



McPHERSON'S
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McPherson's Limited Matters Reserved for the Board

May 2024

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1. POLICY SUMMARY

1.1 Purpose

The Australian Securities Exchange (**ASX**) Corporate Governance Council's "Corporate Governance Principles and Recommendations" (4th edition) recommend that listed entities should have and disclose (Recommendation 1.1(b)) "*those matters expressly reserved to the board and those delegated to management*".

Accordingly, the purpose of this document is to clearly delineate the division of functions and the exercise of authority between the Board of Directors (**Board**) of McPherson's Limited (**Company**) and management.

1.2 Background

- (a) The Board Charter details the duties and responsibilities of the Board in its stewardship of the Company. In carrying out its responsibilities and powers as set out in this policy, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of McPherson's Limited's shareholders as well as its employees, associates, partners and the community.
- (b) The Board has delegated certain responsibilities to Board Committees for review and recommendation to the Board. All Board Committees operate in accordance with their respective Charters approved by the Board. The permanent Committees of the Board are currently the Audit Committee, Risk and Compliance Committee and the People & Culture Committee. The Board Committees will assist the Board by discharging their respective roles and responsibilities specified in their respective Charters, reporting to the Board on any decisions or actions taken, and making any necessary recommendations.
- (c) As determined by the Board, consistently with the Board Charter, the Board has delegated the day-to-day management of the business of the Company and its subsidiaries (**Group**) to management through the Chief Executive Officer and Managing Director, subject to agreed authority limits (excluding those matters reserved for the Board).
- (d) However, notwithstanding this delegation and any other written delegations of authority to management, the Board has reserved the responsibilities set out in this document for itself to discharge as well as any matters which exceed the thresholds set out in the authorities delegated to management.
- (e) For clarity:
 - (i) the Board has not, and cannot lawfully, reserve unto itself any matter that must be determined by the Company in general meeting; and
 - (ii) the matters set out below complement the existing Board Charter of the Company.

1.3 Board approval

The Board of the Company has approved this document.

2. MATTERS RESERVED FOR THE BOARD

The following matters (including changes to such matters) are specifically reserved for the Board and are not delegated to management:

- (a) approval of the strategic objectives, annual operating plans, annual business plans and annual budgets of the Group and the monitoring of the Group's performance against these matters;

- (b) approval of changes to the Group's capital structure including the issue of new securities, share buy-backs and reductions of capital, other than in accordance with the terms of the Company's equity-based incentive plans;
- (c) approval of the Group's financial statements and accounting policies, financial results announcements, the Group's corporate governance statement and other significant statements to the ASX, ASIC, shareholders and the media;
- (d) approval of a determination to pay a dividend to shareholders of the Company;
- (e) the appointment and removal of the Group's external auditor;
- (f) approval of major commercial transactions involving the Group that have not otherwise been delegated in writing to management to approve;
- (g) approval of mergers, acquisitions or divestitures of businesses, subsidiaries, operations or divisions by the Group;
- (h) capital expenditure of the Group above limits delegated in writing to management;
- (i) delegation of authority limits for management;
- (j) the appointment (and replacement) of the Chair of the Board;
- (k) membership (including nominations and appointment (subject to the ASX Listing Rules)) of the Board and of the various Board Committees (including terms of engagement);
- (l) the terms of reference for the Board and the various Board Committees (including the Board Charter and the charters of the various Board Committees);
- (m) the performance review of Board members, Board Committees, the Chief Executive Officer and Managing Director and of members of the Executive Leadership Team (not limited to the Company Secretary);
- (n) agreement on the division (as between the Company's directors) of the director remuneration pool approved by the shareholders of the Company;
- (o) the appointment and removal of the Chief Executive Officer and Managing Director, Chief Financial Officer and the Company Secretary (including the terms and conditions of such appointment and removal);
- (p) the terms and conditions of appointment and removal of members of the Executive Leadership Team (not limited to the Company Secretary);
- (q) change to the Company's or the Group's management structure;
- (r) the Group's Remuneration Strategy and the Group's policy on remuneration (including employee incentive plans) for employees including executives, officers and managers;
- (s) changes to superannuation arrangements for Board members and employees;
- (t) the corporate governance practices of the Group including all corporate governance policies and charters;
- (u) oversight and monitoring of the adequacy and effectiveness of the risk and compliance practices of the Group;
- (v) the borrowing of any material funds by the Group or giving securities over assets of the Group;
- (w) the commencement, settlement or defence of any material claims or litigation (that have not been delegated to management to approve);

- (x) the resolutions and related documentation to be put to shareholders in a general meeting of the Company;
- (y) the decisions relating to political donations and the Group's policy on political donations;
- (z) the decisions relating to charitable donations and the Group's policy on charitable donations (that have not been delegated to management to approve);
- (aa) determining the independence and remuneration of non-executive directors within the available maximum aggregate pool; and
- (bb) any other matter determined by resolution of the Board to be reserved to the Board and not delegated to management or within the authority of the Company in general meeting.

3. REVIEW

The matters reserved for the Board will be reviewed regularly by the Board having regard to the changing circumstances of the Group.

4. PUBLICATION

This document will be published in the Investor Centre / Corporate Governance section of the Company's website www.mcphersons.com.au. A copy will also be made available on request.

5. DOCUMENT CONTROL

Version	Description	Date
1	Renewed Document	May 2024