | 9 | - | - | - | - | - | - |
| Stewart Moss | No | 8 | 8 | - | - | - | - | 1 | 1 | - | - |
| Cecilia Tarrant | Yes | 11 | 11 | - | - | 5 | 5 | 3 | 3 | - | - |
| Ashley Waugh | Yes | 11 | 11 | 9 | 9 | - | - | - | - | - | - |

Principle 4. Reporting and disclosure

“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

Seeka's Board is committed to keeping investors and the wider market fully informed of all material information concerning the company's operating environment and business performance. In addition to all information required by law and NZX Listing Rules, Seeka provides stakeholders with a mid-year performance update, along with regular operational updates to growers.

Seeka's Continuous Disclosure Policy covers the classification, timing and release of material information to investors and other stakeholders. The chair of the Board, chair of the audit and risk committee, chief executive and chief financial officer (the disclosure committee) are responsible for identifying material information between Board meetings. At every Board meeting the Board considers whether its deliberations and decisions trigger a need for a disclosure to the NZX.

As stewards of more than 3,900 hectares of orchards in New Zealand and Australia, Seeka is committed to applying industry best practices and international guidelines for all asset management, backed up by rigorous auditing. This includes certification to the international GLOBALG.A.P standard for good agricultural practice that focuses production and supply management on the consumer's demand for safe food. See www.globalgap.org.

Seeka as an employer is focused on sustainable land management that supports long-term employment and wealth creation in our rural communities, and has formally implemented the GLOBALG.A.P GRASP module with its extended social standards for worker health, safety and welfare. See www.globalgap.org/uk_en/for-producers/globalg.a.p.-add-on/grasp/.

In New Zealand, Seeka has partnered with all supplying growers to form independent, grower-controlled entities that manage grower fruit returns; kiwifruit growers appoint Seeka Growers Limited as their agent for the supply of kiwifruit to Seeka, with avocado growers appointing AvoFresh Limited. See www.seeka.co.nz/seeka-grower-council and www.seeka.co.nz/avofresh.

Seeka Growers Limited and AvoFresh Limited manage market returns in independent bank accounts, approve all service distributions and grower payments, and publish independently-audited annual financial statements. Seeka is represented on the entities' controlling councils, provides management support, and ensures grower representatives are kept informed on market conditions, industry issues and Seeka's operational performance for their fruit.

Seeka complies with the financial reporting requirements prescribed by the Companies Act 1993, Financial Markets Conduct Act 2013 and the NZX Listing Rules. Seeka also considers environmental, social and governance concerns, and discloses to the market any environmental factors that may materially affect operations.

Seeka's Sustainability Committee provides strategic guidance on its environmental, social and governance (ESG) framework, targets, measures and performance. Since 2020, Seeka has been reporting its ESG initiatives in the annual and interim reports, and in June 2022 Seeka published its first stand-alone sustainability report.

Seeka's [2022 Sustainability Report](#) details Seeka's journey to be a sustainable business and Seeka's aim to be net zero carbon by 2050, and an employer of choice that provides excellent service to Seeka customers while supporting the wellbeing of our communities.

Seeka began measuring emissions in 2019 using the Ministry for the Environment's carbon footprint workbook, before calculating its 2020 and 2021 footprint using the internationally recognised standard *ISO 14064-1: 2018 - Greenhouse gases*, with the results verified by Toitū. Using this data, Seeka has a platform to understand its impact on the environment, identify key areas of emissions, and define three intensity-based performance indicators; tonnes CO2e per \$1 million of revenue, per 100,000 class 1 trays packed, and per permanent employee.

The report publishes Seeka's total and intensity-based CO2e emissions since 2019, and the progress of multiple carbon-reduction initiatives. Along with environmental sustainability, the report also updates stakeholders on Seeka's social sustainability programmes and ESG governance processes, including climate change risk and opportunity analysis.

Starting from 2022, yearly sustainability reports are scheduled to be published each June.

Principle 5. Remuneration

"The remuneration of directors and executives should be transparent, fair and reasonable."

Director remuneration

In accordance with the Board Charter, the chair uses independent professional advice and market information to review director remuneration within a two year period, with shareholders approving any increase to the pool available to pay directors' fees. Approval was last sought in April 2022, when the pool limit was set at \$610,000 per annum. As part of Board succession planning, the Board had eight directors up until the 22 April 2022 annual shareholders meeting, after which the Board reverted to seven directors. Due to this temporary increase in the number of directors the total fees paid exceeded the pool limit by \$14,434, as permitted under NZX Rule 2.11.

As determined by the Board, the directors are remunerated by a base director fee, a Board chair fee, and chair or membership fees for three Board committees as per the following schedule that was presented to shareholders in April 2022. The total Board chair fee will not exceed \$140,000, irrespective of whether the chair would otherwise be eligible for committee fees.

| | Number | Director fee | Chair fee | Pool |
|---|--------|--------------|------------|------------|
| Board | 7 | \$ 70,000 | \$ 140,000 | \$ 560,000 |
| Audit and Risk, and Due Diligence Committee | 3 | \$ 7,500 | \$ 15,000 | \$ 30,000 |
| Sustainability Committee | 3 | \$ 2,500 | \$ 5,000 | \$ 10,000 |
| Remuneration Committee | 3 | \$ 2,500 | \$ 5,000 | \$ 10,000 |
| Total director pool | | | | \$ 610,000 |

Directors receive no equity-based remuneration, and receive no performance or retirement benefits. Directors are encouraged but not required to own Seeka shares. Director shareholdings are disclosed on [page 14](#).

The following table reports the annual allocation of the pool in 2022, and directors' fees paid during the financial year. Non-italics are committee members at year end, italics are part-year membership in 2022, see [page 12](#) for details. No other benefits were provided to directors.

| | Board | Audit and Risk Committee | Sustainability Committee | Remuneration Committee | Annual base director fee | Chair fees | Committee fees | Director fees paid during the year |
|-----------------|----------|--------------------------|--------------------------|------------------------|--------------------------|------------|----------------|------------------------------------|
| Fred Hutchings | Chair | | Member | Chair | \$ 70,000 | \$ 70,000 | | \$140,000 |
| Martyn Brick | Director | Member | | | \$ 70,000 | | \$ 4,664 | \$ 74,664 |
| John Burke | Director | <i>Member</i> | <i>Member</i> | | \$ 21,583 | | \$ 3,083 | \$ 24,666 |
| Ratahi Cross | Director | | Member | <i>Member</i> | \$ 70,000 | | \$ 2,500 | \$ 72,500 |
| Amiel Diaz | Director | | | | \$ 21,583 | | | \$ 21,583 |
| Robert Farron | Director | <i>Chair / Member</i> | | | \$ 70,000 | \$ 11,708 | \$ 1,646 | \$ 83,354 |
| Stewart Moss | Director | | | Member | \$ 48,521 | | \$ 2,500 | \$ 51,021 |
| Cecilia Tarrant | Director | | Chair | Member | \$ 70,000 | \$ 5,000 | \$ 2,500 | \$ 77,500 |
| Ashley Waugh | Director | <i>Member / Chair</i> | | | \$ 70,000 | \$ 3,292 | \$ 5,854 | \$ 79,146 |
| Total | | | | | \$511,687 | \$ 90,000 | \$ 22,747 | \$624,434 |

Chief executive officer remuneration

The review of the chief executive officer's remuneration is undertaken by the remuneration committee with the remuneration package the responsibility of the Board. Michael Franks was appointed chief executive officer in 2006. His remuneration package comprises a fixed annual remuneration that covers base salary, vehicle, Kiwisaver contributions, medical and life insurance, and an at-risk annual performance incentive.

The following table reports chief executive officer remuneration for 2022.

| | Base salary | Benefits ¹ | FY22 annual performance incentive | Total remuneration |
|----------------|-------------|-----------------------|-----------------------------------|--------------------|
| Michael Franks | \$ 763,806 | \$ 51,983 | - | \$ 815,789 |

1. Benefits are delivered through vehicle, Kiwisaver contributions, medical and life insurance.

Performance incentive

The chief executive officer's performance incentive has a maximum value of 73% of fixed remuneration for achieving annual targets set by the Board, including financial performance, strategic goals, health and safety, and risk management. For FY22, the chief executive officer earned no performance incentive (FY21 - \$470,063, paid December 2021).

Employee share scheme

In April 2022, the chief executive officer paid \$4.09 per share (\$32,720 total payment) for 8,000 shares that vested from the 2019 employee share scheme (April 2019 issue price \$4.76 per share). The chief executive has no further interest in any employee share scheme, and there is no current scheme.

Principle 6. Risk management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

The Board considers risk management an important governance function to protect stakeholders, build long-term wealth in our communities and optimise shareholder value. The Board retains ultimate responsibility for risk management, with the audit and risk committee providing a specific focus on material risks as defined in the Audit and Risk Committee Charter.

While no risk management system can completely remove business and financial risks, our goal is to ensure material risks are appropriately identified and managed within acceptable levels. We accomplish this through a strategic focus, active management, contingency planning and a sensible balance between costs and anticipated benefits. Wherever appropriate, the processes are consistent with AS/NZS 31000:2009 Risk Management Principles and Guidelines.

Financial statements and key operational measures are prepared monthly and reviewed by the Board throughout the year to assess business performance against budget and forecasts.

Seeka has appropriate insurance cover, as available, for property damage to its offices, post harvest processing and fruit handling facilities.

The Board composition includes directors with long-term experience in New Zealand's kiwifruit industry, and Australian produce handling and marketing. Board meetings include periodic site visits in New Zealand and Australia (when practicable with regard to Covid-19 travel restrictions) to ensure all directors understand the Group's operating environments when assessing material risk.

The Board's complementary skill set and understanding of the core business have allowed it to implement strategies to mitigate risk associated with being a New Zealand kiwifruit handler by diversifying operations across multiple products, expanding into the Australian market and sourcing revenue from more points along the value chain.

The following summarises the key material risks which the Board have identified and the associated mitigation strategies.

| Key risks | Potential impacts | Mitigation strategies |
|---|---|---|
| Human diseases including pandemics | The Group's capacity to deliver time-sensitive services to stakeholders. Market access and consumer demand for Group-handled produce. | Infectious disease manual and access to protective equipment. Registered access to Seeka sites and automatic temperature logging at post harvest facilities. Geographic separation of orchards and post harvest facilities. |
| Health and safety | Stakeholder wellbeing and the ability to attract and retain personnel. Degrade the Seeka brand and stakeholder demand for Group services. | Integrated health and safety in all aspects of the business. Site safety audits and guarding of moving machinery. Regular reporting on health and safety performance. |
| Site security | Health and safety of Group stakeholders. Physical damage of Group assets and the ability to deliver time-sensitive services. Produce contamination. | Security fencing, alarm systems and third-party monitoring of Seeka facilities. Registered access to Seeka sites. |
| Produce contamination | Market access and consumer demand for Group-handled produce. | Documented and accredited quality management system. Recognised suppliers and securely store produce. Compliance with industry spray programmes and pre-harvest residue testing. |
| Plant diseases and pests | The volume and quality of fruit grown, handled and sold by the Group. | Best-practice orchard management and geographic separation of orchards. Comprehensive orchard monitoring and compliance with industry spray programmes. |
| Biosecurity breaches in New Zealand and Australia by novel plant diseases and pests | The volume and quality of fruit grown, handled and sold by the Group. Market access for Group-handled produce. | Biosecurity border control by government authorities. Awareness and monitoring of key threats in New Zealand and Australia. |
| Regulatory security | Supply chain efficiency and costs. Market access and market returns for Group-handled produce. | Active participation in industry associations. Monitor potential threats and opportunities. |
| Climate change | The volume and quality of fruit grown, handled and sold by the Group. Degrade the Seeka brand and stakeholder demand for Group services. | Board Sustainability Committee governance and decarbonisation targets. Research and development team investigating alternative orchard practices. Geographical spread of operations and development of land management plans. |
| Cyber attack | The Group's capacity to deliver time-sensitive services to stakeholders. Unauthorised access and distribution of sensitive Group and stakeholder data. Degrade the Seeka brand and stakeholder demand for Group services. | Documented and enforced security policy for information systems. Professional information technology security systems. |

Health and safety

The Board is responsible for health and safety across Group operations, with the chief executive appointing a health and safety manager to ensure Seeka complies with legislation and operates industry best practice across the Group, while also supporting the management of health and safety risks by clients and suppliers. The Board reviews performance against set targets at each meeting.

Under Board direction, Seeka has a Covid-19 response committee to protect our people and prepare our business. Seeka worked with health professionals, secured personal protective equipment, and used social distancing protocols to mitigate risk and keep our people safe as we deliver an essential service. This includes onsite personnel temperature logging, touchless signing in, the provision of personal protective equipment, two-metre screening, enlarged break areas, 24-hour cleaning and remote management. Seeka continued operations during the 2022 Omicron outbreak.

Our people work in multiple, complex environments, and we focus on building safety into everything we do. This included instilling Seeka's safety culture as we amalgamated OPAC and Orangewood in FY21, and NZ Fruits in FY22. Over the full year, the Group employed more than 6,500 people, with Group salary and wages equating to 2,396 full time equivalents.

The following table reports Seeka's health and safety lead and lag measures for FY22.

| | Indicator | FY22 annual target | FY22 actuals |
|---|-----------|--------------------|--------------|
| Inspirational people; monthly H&S meetings held | Lead | 90% | 93% |
| Total recordable injury frequency rate ¹ | Lag | Less than 4.5 | 2.75 |
| Serious injuries ² | Lag | Zero | 1 |

1. Total recordable injury frequency rate (TRIFR) is a key measure that compares total lost time injuries and medical treatments against the total number of hours worked.
TRIFR = (number of recordable lost time and medical treatment injuries) x 200,000 / (number of employee hours worked).

2. Permanently disabled or requiring immediate in-patient hospitalisation.

Principle 7. Auditors

"The board should ensure the quality and independence of the external audit process."

Seeka's Audit and Risk Committee Charter outlines Seeka's commitment to an independent audit process that provides shareholders and the market with objective, robust, clear and timely financial reporting.

The audit and risk committee in consultation with management and the external auditor reviews the efficiency and effectiveness of the external audit process, and provides a formal channel of communication between the Board, senior management and the external auditor. The audit and risk committee:

- Oversees the independence of the auditor and ensures they conduct their operations free from any actual or perceived impairments, and
- Monitors the provision of any services beyond the auditor's statutory audit services.

For FY22, Troy Florence of [PricewaterhouseCoopers \(PwC\)](#) completed his second year as external auditor for the Group.

PwC has confirmed its independence to the audit and risk committee, and that its independence was not compromised during the reporting period. PwC auditors attend the annual shareholder meeting to answer any shareholder questions about the audit.

In FY22, PwC was paid \$529,000 for audit fees and expenses, \$12,000 for tax compliance and consulting, \$12,000 for tax pooling services and \$7,000 for debt covenant compliance certificate agreed upon procedures.

Internal audit

Seeka has a number of internal controls overseen by the audit and risk committee to ensure the integrity of key financial and operational data. This includes data access, internal financial controls, adequate resourcing, targeted internal audit programmes and monitoring management's response to external audit findings.

Due to the size of Group operations, rather than operating a dedicated financial audit function, Seeka uses its compliance team to conduct internal audit processes and monitor operational compliance, along with independent providers to regularly test the integrity of the Group's financial systems. Directors also consider matters raised by PwC, the external auditor.

Principle 8. Shareholder rights and relations

"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Seeka's shareholders include a significant number of grower clients, employees, suppliers and people living in our rural communities. Seeka maintains open channels of communication with a diverse range of groups to uphold our key brand attribute of delivering excellence to all stakeholders.

The Board is motivated and committed to transparent and regular reporting and engagement with shareholders including:

- Annual and interim reports
- Annual sustainability report
- Market announcements
- Annual shareholder meeting
- Mid-year stakeholder meeting
- Ad-hoc investor presentations
- Attendance of directors at seasonal grower roadshows held throughout the catchment for each produce type
- Clear access to investor information on the company's website, see [Seeka.co.nz/investors](https://seeka.co.nz/investors)
- Open access to senior managers via phone and email, see [Seeka.co.nz/senior-management-team](https://seeka.co.nz/senior-management-team)

Shareholders are actively encouraged to attend the annual shareholder meeting and mid-year stakeholder update either in person or online, where they can raise matters for discussion by directors and senior management. Shareholders vote on major decisions which affect Seeka at the annual shareholder meeting. Voting is by poll, conducted by the Company's registrar Link Market Services and overseen by the company's auditor PwC, on a one share, one vote principle.

Shareholders are provided with copies of the annual report, and are encouraged to receive electronic communication by contacting our registrar Link Market Services, see Linkmarketservices.co.nz. Notices of shareholder meetings are posted on the NZX website and Seeka's website. Where circumstances allow, Seeka sends notices of shareholder meetings at least 20 working days prior to the meeting. A link to Seeka's announcements can be directly accessed from Seeka's website, see Seeka.co.nz/nzx-announcements.

When raising new capital, where practical, the Board will offer a scheme that allows existing shareholders to further invest in the Company on a pro rata basis so they can maintain their relative proportion of Seeka's issued shares.

Seeka's current and historical share price is located on the NZX website, see nzx.com/instruments/SEK.

Corporate calendar

In the normal course of business, the Board reports to the following schedule.

| | |
|---------------------------------|----------------------|
| End of year market announcement | Late February |
| Dividend payment - full year | April ¹ |
| Annual shareholder meeting | April |
| Dividend payment - half year | October ² |
| Stakeholder update | October |

1. In 2022, payment of the full year dividend was moved to 23 February due to the issue of new shares ex-dividend as part of the acquisition of NZ Fruits in February 2022.

2. The half year dividend payment was suspended in 2022.

Differences in practice to NZX Code

The following table summarises the material differences between Seeka's corporate governance and the Code during the year. Where there are differences, these have been approved by the Board.

| Principle | Concerning | Key difference | Period of non compliance |
|--------------------------------------|---|---|---------------------------------|
| 2. Board Composition and Performance | 2.8 A majority of the board should be independent directors. | <p>The Constitution and Board Charter specify a minimum of two independent directors.</p> <p>As Seeka's foundation business is kiwifruit, the Board considers it appropriate to have a mix of directors with extensive experience in kiwifruit production and handling, who in the normal course of business would supply Seeka with produce from their ongoing orcharding interests. The Board must also appropriately represent large shareholders.</p> <p>The specified minimum of two independent directors provides the flexibility to meet these two criteria, while also ensuring Board decisions reflect the best interests of Seeka and its security holders.</p> <p>From 1 January to 22 April 2022, only four out of eight directors (even split) were deemed independent, with four non-independent; two for their extensive interests in orchards that supply Seeka (industry expertise), one an appointee of a large shareholder (market expertise), and one that has extensive interests in orchards that supply Seeka as well as being an appointee of a large shareholder (industry expertise).</p> <p>Since 22 April 2022, Seeka complies with the Code with four out of seven directors deemed independent (a majority).</p> | From 1 January to 22 April 2022 |
| 3. Board Committees | 3.4 Standing nominations committee with a majority of independent directors. | The Nominations Committee Charter allows for the formation of an ad-hoc committee as required. To manage workload across the Board, the Nominations Committee Charter requires an independent chair. | At all relevant times |
| 8. Shareholder Rights and Relations | 8.4 If seeking additional equity capital, issuers should offer further equity securities to existing equity security holders on a pro rata basis. | On 2 February 2022, Seeka issued 1,687,860 new ordinary shares as partial consideration for the acquisition of the shares in New Zealand Fruits Limited by amalgamation. The Board considered this issue of Seeka shares was an effective method to secure the acquisition by amalgamation, which would benefit Seeka, including by further strengthening Seeka's alignment with growers. | 2 February 2022 |




Seeka

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