

# **2021 CORPORATE GOVERNANCE STATEMENT**

August 2021

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# APPROACH TO CORPORATE GOVERNANCE

Our Board and all levels of management are committed to continuously improving our governance practices in line with the needs of our business and stakeholders, aligning accountability and stronger risk management within the business.

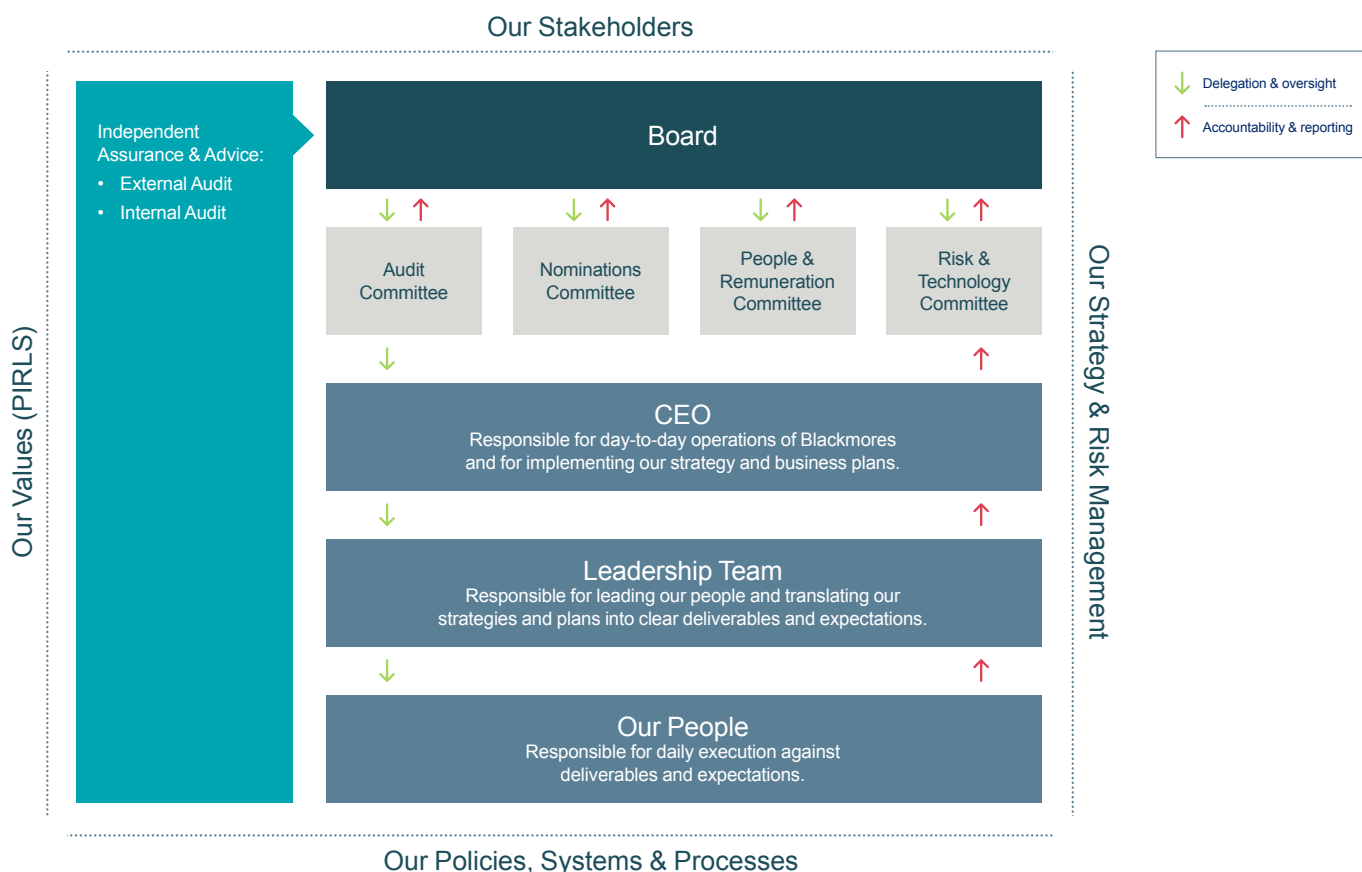
Our corporate governance framework, illustrated in the diagram on this page, strives to achieve the right balance between accountability, delegation and oversight to ensure effective and timely decision making.

The Board is responsible for setting Blackmores' strategic direction, ensuring good governance and oversight and instilling a culture that considers and fairly balances the needs of all our stakeholders.

Responsibility for Blackmores' day-to-day management and performance is delegated by the Board to the CEO and from the CEO to other levels of management via a comprehensive delegation of authority framework.

While the Board is responsible for establishing and maintaining the corporate governance framework, good governance is also the responsibility of the CEO and other members of our Executive Team.

## CORPORATE GOVERNANCE FRAMEWORK



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# PRINCIPLE 1

## LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Company Constitution states that the Company's business and affairs are to be managed under the Board's direction.

The Board has adopted a formal Board Charter which, among other matters, sets out the responsibilities, structure and composition of the Board of Directors of the Company. The matters which require approval by the Board are included. The Board Charter is available on the Blackmores website at [blackmores.com.au/about-us/investor-centre/corporate-governance](https://blackmores.com.au/about-us/investor-centre/corporate-governance).

A summary of duties for the Chief Executive Officer (CEO) are reviewed and agreed by the Board and include a job description for this role.

Before appointing a Director or senior executive, the Company undertakes appropriate background and probity checks, including reference checks and employment history checks. In respect of Non-Executive Directors, shareholders are provided with all material information which is relevant to the decision to elect or re-elect a Director. Directors receive formal letters of engagement setting out the key terms, conditions and expectations of their engagement.

An orientation program is organised to ensure that incoming Directors are familiar with the Company's business and governance practices.

The Company has written employment agreements with all senior executives.

The Company Secretary is responsible for supporting the Board and is directly accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each Director is able to communicate directly with the Company Secretary.

## DIVERSITY AND INCLUSION

Blackmores is a leader in diversity and inclusion, and we are committed to championing and celebrating the richness of diversity. We believe it positively impacts employee engagement, improves business performance, increases shareholder value, and enhances the probability of achievement of corporate objectives.

We are proud of our progress with current representation of women being 60% on the Board of Directors and 50% of Senior Executives (being direct reports to the CEO). At Blackmores we have set a gender balance target of 40/40/20 which means we aim to ensure all levels are made up of 40 per cent women, 40 per cent men, and 20 per cent any gender (which may vary depending on industry talent pool or reflect those who identify as non-binary).

Blackmores Diversity FY21	Current
Females on the Board <sup>1</sup>	60% <sup>3</sup>
Females in senior executive positions <sup>2</sup>	50% <sup>4</sup>
Females in senior management positions <sup>2</sup>	54%
Female employees <sup>2</sup>	59%

1. As at 12 August 2021

2. As at 31 July 2021

3. Count includes CEO

4. Count excludes CEO

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We are committed to creating programs that prepare women to take on senior roles within the business, assist Indigenous Australians, and encourage people with disabilities to access employment opportunities and career advancement.

The People and Remuneration Committee has adopted a Diversity Policy and management is required to periodically provide diversity reports to the Committee and Board. The policy is available at **[blackmores.com.au/about-us/investor-centre/corporate-governance](https://blackmores.com.au/about-us/investor-centre/corporate-governance)**.

The Company is compliant with the Equal Opportunity for Women in the Workplace Act 1999.

A copy of Blackmores 2020 (FY20) report to the Workplace Gender Equality Agency is available at **[blackmores.com.au/about-us/investor-centre/corporate-governance](https://blackmores.com.au/about-us/investor-centre/corporate-governance)**.

The Chair of the Board evaluates the performance of individual Directors and the Board collectively on an ongoing basis. Performance criteria to which the Chair has reference include attendance and participation at meetings, contribution to valid Board debate on key issues, and the effectiveness of the Board as a whole in providing the Company with clear guidance and direction.

An external Board review is conducted bi-annually and was last completed during FY18. Following the Board renewal in FY21 a review will be conducted in FY22.

The Company has a comprehensive total reward framework. Underpinned by clearly defined objectives and measures aligned to the delivery of the Company's objectives, and developed through the overall performance management framework, each senior executive has had their performance assessed in line with the framework during FY21.

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## PRINCIPLE 2

# STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

The Company has a Nominations Committee which comprises the full Board. The proceedings and meetings of the Nominations Committee are governed by the provisions of the Constitution.

The primary purpose of the Nominations Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by ensuring that the Board is comprised of individuals who are best able to discharge their responsibilities as Directors, having regard to the law and the highest standards of governance.





















The members of the Committee during the 2021 financial year, the number of times the Committee met throughout the period, and the individual attendances of the members at those meetings are included in the 2021 Directors' Report section of the Annual Report available at [\*\*blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports\*\*](https://blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports).

The Board reviews its composition and assesses nominations for new appointments from time to time to ensure the right balance of skills and experience. The following table is the current mix of skills and experience of the Board.

# BLACKMORES BOARD SKILLS MATRIX

## Skill and experience

## Relevance to Blackmores

<b>Leadership</b> 	<p>Leading successful business outcomes and high standards of corporate governance, as demonstrated by sustained success at a senior leadership role such as CEO level or similar position in an organisation of significant size or complexity.</p>	<p>Setting strategy, driving performance in senior leaders for effective decision making.</p>
<b>Manufacturing, supply chain and consumer products</b>  	<p>Deep experience in manufacturing, logistics, distribution channels and/or consumer products sectors particularly in Asia.</p>	<p>Appreciation of the operating environment, including opportunities, challenges and constraints for our business.</p>
<b>Health</b> 	<p>Experience in the health sector (services or regulator) or consumer health products. Exposure to regulation in health sector (eg TGA or similar regulator in overseas jurisdictions).</p>	<p>Appreciation of the framework within which our business operates, including key industry concepts and regulation.</p>
<b>Strategy/Global perspective</b> 	<p>Having a global perspective through exposure or responsibility for leading international operations, particularly in the Asia Pacific region.</p>	<p>Insight into, and ability to shape our approach to, harnessing key growth opportunities outside Australia.</p>
<b>Enhanced customer or consumer outcomes</b>  	<p>Experience in understanding the needs of customers and/or consumers and how technology can enhance outcomes.</p>	<p>Ensuring customer and consumer needs are front of mind at all levels.</p>
<b>Governance</b>  	<p>Experience as a non-executive director of at least two other listed entities (Australia or overseas) and an understanding of legal and regulatory frameworks underpinning corporate governance principles.</p>	<p>Understanding of the local and offshore listed environment and associated corporate governance frameworks to operate effectively as a director.</p>
<b>Digital technology and operations</b>  	<p>Experience in technology strategies and innovation and how they can be utilised to deliver greater efficiency. Cyber security is included in this.</p>	<p>Supporting our technology strategy and cyber security.</p>
<b>Financial acumen</b>  	<p>Understanding of the financial drivers of the business, experience in financial accounting, reporting, corporate finance and internal controls, and capital markets.</p>	<p>Assessing financial and capital management initiatives, particularly in addressing complex issues.</p>
<b>Risk management</b>  	<p>Experience in identifying, assessing and monitoring systemic or emerging risks, strategic risks, and both operational and financial risks.</p>	<p>Assessing our risk profile and monitoring our decision making to ensure we operate within our risk appetite and adapt to new risks as they emerge.</p>
<b>ESG</b>  	<p>Understanding potential social and environmental risks and opportunities.</p>	<p>Influencing decision making to support sustainable practices and positive environmental and social outcomes.</p>
<b>M&amp;A</b>  	<p>Experience in major acquisitions, divestments and mergers including strategy, due diligence, valuation, and/or integration.</p>	<p>Assessment of inorganic growth opportunities in the context of our organic growth strategy.</p>
<b>People &amp; culture</b> 	<p>Oversight of Group culture and the Code of Conduct.</p>	<p>Understanding organisational culture, succession planning and remuneration and reward frameworks.</p>

 Practiced/direct experience

 High competency, capability, knowledge and experience



The qualifications, expertise and experience of each Director are included in the following table:

Name of Director	Date Joined	Qualifications and Memberships	Status
<b>Anne Templeman-Jones</b> Chair of the Board and Chair of the Nomination Committee	28 October 2020	<ul style="list-style-type: none"> <li>Bachelor of Commerce from The University of Western Australia</li> <li>Executive Master of Business Administration from the Australian Graduate School of Management at The University of New South Wales</li> <li>Master of Risk Management from the University of New South Wales</li> <li>Member of the Chartered Accountants Australia and New Zealand</li> <li>Fellow of the Australian Institute of Company Directors</li> </ul>	Independent
<b>David Ansell</b> Chair of People and Remuneration Committee	22 October 2013	<ul style="list-style-type: none"> <li>Bachelor of Arts (Communication) from Charles Sturt University<sup>1</sup></li> <li>Graduate of the Australian Institute of Company Directors</li> </ul>	Independent
<b>Wendy Stops</b> Chair of the Risk and Technology Committee	28 April 2021	<ul style="list-style-type: none"> <li>Bachelor of Applied Science (Information Technology) from Monash University<sup>2</sup></li> <li>Graduate of the Australian Institute of Company Directors</li> </ul>	Independent
<b>Sharon Warburton</b> Chair of the Audit Committee	28 April 2021	<ul style="list-style-type: none"> <li>Bachelor of Business (Accounting &amp; Business Law) from Curtin University<sup>3</sup></li> <li>Fellow of the Chartered Accountants Australia and New Zealand</li> <li>Fellow of the Australian Institute of Company Directors</li> <li>Fellow of the Australian Institute of Building</li> </ul>	Independent
<b>Alastair Symington</b> Chief Executive Officer & Managing Director	1 October 2019	<ul style="list-style-type: none"> <li>Bachelor of Economics, Post Graduate Diploma (International Business) from Monash University</li> <li>Member of the Australian Institute of Company Directors</li> </ul>	Executive

The Board regularly assesses the independence of each Non-Executive Director. An independent Director is a Director who is not a member of management (a Non-Executive-Director) and who (to the satisfaction of the Board) meets the following criteria:

- is not a shareholder of the Company holding more than ten percent of the voting shares or otherwise associated directly or indirectly with a shareholder holding more than ten percent of the voting shares;
- has not within the last three years been employed in an executive capacity by the Company;
- is not a principal or employee of a professional adviser to the Company and its entities whose billings exceed five percent of the adviser's total revenues;
- does not receive performance-based remuneration or participate in an employee incentive scheme of the Company or entities;
- is not a significant supplier or customer of the Company or its entities or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. (A significant supplier is defined as one whose revenues from the Company exceed five percent of the supplier's total revenue. A significant customer is one whose amounts payable to the Company exceeds five percent of the customer's total operating costs);
- has no material contractual relationship with the Company; and
- has no other interest or relationship that could interfere with the Director's ability to act in the best interests of the Company and independently of management.

1. Mitchell College of Advanced Education at the time of graduation.

2. Caulfield Institute of Technology at the time of graduation.

3. Curtin University of Technology at the time of graduation.



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The Board considers all of its Non-Executive Directors to be independent and the majority of the Board is independent. The Company Secretary maintains the Register of Directors' Interests. Where the independence of a Director is lost, this will be immediately disclosed to the market.

The Chairman and CEO roles are to be held by different persons. The CEO may also be a Director of the Company.

Directors retire by rotation in accordance with clause 89 of the Constitution. Newly appointed Directors must stand for re-election at the next Annual General Meeting in accordance with clause 93 of the Constitution.

On 28 October 2020, the Board appointed Ms Anne Templeman-Jones as Chair of the Board. Ms Templeman-Jones is an independent Non-Executive Director.

An orientation program is organised for new Directors to ensure that incoming Directors are familiar with the Company's business and governance practices.

Particular attention is paid to ensure that any new Directors appointed to the Board benefit from an effective induction program, designed to enable Directors to gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- their rights, duties and responsibilities as Directors; and
- the role of the Board Committees.

It is the responsibility of the Chair to ensure the effectiveness of this induction program, which combines review of Company information, materials/ policies and meetings with key executives employed in the business.

Various Company events are organised throughout the year which the Directors attend, enabling the Directors to stay up to date on key Company developments. Coupled with their more formal duties, this allows the Directors to build up a deep level of knowledge around the Company's activities and accordingly optimise their contribution to the Board.

Subject to approval by the Chair, Directors have access to continuing education to update and enhance their skills and knowledge. This includes education concerning key developments in the Company and within the industry and environments within which it operates.

The Board is provided with the information it needs to efficiently discharge its responsibilities and in particular:

- all Directors have access to the Company Secretary;
- the appointment and removal of the Company Secretary is a matter for decision by the Board as a whole; and
- management is required to supply the Board with information in a form, timeframe and quality that enables the Board to effectively discharge its duties.

In a typical year, eight Board meetings would be held. These formal meetings can be supplemented as required by additional meetings and/or teleconferencing. Directors meet with Management each year for two to three days to review the Strategic Plan and Company Budget.

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## PRINCIPLE 3

# INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

There is a Code of Conduct for Directors and employees. It aims to ensure that the Directors and employees act in a manner consistent with best practice of public and commercial business and are committed to open and transparent communications in all our dealings.

The Code of Conduct provides Directors and employees with guidance on what is acceptable behaviour. Specifically, the Company requires that all Directors, managers and employees 'are honest, trustworthy and committed to the highest standards of personal, professional and business behaviour'.

The Company considers the successful management of work health and safety, and environmental issues as vital for our employees, customers, suppliers, communities and business success.

The Code of Conduct sets out the core 'values-based' behaviours expected from employees within the Blackmores Group. It also sets out the basic behaviours expected from those with whom the Group does business including suppliers, distributors, customers, and others who may act on the Company's behalf. These behaviours are called 'the Blackmores' Group Way' and they are focussed on 'doing the right thing' in all locations. Employees periodically receive training relevant to their roles, and confirm their commitment to adhere to the Code of Conduct.

The Code is available at [\*\*blackmores.com.au/about-us/investor-centre/corporate-governance\*\*](https://blackmores.com.au/about-us/investor-centre/corporate-governance).

The Board or a Committee of the Board is informed of any material breaches of that Code. The Company considers all breaches of the Code of Conduct or Supplier Code of Conduct that are reported so they can be investigated and appropriate follow-up action taken.

The Company has a "Speak Up" portal to help empower people worried about retaliation or victimisation to speak up. The Board or a Committee of the Board is informed of all reports under the policy.

Employees periodically receive training and communications relating to the Speak Up (Whistleblower Policy).

The Speak Up (Whistleblower Protection) Policy and portal are available at [\*\*blackmores.com.au/about-us/whispli\*\*](https://blackmores.com.au/about-us/whispli).

Blackmores has zero tolerance for bribery and corruption. The Company has an Anti-Bribery and Corruption Policy which sets out the behaviours expected from employees in line with this commitment. Employees periodically receive training and communications relating to the Anti Bribery and Corruption Policy.

The policy sets clear standards for behaviour that will promote ethical business practices and prevent bribery and corruption within Blackmores. The Board or a Committee of the Board is informed of all reports under the policy.

The Policy is available at [\*\*blackmores.com.au/about-us/investor-centre/corporate-governance\*\*](https://blackmores.com.au/about-us/investor-centre/corporate-governance).

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## PRINCIPLE 4

# SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Blackmores is committed to a transparent system that verifies the integrity of its corporate reports.

The Board of Blackmores has established an Audit Committee. The Committee reports to the Board of Blackmores.

The Charter of the Audit Committee is available at [\*\*blackmores.com.au/about-us/investor-centre/corporate-governance\*\*](https://blackmores.com.au/about-us/investor-centre/corporate-governance).

The Committee has at least three members, all of whom are Non-Executive Directors, the majority of whom are independent Directors, and is chaired by an independent Director who is not the Chair of the Board.

The composition and structure of the Committee and membership attendance at meetings of the Committee are set out in the Directors' Report section of the Annual Report available at [\*\*blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports\*\*](https://blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports).

Prior to the Board approval of the Company's financial statements for a financial period, the Board receives from the CEO and CFO a declaration that, in their opinion, the financial records of the Company 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.

External auditors are asked to attend the Annual General Meeting and be prepared to answer shareholder questions about the conduct of the audit and the preparation and content of the auditors' report.

The Board has a Charter of External Auditor Independence to ensure auditors are independent and have no conflicts of interest. The Charter is available at [\*\*blackmores.com.au/about-us/investor-centre/corporate-governance\*\*](https://blackmores.com.au/about-us/investor-centre/corporate-governance).

The Board or the Audit Committee review the periodic financial reports and require the relevant senior manager to verify the information that is included. The Company's annual Sustainability Report is independently assured.

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## PRINCIPLE 5

# MAKE TIMELY AND BALANCED DISCLOSURE

Blackmores has established policies to ensure that disclosure of all material matters concerning the Company occurs in a timely, honest and balanced manner and that all investors have equal access to material information including its position, performance, ownership and governance.

The Company is listed on the ASX and must comply with Listing Rule 3.1 (Continuous Disclosure).

Executives are made aware of the requirements and a separate Board agenda item covering the requirement of Continuous Disclosure is discussed at every Board meeting.

A Continuous Disclosure Policy is available at **[blackmores.com.au/about-us/investor-centre/corporate-governance](https://blackmores.com.au/about-us/investor-centre/corporate-governance)**.

New investor or analyst presentations are released on the ASX Market Announcements Platform prior to the presentation.

The Board, or a sub committee that has Board delegation, approves all material market announcements prior to their release and receives all material market announcements promptly after they have been made.

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## PRINCIPLE 6

# RESPECT THE RIGHTS OF SECURITY HOLDERS

The Company strives to convey to its shareholders and the investing public pertinent information in a detailed, regular, factual and timely manner. Information is communicated to shareholders through:

- the Annual Financial Report (for those shareholders who have requested a copy)
- disclosures to the ASX;
- notices and explanatory memoranda of Annual General Meetings;
- half yearly reports provide shareholders with information on performance and other matters of interest;
- an annual shareholder event; and
- Blackmores' website at **blackmores.com.au**.

Shareholders have the option to receive communications electronically from the registry and the Company. The Annual Report is distributed to shareholders who have requested to receive the document. The Board ensures that the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future developments, in addition to the other disclosures required by the Corporations Act 2001.

Half-year Financial Statements prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act 2001 are lodged with the Australian Securities and Investments Commission and the ASX. The Financial Statements are sent to any shareholder who requests them and the shareholders' newsletter is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). Copies are lodged with the ASX.

The internet site, **blackmores.com.au** is updated regularly with information on the Company's products, governance, annual reports and public announcements.

External auditors are asked to attend the Annual General Meeting and be prepared to answer shareholder questions about the conduct of the audit and the preparation and content of the auditors' report.

Shareholders are encouraged to ask questions at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

All substantive resolutions at a meeting of shareholders are decided by poll rather than a show of hands.

An exclusive shareholder-only event is held annually to provide an opportunity to meet the management and to better understand the Company's operations and gain deeper insight into the business. There are no formal business matters at the event.

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## PRINCIPLE 7

# RECOGNISE AND MANAGE RISK

Blackmores is committed to the identification, management and monitoring of material risks (financial and non-financial) associated with its business activities across the Group.

The Board recognises that a sound risk management culture is fundamental to effective risk management practices across the business. The Blackmores Board, leadership team, policies and frameworks instil and promote a culture which values the Blackmores principles of integrity, respect, leadership, social responsibility and a passion for natural health – values that are reflected in the Group's Code of Conduct and in all operations.

These elements are key to embedding effective risk management and awareness, and to supporting appropriate behaviours and judgements about risk taking within the parameters and risk appetite set by the Board.

The Board has established the independent Risk and Technology Committee consisting of at least three members, all of whom are Non-Executive Directors, the majority of whom are independent Directors, chaired by an independent Director who is not the Chair of the Board. The Committee reports to the Board of Blackmores.

The Charter of the Risk and Technology Committee is available at [blackmores.com.au/about-us/investor-centre/corporate-governance](https://blackmores.com.au/about-us/investor-centre/corporate-governance). The composition and structure of the Committee and membership attendance at meetings of the Committee are set out in the Directors' Report section of the Annual Report available at [blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports](https://blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports).

Blackmores risk management purpose, objective and principles are defined within the Risk Management Policy. The Policy is supported by the Company's Risk Management Framework which defines Blackmores risk appetite, roles and responsibilities for risk management activities across the business, as well as the supporting systems and processes in place to enable and embed risk management within day-to-day operations. The Policy and Framework (including risk appetite) are formally reviewed by the Board in line with the company's strategy, internal and external operating context, annually at minimum as has been completed within the FY21 reporting period.

In line with the Policy and Framework, all material business risks are assessed by management and reported to the Risk and Technology Committee. The Committee provide oversight as to the effectiveness of the risk management program and the specific controls and mitigations in place to manage material business risks in line with the risk appetite set by the Board.

It is the responsibility of the Board and management to establish, maintain, operate and demonstrate an appropriate framework of business controls. This framework covers all activities of the Company whether operational, technical, commercial, financial or administrative. The Executive Team has established a Risk, Audit and Compliance Committee which meets quarterly to systematically review, prioritise and manage significant risks relevant to each of their respective functions.

The Board is responsible for monitoring the Company's system of internal controls. An independent Audit Committee is appointed to oversee this and the Committee reports to the Board of Blackmores. The Charter of the Board Audit Committee is available at [blackmores.com.au/about-us/investor-centre/corporate-governance](https://blackmores.com.au/about-us/investor-centre/corporate-governance).

The composition and structure of the Committee and membership attendance at meetings of the Committee are set out in the Directors' Report section of the Annual Report available at [blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports](https://blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports).

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Reporting to the Chair of the Audit Committee, our Head of Business Improvement and Assurance is responsible for monitoring the internal control framework of the Group and recommending initiatives to enhance controls and business operations. The Board constantly monitors the operational and financial aspects of the Company's activities and through the Audit Committee considers the recommendations and advice of internal and external auditors on the risks that face the Company. In addition to this role, specialists are engaged to review and assess control processes as needed.

The Board oversees that recommendations made by internal and external auditors and other advisers are appropriately addressed in a timely manner to ensure that the Company has an appropriate internal control environment in place to oversee operations.

The Company has in place a number of arrangements and internal controls intended to identify and manage areas of material business risk.

The material risk categories reported include those associated with financial risk, operational risk, and exposure to economic, environmental and social sustainability risks. An overview of Blackmores material business risks and responses can be found within the Annual Report available at [\*\*blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports\*\*](https://blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports).

The Company's 2020 Sustainability Report also includes any material exposures to environmental or social risks and the approach to managing those risks. The 2020 Report is available at [\*\*blackmoressustainability.com.au\*\*](https://blackmoressustainability.com.au). The 2021 Sustainability report will be released in September 2021.



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## PRINCIPLE 8

# REMUNERATE FAIRLY AND RESPONSIBLY

The Board has established a People and Remuneration Committee whose primary responsibility is to consider remuneration strategy and policy and to make recommendations to the Board in the best interests of Blackmores and its shareholders. The Committee reports to the Board of Blackmores.

The Charter of the People and Remuneration Committee is available at [blackmores.com.au/about-us/investor-centre/corporate-governance](https://blackmores.com.au/about-us/investor-centre/corporate-governance).

The Committee has at least two independent Non-Executive Directors and is chaired by an independent Non-Executive Director.

The composition and structure of the Committee and membership attendance at meetings of the Committee are set out in the Directors' Report section of the Annual Report available at [blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports](https://blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports).

Blackmores remunerates its people fairly and responsibly. The People and Remuneration Committee has established a remuneration framework and the principles are outlined in the Remuneration Report in the Annual Report. Remuneration policies are aimed at attracting and retaining talented and motivated Directors and employees. Rewards align Senior Executives to the enhancement of Blackmores' earnings and shareholder outcomes and encourage the achievement of strategic goals, financial targets, operational performance and company cultural expectations.

## NON-EXECUTIVE DIRECTOR REMUNERATION POLICY AND STRUCTURE

Compensation arrangements for Non-Executive Directors are recommended by the Committee to the Board for approval after reviewing published remuneration surveys and market information.

Non-Executive Directors receive fixed annual fees comprising a Board fee, Committee fee, and Committee Chair fee as applicable. No incentive based payments are awarded to Non-Executive Directors. The amount of remuneration is set out in the Remuneration Report included in the 2021 Annual Report available at [blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports](https://blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports).

## EXECUTIVE DIRECTOR AND SENIOR EXECUTIVE REMUNERATION

The People and Remuneration Committee reviews and makes recommendations to the Board concerning Blackmores' remuneration framework and the remuneration and incentive arrangements for Key Management Personnel and senior executives. For more information on Blackmores' remuneration framework, including incentives and profit share arrangements, see the Remuneration Report included in the 2021 Annual Report.

Blackmores has a formal process for evaluating the performance of Key Management Personnel and determining their remuneration outcomes. Information on this process and the remuneration outcomes determined are summarised in the Remuneration Report.

The People and Remuneration Committee has established processes to ensure that it is able to provide advice in relation to executive remuneration.

## SHARE TRADING

Blackmores has adopted a Share Trading Policy which sets out when our people may trade in Blackmores securities. The policy prohibits Executives from entering into any transaction which operates to hedge the exposure of unvested shares received under any share incentive plan, unless prior approval is provided by the Board. This policy is available at [www.blackmores.com.au/about-us/investor-centre/corporate-governance](https://www.blackmores.com.au/about-us/investor-centre/corporate-governance). In addition to the requirement for all of our people to comply with insider trading laws, the policy prohibits certain specified persons (which includes Directors and Key Management Personnel) from trading in Blackmores securities during specified periods.

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## MINIMUM SHAREHOLDING REQUIREMENT

Blackmores has adopted a Minimum Shareholding Requirement Policy Guideline under which Directors, Key Management Personnel and other senior executives are encouraged to build a minimum shareholding in Blackmores and maintain it during their tenure. Further information on the Minimum Shareholding Requirement Policy Guideline is set out in the Remuneration Report.

**Blackmores Limited**

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