

**CORPORATE GOVERNANCE STATEMENT 2020**

ABN 625 684 068



Marley Spoon AG (**Company** or **Marley Spoon and together with its subsidiaries Group**) is committed to ensuring that its Corporate Governance framework meets and exceeds the requirements set out in the ASX Corporate Governance Council's Principles and Recommendations 4th Edition (**Governance Principles**).

Marley Spoon is a German stock corporation (*Aktiengesellschaft, AG*) with its headquarters in Berlin, Germany, registered with the Commercial Register of the local court (*Amtsgericht*) Charlottenburg under HRB 195994 B. The Company was originally formed as a German limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) and was transformed into a German stock corporation effective as of 2 May 2018. On 19 April 2018, Marley Spoon was registered in Australia as a foreign company under the Corporations Act 2001 (Cth).

The main constituent document of Marley Spoon is its constitution (*Satzung*) whereas the corporate governance policies and practices described below are those that have been in place since the Company's listing on ASX on 2 July 2018 or as at the date(s) in this report, as applicable.

Consistent with the Company's commitment to transparency in its dealings with stakeholders, this Corporate Governance Statement (**Statement**) has been prepared by reference to each recommendation contained in the Governance Principles.

In this Statement, all references to:

- (a) the Board are references to the Supervisory Board (*Aufsichtsrat*) of the Company;
- (b) Directors are references to the members of the Supervisory Board (*Aufsichtsrat*) of the Company;
- (c) the Management are references to the Management Board (*Vorstand*) of the Company ;
- (d) Security Holders are references to both shareholders (*Aktionäre*) and CDI holders of the Company; and
- (e) the Company's website are to: <https://ir.marleyspoon.com>.

This Statement was approved by the Company's Board on 24 February 2021 and is current as at that date.

### **Principle 1: Lay solid foundations for management and oversight**

#### **Recommendation 1.1 – Roles and Responsibilities of the Board - Adopted**

*A listed entity should have and disclose a board charter setting out:*

- (a) *the respective roles and responsibilities of its board and management; and*
- (b) *those matters expressly reserved to the board and those delegated to management.*

The Company is subject to the German Stock Corporation Act (*Aktiengesetz*) (**GSCA**) and other applicable German laws. In accordance with the GSCA, the Company has a two-tier board system (unlike Australian companies). There is a Supervisory Board (**Board**) (comprised of non-executive directors, from an Australian perspective) and a Management Board (**Management**) (comprised of executive directors, from an Australian perspective). These boards are separate, and an individual may not be a member of both.

The Board consists of four members, including one chairman and one deputy chairman. The Board is responsible for appointing and removing the members of the Management. The role of the Board is to advise and supervise the Management and ensure that the activities of the Management comply with the Company's constitution, the Rules of Procedure of the Management and with legal and regulatory requirements. The Board is responsible for reviewing and approving the annual accounts of the Company and the group and the annual budget and for reviewing systems for managing risks. The Board operates under a formal [charter](#) (**Charter**), which can be found on the Company's [website](#).

The Management is composed of the Chief Executive Officer (**CEO**) and the Chief Financial Officer (**CFO**). The GSCA delegates to the Management the overall responsibility for the management of the Company. Accordingly, it has the

authority to represent and bind the Company vis a vis third parties. The Management focuses in particular on the Company's day-to-day business, strategic management, finances, resource allocation, risk management and control. It acts in accordance with applicable law, the Company's constitution and the Rules of Procedure of the Management that are enacted by the Board.

Certain major transactions cannot be undertaken by the Management without the Board's approval. Under the Company's constitution the Management requires the approval of the Board:

- To sell the Company as a whole;
- To conclude contracts or plans pursuant to the German Conversion Act;
- To conclude inter-company agreements as defined in Section 291 GSCA.

In addition, the Board has specified in the Rules of Procedure of the Management that certain other transactions require its approval, including:

- the incurrance of financial indebtedness by a group entity exceeding €100,000.00;
- the sale, transfer, pledge or other disposal by a group entity of assets with a value exceeding €200,000.00;
- the commencement, termination or settlement of any legal disputes (including litigation and arbitration proceedings) involving a value in dispute exceeding €250,000.00;
- entering into, amendment of or termination of rental or lease agreements relating to real estate which provide for a consideration payable in any one year in excess of €250,000.00;
- transferring or licensing of any material intellectual property of the Company with a book value exceeding €250,000;
- approval and/or adoption of the annual budget of a group entity;
- disclosures under the Corporations Act 2001 (Cth) and the ASX Listing Rules.

### **Recommendation 1.2 – Appointment and Re-election of Directors - Adopted**

*A listed entity should:*

- (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and*
- (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.*

The current members of the Board were elected, with the exception of Robin Low, prior to the listing of the Company on the ASX, by the Security Holders of the Company at the relevant time. Robin Low was elected as a member of the Board by Security Holders on 29 January 2020. Each member of the Board was elected for a period terminating at the end of the Company's annual general meeting in 2021 (**Board Initial Term**).

Members of the Board may resign and stand for re-election prior to that date, for example to assist the Company to comply with the director rotation requirements of the ASX Listing Rules. Mr. Christoph Schuh announced that he will not stand for re-election after the Board Initial Term, i.e., in May 2021. The Board, acting through the NRC, is undertaking a comprehensive and competitive search with an internationally respected search firm for a suitable candidate to succeed Mr. Schuh.

Prior to the Company listing on ASX, consideration was given to the combined skillset that would be required on the Board going forward, and directors possessing those skills were appointed. These appointments were made following a formal process including the identification of suitable candidates, interviews and background checks covering the candidate's character, experience, employment history, qualifications, criminal history, bankruptcy and disqualification status.



On an ongoing basis, before Board candidates are selected, the Board's Nomination and Remuneration Committee (**NRC**) will develop selection criteria, having regard to the necessary and desirable competencies of members of the Board, its current collective skills and competencies and its existing and future skills requirements, and will then identify suitable candidates and make recommendations to the Board in relation to their appointment. The NRC takes into consideration the skills, experience and expertise of potential candidates in making recommendations regarding their suitability. Candidates will be required to disclose their other commitments and confirm that they are able to dedicate sufficient time to their duties.

The NRC is responsible for conducting appropriate checks into a candidate's background and experience and, where relevant, for disclosing to the Board and to Security Holders whether those checks have revealed any information of concern.

Prior to the Company's annual general meeting, Security Holders will be provided with the information necessary to assist them to make an informed decision on all Directors standing for election or re-election. Directors are re-elected in accordance with the Company's constitution and the ASX Listing Rules.

### **Recommendation 1.3 – Agreements with directors and senior managers – Adopted**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The members of the Board were appointed by the general meeting and have entered into formal letters of appointment which confirm the term of the appointment, remuneration, the role and responsibilities and the Company's expectations of each Director as members of the Board. The letters of appointment contain provisions which confirm rights of access to certain books and records of the Company, indemnity and insurance arrangements, ongoing confidentiality obligations and the Company's policy on when directors may seek independent professional advice at the expense of the Company. The letters of appointment also contain terms requiring members of the Board to:

- disclose any interests or any matters which could affect a director's independence;
- comply with key corporate policies including the Company's Code of Conduct, Anti-Bribery and Corruption Policy and Securities Trading Policy; and
- notify the Company of, or to seek approval before accepting, any new role that could impact upon the time commitment expected of the director or give rise to a conflict of interest.

The members of the Management have detailed service agreements which take into account general market practice as well as the requirements of the GSCA. These agreements provide for the service term, remuneration and termination of the relevant executive, along with other relevant provisions. All other senior executives are each party to employment contracts with the Company or a local subsidiary, or signed offer letters with accompanying employee handbooks. These documents set out the relevant remuneration and employment benefits, role descriptions and related employment terms.

### **Recommendation 1.4 – Accountability of the company secretary - Adopted**

*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.*

The [Board's charter](#) provides that it is tasked with the responsibility of assessing appropriate company secretarial functions, and if desired approving the appointment of a person or organisation to perform those functions and any replacement thereof. Dr. Mathias Hansen (General Counsel) has been appointed to act in a company secretarial role.

## **Recommendation 1.5 – Diversity Policy - Adopted**

A listed entity should:

- (a) have and disclose a diversity policy;
- (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
- (c) disclose in relation to each reporting period:
  - (1) the measurable objectives set for that period to achieve gender diversity;
  - (2) the entity's progress towards achieving those objectives; and
  - (3) either:
    - (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
    - (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.

The Company has adopted a [Diversity Policy](#), a copy of which is available on its [website](#). The policy provides that the Company's Management board is responsible for setting measurable objectives for achieving diversity and for annually assessing the Company's objectives and progress in achieving them.

The Company has a diverse employee base, across Australia, the USA and Europe, and is committed to creating and ensuring a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the Company.

Rather than formally setting numerical objectives, the Company has set out its goals in this area in its Diversity Policy, and focused on achieving those goals in practice, as evidenced by the following levels as at 31 December 2020:

- The proportion of female Directors on the Board: 75% (the Chairman of the Supervisory Board is female)
- The proportion of female Directors on the Management: 50%
- The proportion of female employees in senior executive positions: 59.5%
- The proportion of female employees in the whole workforce: 53.9%

The Board gives due consideration to gender diversity when discussing succession planning. For instance, Marley Spoon's CFO is female.

The Board gives consideration to other diversity factors in addition to gender when considering the composition of the Board. The Board recognizes the value of having Directors of different ages, genders, ethnicities and backgrounds to bring different perspectives.

## **Recommendation 1.6 – Evaluation of the performance of the board, its committees and individual directors - Adopted**

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (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.

The Board is committed to enhancing its effectiveness through performance management and review. The [Board's Charter](#) provides for the periodic evaluation and review of its own performance (including against the requirements of its Charter), as well as the performance of its committees, individual members of the Board and the Management, against both measurable and qualitative indicators.

In the relevant reporting period, the Supervisory Board has conducted a review of its composition based on the skills of the board and the future needs of the Company. A formal review of board performance will take place in H1 FY21.



**Recommendation 1.7 – Evaluation of the performance of senior executives - Adopted**

A listed entity should:

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- (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.

The Company has a performance review process for all staff, which is based on financial measures, operational excellence and personal performance. Performance measures are linked to long-term incentives. At this stage, the Company does not offer cash-based short-term incentives.

The performance evaluation of members of the Management, including the CEO, was conducted in the reporting period.

The CEO was re-appointed for another 3 years in December 2020. The current CFO joined the Management in October 2020 and her performance will be evaluated in the 2021 reporting period.

**Principle 2: Structure the board to be effective and add value**

The constitution of the Company provides that there will be four directors on the Board. At the date of this Statement, the Board is comprised of the following Directors:

- Ms Deena Shiff (Chair) (appointed June 2018)
- Ms Kim Anderson (appointed June 2018)
- Mr Christoph Schuh (first appointed April 2018)
- Ms Robin Low (appointed January 2020)

Directors' details, including details of their directorships in other listed entities and experience can be found on the Company's [website](#).

The ultimate responsibility for the supervision of the Management rests with the Board. However, the Board may delegate the discharge of some of its responsibilities to committees, in accordance with the Company's constitution and applicable law.

The Board has established the following standing committees, which assist it in the execution of its responsibilities:

- Audit and Risk Committee (**ARC**); and
- Nomination and Remuneration Committee (**NRC**).

Each of these committees operate in accordance with specific charters approved by the Board, which can be found on the Company's [website](#). The composition and effectiveness of the committees will be reviewed on a periodic basis.

The number of scheduled Board and committee meetings held during the year ended 31 December 2020 and the number of meetings attended by each Director is set below:

	Supervisory Board		ARC		NRC	
	A	B	A	B	A	B
Deena Shiff	14	14	4	4	3	3
Kim Anderson	14	14	-	-	3	3
Christoph Schuh	14	14	4	3	-	-
Robin Low	14	14	4	4	3	3

A: Meetings eligible to attend B: Meetings attended

**Recommendation 2.1 – Nomination Committee - Adopted**

The board of a listed entity should:

- (a) have a nomination committee which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director,
 and disclose:
  - (1) the charter of the committee;
  - (2) the members of the committee; and
  - (3) 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
- (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.

The Board has established a Nomination and Remuneration Committee (**NRC**) which operates under a [charter](#) approved by the Board (**NRC Charter**). This charter can be found on the Company's [website](#). Details of the composition of the NRC, along with details of the number of meetings of the committee held during the year and the attendees at those meetings, are outlined above.

**Recommendation 2.2 – Board skills matrix – Adopted**

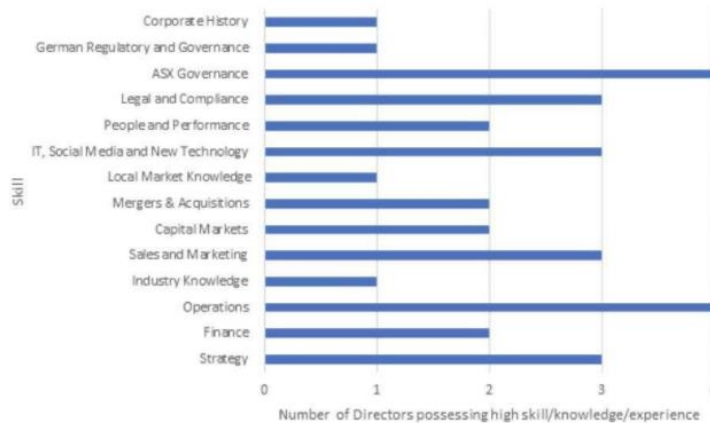
A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The Company seeks to have members of the Board with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of, and competence to deal with, current and emerging issues relevant to the business of the Company.

A board skills matrix has been developed to determine if the skills of the Board reflect the range of skills the Board requires. The skills matrix was revised during the reporting period, with the result that future Board appointments will seek to ensure that the Board extends its understanding of FMCG and e-commerce operations in our growth markets in the US and in Europe.



## BOARD SKILLS MATRIX



### **Recommendations 2.3 and 2.4 – Director independence - Adopted**

*Recommendation 2.3 - A listed entity should disclose:*

- (a) *the names of the directors considered by the board to be independent directors;*
- (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 or relationship in question and an explanation of why the board is of that opinion; and*
- (c) *the length of service of each director.*

*Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.*

The Board will assess the independence of each member in light of interests disclosed by them at least annually. Each member must provide the Board with all relevant information. If a member's interests, positions, or relationships change, the assessment should be made as soon as practicable after the Board becomes aware of the change. If the Board determines that a member's independent status has changed, that determination will be disclosed to the market in a timely manner.

The Company considers an independent director to be a Board member who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of his or her judgment.

The Board considers the materiality of any given relationship on a case-by-case basis, having regard to both quantitative and qualitative principles.

All of the Directors that form the Board have been determined as being independent as at 31 December 2020. The rationale for this determination is that the Directors are non-executives, not substantial Security Holders, conduct themselves at arms' length in their engagement with the Company and bring their considerable skillset to bear on matters before the Board. Having regard to the non-substantial size of the Lakestar investment in Marley Spoon (3.52%), Mr Schuh's lack of direct benefit from that investment and having experience of the exercise of his duties, the other Directors were of the view that he is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its Security Holders.

In order to facilitate independent judgment in decision-making, each Director has the right to seek independent professional advice at the Company's expense, following consultation with the Chair.



Based on its current assessment, the Board is composed of a majority of independent directors. The term of office held by each Director at the date of this Statement is outlined above.

**Recommendation 2.5 – Adopted**

*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.*

The Chair, Ms Deena Schiff, is a member of the Board, a position equivalent to that of non-executive director. The Board has determined that, having regard to the principles set out above, Ms Schiff is considered an independent director.

The duties of the Chair and the CEO are carried out by separate people.

**Recommendation 2.6 - Adopted**

*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.*

A director induction program is in place and Directors are expected to participate in this induction and orientation program on appointment. In addition, industry updates and briefings are regularly provided to the Board, to ensure they are informed about developments within the Company and the industry in which it operates.

**Principle 3: Instil a culture of acting lawfully, ethically and responsibly**

**Recommendation 3.1 – Adopted**

*A listed entity should articulate and disclose its values.*

The Board is responsible for approving the Company's statement of values and has delegated responsibility to the Management to inculcate those values across the Company.

**Recommendation 3.2 - Adopted**

*A listed entity should:*

- (a) have and disclose a code of conduct for its directors, senior executives and employees; and*
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.*

The Company is committed to acting honestly and with integrity in all its dealings and to act ethically and responsibly. The Board has adopted a [Code of Conduct \(Code\)](#) which sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of its business and people, taking into account the Company's legal and other obligations to its stakeholders. The Management has endorsed the Code.

The Code applies to all members of the Management, all members of the Board, as well as all employees and all other persons that act on behalf of the Company.

The Management is responsible for informing the Board of any material breaches of the Code.

A copy of the Code can be found on the Company's [website](#).



### **Recommendation 3.3 – Adopted**

A listed entity should:

- (a) have and disclose a whistleblower policy; and
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

Marley Spoon provides a work environment with flat hierarchies encouraging transparency and open communication. Employees are encouraged to approach their team leader, or the Management directly, in case they feel that matters are not handled in a fair or ethical way. As a backup, the Company is providing a sophisticated online tool (<https://whispli.com/>) allowing employees to anonymously report such matters. All matters are reviewed by a specialized case handler who is taking appropriate counter actions on a case-by-case basis.

### **Recommendation 3.4 – Adopted**

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

Marley Spoon's [Code](#) provides a strict policy on anti-bribery and gifts. In particular, no Director, officer or employee must (a) offer secret commissions or bribes to further business interests and (b) accept any money or opportunity or other benefit which could be interpreted as an inducement, secret commission or bribe. Care must be exercised in accepting hospitality, entertainment or gifts over and above that required for the normal conduct of business or which may compromise impartiality. All dealings with politicians and government officials which relate to Marley Spoon and its business activities must be conducted at arm's length and with the utmost professionalism, to avoid any perception of attempts to gain advantage or to improperly influence the outcome of an official decision.

The Management is responsible for informing the Board of any material breaches of its anti-bribery and corruption policy.

## **Principle 4: Safeguard the integrity of corporate reports**

### **Recommendation 4.1 - Adopted**

The board of a listed entity should:

- (a) have an audit committee which:
  - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (2) is chaired by an independent director, who is not the chair of the board, and disclose:
  - (3) the charter of the committee;
  - (4) the relevant qualifications and experience of the members of the committee; and
  - (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
- (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.

An independent Audit and Risk Committee (**ARC**) has been established as a standing committee by the Board. The role of

the ARC is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

- a. the integrity of the Company's external financial reporting and financial statements;
- b. the appointment, remuneration, independence and competence of the Company's external auditors;
- c. the performance of the external audit functions and review of their audits;
- d. the effectiveness of the Company's system of risk management and internal controls; and
- e. the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

The ARC operates in accordance with a [charter](#) adopted by the Board (**ARC Charter**) and can be found on the Company's [website](#). The ARC Charter sets out the roles and responsibilities as well as the structure and composition of the committee.

Pursuant to the ARC Charter the responsibilities of the ARC include:

- review and oversight of the Company's external reporting;
- review and oversight of internal controls and risk management;
- ensuring an effective external audit function and communication between the Board and the external auditor;
- reviewing and updating the Company's key risk profile;
- review and oversight of risk management systems; and
- assessing existing controls that the Management has in place for unusual transactions or transactions with more than an accepted level of risk.

Details of the composition of the ARC, the number of meetings of the ARC held during the year and the attendees at those meetings are outlined in the commentary to Principle 2 above.

The qualifications and experience of the members of the ARC are outlined on the Company's [website](#).

#### **Recommendation 4.2 – Adopted**

*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.*

In accordance with their responsibilities pursuant to the GSCA, as part of the financial audit process and auditor's review opinion, the CEO and CFO directly declare vis-à-vis the auditors in respect of the 2020 reporting period that, in their opinion, the financial records of Marley Spoon 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 of the Company and the Group. Based on that CEO / CFO declaration, the audited financial statements are then presented to the Board for review and approval.

#### **Recommendation 4.3 – Adopted**

*A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

Marley Spoon's full year reporting and half year reporting is audited and reviewed, as the case may be, by an external auditor. As part of Marley Spoon's quarterly reporting, the Management is expected to declare in respect of each respective reporting period that, in their opinion, the financial records of Marley Spoon 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 of the Company and the Group. The quarterly reports are then presented to the Board for review and



approval. Annual directors' reports are verified by the Board, which seeks documents and information from the Management and subject-matter experts where necessary.

**Principle 5: Make timely and balanced disclosure**

**Recommendation 5.1 - Adopted**

*A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.*

The Management has adopted a [Continuous Disclosure Policy](#), which has also been approved by the Board, a copy of which is available on Marley Spoon's [website](#).

The Continuous Disclosure Policy seeks to:

- ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act 2001 (Cth) and the ASX Listing Rules and as much as possible seeks to achieve and exceed best practice;
- provide Security Holders and the market with timely, balanced, direct and equal access to information issued by the Company; and
- promote investor confidence in the integrity of the Company and its securities.

The overarching principle is that the policy is governed by Listing Rule 3.1, which requires the Company to notify ASX immediately of any information that a reasonable person would expect to have a material effect on the price or value of the Company's quoted securities, provided that the information does not fall within the exception to disclosure under the Listing Rules.

**Recommendation 5.2 – Adopted**

*A listed entity should ensure that its board received copies of all material market announcements promptly after they have been made.*

It is confirmed that the Board receives copies of all material market announcements promptly after they have been made.

**Recommendation 5.3 – Adopted**

*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.*

It is confirmed that all investor or analyst presentations are released to the ASX market announcements platform ahead of the presentation.

**Principle 6: Respect the rights of security holders**

**Recommendation 6.1 - Adopted**

*A listed entity should provide information about itself and its governance to investors via its website.*

The Company is committed to effective communication with its customers, Security Holders, market participants, employees, suppliers, financiers, creditors, other stakeholders and the wider community. To this end, the Management has adopted a [Communication Policy](#), which has also been approved by the Board.

The Company's [website](#) contains information about itself and the governance of the Company in the "Investors' Centre" section.

The [website](#) also provides details of the key events on the investor calendar, and notices and documents for the Company's general meetings. The Company further operates an "e-mail alert" system to which investors may subscribe in order to receive notification of updates and ASX market releases.

### **Recommendation 6.2 - Adopted**

*A listed entity should have an investor relations program that facilitates effective two-way communication with investors.*

The Company is committed to maintaining direct, open and timely communications with all Security Holders. As noted, the Management has adopted a [Communication Policy](#), which has also been approved by the Board, a copy of which is available on its [website](#).

The Communications Policy seeks to ensure that the Company:

- (a) provides timely and accurate information equally to all Security Holders and market participants regarding the Company, including its financial situation, performance, ownership, strategies, activities and governance; and
- (b) adopts channels for disseminating information that are fair, timely and cost efficient. Information is communicated to Security Holders through:
  - the publication of the annual and interim financial reports;
  - disclosures to the ASX;
  - notices of general meetings;
  - updates and announcements to inform Security Holders of key matters of interest, as required by law and as it considers appropriate and consistent with good corporate governance;
  - the Company's [website](#);
  - presentations to analysts (which are made available to all Security Holders via the [website](#), subject to protocol); and
  - general meetings

### **Recommendation 6.3 – Adopted**

*A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.*

The Company's annual general meeting will be convened once a year. For general meetings of Security Holders, a detailed agenda setting out resolutions to be considered, is included with the notice of meeting.

Security Holders are encouraged to vote on all resolutions and, unless specifically stated otherwise in the notice of meeting, all Security Holders are eligible to vote on all resolutions. Security Holders who cannot attend general meetings in person may lodge a proxy with their instructions how to vote. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

The outcome of voting on resolutions at general meetings is released to the market via ASX after the conclusion of the meeting and posted on the Company's [website](#).

As the Company is incorporated in Germany and subject to the requirements of the GSCA, its general meetings are held in Berlin, Germany. The Company makes provision for Security Holders to follow proceedings via a live transmission webcast.



#### **Recommendation 6.4 – Adopted**

*A listed entity should ensure all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.*

Following the GSCA, all resolutions at Marley Spoon's general meetings are decided by a poll. In a first step, Security Holders' votes are registered with the Company's registry service provider Link Market Services. At the meeting these votes are cast through representatives of the Security Holders by means of clear verbal statements rather than a show of hands. Each voting is recorded and published on Marley Spoon's [website](#).

#### **Recommendation 6.5 - Adopted**

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

All Security Holders have the option to receive communications electronically from, and send communications to, the Company's registry service provider Link Market Services.

#### **Principle 7: Recognise and manage risk**

##### **Recommendation 7.1 - Adopted**

*The board of a listed entity should:*

- (a) have a committee or committees to oversee risk, each of which:
    - (1) has at least three members, a majority of whom are independent directors; and*
    - (2) is chaired by an independent director, and disclose:
      - (3) the charter of the committee;*
      - (4) the members of the committee; and*
      - (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***
- (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.*

The Board is responsible for overseeing the development, implementation, compliance with and effectiveness of the Company's overall framework of governance and approving and revising as required associated charters and policies, including as they relate to risk management. The Board has established the Audit and Risk Committee (referred to above under the commentary to Principle 2 as **ARC**) to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, and risk oversight obligations, including oversight of:

- a. the integrity of the Company's external financial reporting and financial statements;
- b. the appointment, remuneration, independence and competence of the Company's external auditors;
- c. the performance of the external audit functions and review of their audits;
- d. the effectiveness of the Company's system of risk management and internal controls; and
- e. the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

The ARC is responsible for ensuring that the Company has in place an effective risk management system and reviewing the risk management system at least annually to ensure that it continues to be sound, to determine whether there have been any changes in the key risks the Company faces and to ensure the key risks remain within the risk appetite considered appropriate by the Company.

The ARC's current membership and the independence of the members, as well as details of meetings of the committee in 2020, are set out under the commentary to Principle 2 above. A copy of the [ARC Charter](#) is available on the Company's [website](#).

### **Recommendation 7.2 - Adopted**

*The board or a committee of the board should:*

- (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*
- (b) disclose, in relation to each reporting period, whether such a review has taken place.*

The ARC will review and assess the Company's risk management framework annually and review the implementation, management and maintenance of appropriate enterprise-wide risk management systems, policies and procedures, reporting protocols and internal controls. Particular emphasis is given by the ARC to ensure that the Management is operating within the boundaries of the risk appetite articulated by the Board.

A review as described was carried for the period ending 31 December 2020.

### **Recommendation 7.3 – Adopted**

*A listed entity should disclose:*

- (a) if it has an internal audit function, how the function is structured and what role it performs; or*
- (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.*

Marley Spoon has not formally established an internal audit function yet. However, the ARC will continually review and assess if and when the adoption of an internal audit function is appropriate. Whereas every member of the Marley Spoon team is expected to foresee and mitigate risks, the Management of Marley Spoon bears overall responsibility for the establishment of an effective risk management system. Under the Management' Schedule of Responsibilities (*Geschäftsverteilungsplan*), Jennifer Bernstein (CFO) is responsible for overseeing the risk management system. She is supported by the Company's General Counsel and the Head of Reporting & Audit. As with its other responsibilities, the Management is advised and supervised by the Board in relation to the effectiveness of the internal control system and overall risk management.

Given the importance of this matter, the Board has established the ARC as a standing committee. The ARC has responsibility for overseeing the effectiveness of the internal controls. As set out in the ARC Charter, the ARC is also responsible for conducting, after having consulted with the Management, investigations of breaches or potential breaches of these internal controls. The ARC is chaired by Ms Robin Low.

### **Recommendation 7.4 - Adopted**

*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.*

Marley Spoon is focused on creating the foundation for a long-term, sustainable business which is respected, supported and welcomed wherever it operates. The health, safety, environmental and community aspects of the business are vital to Marley Spoon, and it is recognised that it faces risks which, if they eventuated, could have a negative impact on our customers, our team, operations and the reputation of the Company.



## Environmental risks

Marley Spoon recognises that its business has the potential to impact the health of the ecosystems in which it operates over the long term, and that a failure to address such risks could ultimately damage the Company's reputation and cause a decrease in demand for its products. Marley Spoon is managing this potential impact in a range of ways, including exploring options for renewable energy usage, maximizing the proportion of recyclable packaging it uses and implementing tools to measure its carbon footprint. Furthermore, the increasing frequency of extreme weather events and natural disasters poses an ongoing operational risk to the business; bushfires, snowstorms and similar occurrences can hamper the Company's ability to receive supplies and make deliveries to customers. While Marley Spoon has limited control over such events, the Company seeks to manage this risk by proactively engaging with suppliers and customers when necessary, increased monitoring and appropriate insurance policies.

## Social risks

Social sustainability is the ability of an entity to continue operating in a manner that meets accepted social norms and needs over the long term. With employees spread across five countries and customers in eight, Marley Spoon is exposed to a range of potential risks relating to occupational health and safety, modern slavery and other social risks. The Company has appointed a dedicated Global Head of Quality and Safety who reports directly to the CEO US. This role involves the implementation, improvement and management of policies and programs to understand, manage and minimize compliance, health, safety, environment and operational risk across the organization. In respect of its Australian business, Marley Spoon will, in 2021, publish its first Modern Slavery Statement, setting out how it manages the risk of worker exploitation in its supply chain.

In 2021, Marley Spoon will publish its inaugural ESG report. This report will be published and distributed to shareholders in advance of the Company's 2021 annual general meeting and will address the actions taken by the Company to manage environmental and social risks in more detail.

### ***Principle 8: Remunerate fairly and responsibly***

#### ***Recommendation 8.1 - Adopted***

*The board of a listed entity should:*

- (a) Have a remuneration committee which:*
  - (1) has at least three members, a majority of whom are independent directors; and*
  - (2) is chaired by an independent director,**and disclose:*
  - (3) the charter of the committee;*
  - (4) the members of the committee; and*
  - (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*
  
- (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.*

The Company has established a Nomination and Remuneration Committee (**NRC**), the purpose of which is to assist and advise the Board on remuneration policies and practices for the Board and members of the Management (being the CEO and CFO).



The NRC operates under the [NRC Charter](#) which can be found on the Company's [website](#). Its current membership, meeting attendance and the independence of its members are set out under the commentary to Principle 2 above.

### **Recommendation 8.2 - Adopted**

*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.*

The Company's remuneration policies and practices are designed to:

- a. enable the Company to attract, retain and motivate members of the Board and the Management who will create value for the Company within an appropriate risk management framework, by providing remuneration packages that are market competitive, performance- based, consistent, transparent and aligned with shareholders' interests;
- b. be fair and appropriate in regard to the performance of the Company and the relevant members of the Board and the Management;
- c. comply with relevant legal requirements; and encourage the creation of an 'Employer of Choice' culture within the Company.

The NRC is tasked with maintaining a clear distinction between the structure of remuneration for members of the Board and members of the Management.

### *Remuneration of the Management*

The Company's remuneration practice is orientated towards the sustainable growth of the Company. A proportion of the Management's remuneration is designed to link rewards to corporate and individual performance (reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals).

The NRC is responsible for developing, reviewing and making recommendations to the Board on the remuneration of the Management, including:

- a. the Company's remuneration framework;
- b. the remuneration packages to be awarded to members of the Management;
- c. incentive compensation, including, equity-based remuneration plans for members of the Management; and
- d. superannuation arrangements for members of the Management.

The compensation of each member of the Management was approved by the Board and consists of an annual fixed gross salary and a long-term incentive, taking into account general market practice as well as legal requirements in accordance with Section 87 GSCA.

### *Remuneration of Board Members*

The remuneration of the members of the Board has to be either set out in the Constitution or be resolved upon by a resolution of a general meeting of Security Holders. Under the ASX Listing Rules, the total amount paid to all members of the Board, for their services as members of the Board, must not exceed in aggregate in any financial year the amount resolved by the Security Holders in general meeting (currently €500,000, or A\$800,000).

Currently, two Board members receive 50% of their base compensation by way of securities in the Company and the remainder in cash. A third member has waived its remuneration claim and a fourth member receives 100% of its base compensation by way of cash. The Board members do not participate in the schemes designed for the remuneration of the Management, nor do they receive bonus payments, or any retirement benefits other than statutory superannuation.

### **Recommendation 8.3 - Adopted**

*A listed entity which has an equity-based remuneration scheme should:*



- (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
- (b) disclose that policy or a summary of it.

The Company has adopted a [Securities Trading Policy](#) which regulates trading by members of the Board, the Management and employees of the Company in the Company's securities or securities of other companies. A copy of the policy is available on the Company's [website](#).

The Securities Trading Policy provides that Board members and members of the Management and certain restricted employees must not use, or allow to be used, any derivatives or other products which operate to limit the economic risk of unvested Company securities.

***Additional recommendations that apply only in certain cases***

***Recommendation 9.2 - Adopted***

*A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.*

The Company endeavors to ensure that its meetings of security holders are always held at a time and place and in a manner that facilitates the most effective participation by security holders.

***Recommendation 9.3 - Adopted***

*A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The Company has adopted the practice of ensuring that its external auditor attends its AGM to answer questions from security holders relevant to the audit.

***Approved by the Board on 24 February 2021***



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