

12. Leadership and Governance

- 01 **Karl Gradon**, Chief Executive Officer
- 02 **Nikki Leske**
Head of People & Technology
- 03 **Erin Swanson**
Head of Sustainability & Strategic Projects
- 04 **Ben Duncan**
Interim Chief Operating Officer
- 05 **Jackie Evans**
Chief Science Officer
- 06 **Maria Cowdrey**
Executive Assistant

Board Members



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- 01 **Bridget Coates**
Independent Director, Chair of Audit & Risk Committee
- 02 **Bob Major**
Independent Director, Chair of Safety & Performance Committee
- 03 **Michael Sang**
Independent Director, Chair of Audit & Risk Committee
- 04 **Yawen Yu**, Director
- 05 **Zhu Guangping**, Director

Leadership Team



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GOVERNANCE

Comvita Limited is committed to taking a holistic view of how it creates long-term value and the impact of its decisions on all stakeholders – including shareholders, employees, customers, suppliers, community, and the environment.

Comvita Limited is a company domiciled in New Zealand. The Company is registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The company is an issuer in terms of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013. Comvita has subsidiaries operating in Australia, China, Hong Kong, Japan, South Korea, Malaysia, Singapore and the United States.

The Board's Charter sets out the governance principles, authority, responsibilities, membership and operation of the Board of Directors. This governance statement outlines the main corporate governance practices as at 18 September 2025. The full statement is available to view at www.comvita.co.nz.

COMPLIANCE

The Board has adopted codes and policies relating to the conduct of all Directors, executives and staff, taking guidance from the NZX Main Board Listing Rules relating to corporate governance and the NZX Corporate Governance Code.

For the purpose of Listing Rule 3.8.1, the Board considers that, as at 18 September 2025, the governance structures, principles, policies and practices it has adopted are in compliance with the NZX Corporate Governance Code dated January 2025 (NZX Code) except to the extent set out in the following pages.

Comvita's Constitution, the Board and Committee Charters, codes and policies referred to in this section are available to view at www.comvita.co.nz.

Comvita makes the documents listed below available on its website.

Constitution/Charters

Constitution

Board Charter

Safety and Performance Committee Charter

Audit and Risk Committee Charter

Codes/Policies

Code of Ethics

Continuous Disclosure Policy

Financial Product Dealing Policy

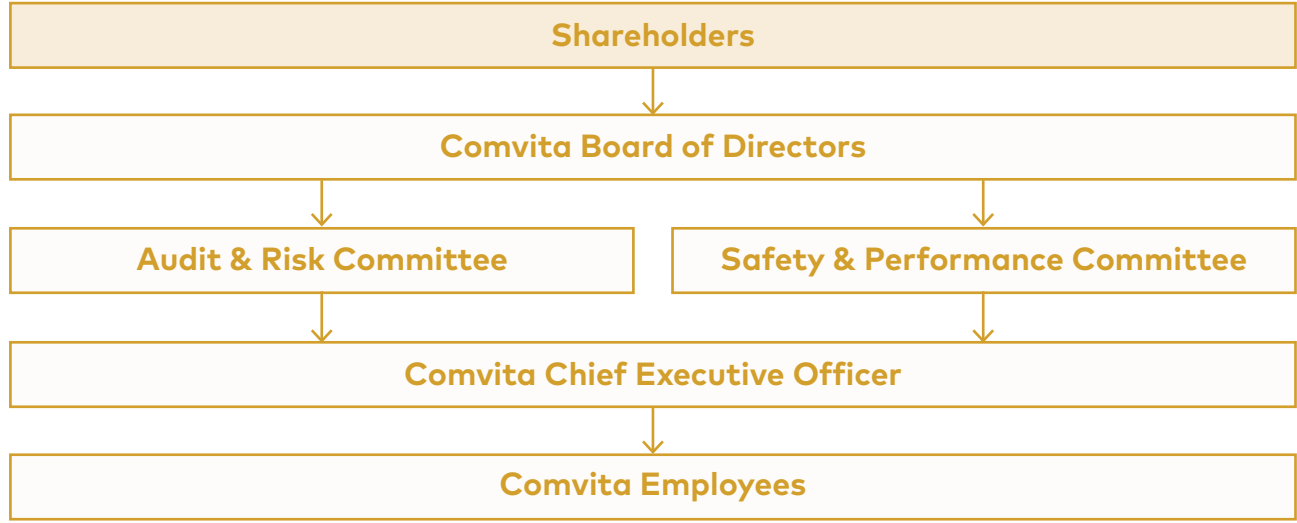
Diversity and Inclusion Policy

Directors and Officers Remuneration Policy

Environmental Policy

Human Rights Policy

The following diagram summarises Comvita’s corporate governance framework.



Further detail
Further detail as required by the NZX Listing Rules and Companies Act 1993 is included in the [Financial Statements](#).

GOVERNANCE PRINCIPLES AND GUIDELINES

Principle 1 – Ethical standards

Code of ethics (Recommendation 1.1)

Directors set, observe and foster high ethical standards. Comvita expects its Directors, officers, and employees to act legally, to maintain high ethical standards and to act with integrity consistent with Comvita’s policies, guiding principles and values.

A Director-specific Code of Ethics sets out these standards for all Directors and can be found in the Appendix to the Board Charter on Comvita’s website. Further, Comvita has a Code of Ethics applicable to all Directors, officers and employees in accordance with Recommendation 1.1 of the NZX Code, a copy of which is available on the website. The code is reviewed at least every two years and was last reviewed in November 2024. Training on ethical behaviour is incorporated within Comvita’s induction programme, with refresher training provided periodically. The most recent global mandatory training was completed in April 2025.

Comvita also has a separate Speak Up Policy (Whistleblowing) that was adopted in November 2024 which outlines the process for raising concerns.

Company rules, which all employees and officers are expected to adhere to, provide clear guidance across a range of ethical and legal matters to ensure high standards of performance and behaviour are maintained when dealing with the company’s customers, suppliers, shareholders and staff.

Specific policies are also available on the company’s website as noted above.

Mechanisms are provided within the company-wide Code of Ethics and general company rules for the safe reporting of breaches of ethical standards or other policies or laws, and the consequences of non-compliance are made explicit.

Financial product dealing policy – Trading in Comvita securities (Recommendation 1.2)

Directors, officers and employees are restricted in their trading of Comvita securities and must comply with Comvita’s Financial Product Dealing Policy, which is available on the Comvita website. The policy provides guidance on insider trading rules and outlines process and approval requirements for dealing in Comvita securities.

Principle 2 – Board composition and performance

Board charter (Recommendation 2.1)

The Board operates in accordance with the Board Charter, which sets out the roles and responsibilities of the Board. A copy of the charter is available on Comvita’s website.

There is a balance of independence, skills, knowledge, experience and perspective among Directors that allows the Board to work effectively.

Responsibility for the day-to-day operations and administration of the company is delegated by the Board to the Chief Executive Officer and the leadership team.

Nominations and appointments (Recommendation 2.2)

The nomination of candidates for appointment to the Board is overseen by the Safety and Performance Committee and the procedure for nomination and appointment is detailed in the Safety and Performance Committee Charter. Such procedure includes processes to be followed to ensure proper checks are carried out on all candidates and key information is obtained to enable the Board and shareholders to make an informed decision about whether to elect or re-elect a candidate. It also provides for an assessment of independence.

Written agreements (Recommendation 2.3)

The Directors have each signed a written agreement with the company outlining the terms of their appointment. The agreement includes expectations of the director, expected time commitments, remuneration, indemnity and insurance provisions, disclosure requirements, confidentiality obligations, term and expectation of compliance with relevant corporate policies.

Board size and composition (Recommendation 2.4)

The Board is comprised of Directors with a mix of qualifications, skills and experience appropriate to the company’s business. The number of Directors and rotation requirements are determined in accordance with the company’s Constitution, the Board Charter and the NZX Main Board Listing Rules. The Constitution provides for the Directors to elect one of their number as Chair of the Board, and the Board Charter provides that the Chair should be an independent Director unless otherwise approved by all Directors. To encourage the process of constant evolution of the Board and succession of key roles within the Board, the Board Charter states that Directors are discouraged from standing for re-election a second time (i.e. after serving 6 years) unless by unanimous support from the whole Board. For the year ended 30 June 2025, the company complied with the current Listing Rules with regard to the composition of the Board and the appointment and rotation of Directors.

Director profiles (with details of their experience), ownership interests, meeting attendance, length of service and independence of each Director are available on the company’s website and/or in this Annual Report.

Director ownership interests (including beneficial ownership) as at 30 June 2025 are detailed in the Statutory Information section at the back of the 2025 Financial Statements.

For a Director to be considered to be independent, the fundamental consideration in the opinion of the Board is that the Director be independent of the Executive and not have any direct or indirect interest, position, association or relationship that could or could be perceived to influence in a material way the Director’s capacity to bring an independent view to decisions, to act in the best interests of the company and to represent the interests of shareholders generally. In accordance with the NZX Code, any Director who is or who is associated with a substantial product holder is considered by the Board to not be independent.

The Board has reviewed which of its Directors are deemed to be independent in terms of the NZX Listing Rules and has determined that three of the five Directors as at 30 June 2025 were independent¹⁶. Of the Directors that are independent, none of the factors listed in the NZX Code are relevant.

¹⁶Mr Zhu Guangping and Ms Yawen Wu are not considered independent as they are associated with substantial product holders. Zhu Guangping is associated with Li Wang, the largest shareholder in the company with a shareholding of greater than 5%. Yawen Wu is associated with China Resources, which also has a shareholding of greater than 5%.

Board and Committee meeting attendance for the year ended 30 June 2025 is set out below:

| Board Member | Board ¹⁷ | | Conference Calls and Special Meetings | | Audit and Risk Committee ¹⁸ | | Safety and Performance Committee ¹⁹ | | Tenure on Board |
|------------------------------|---------------------|----------|---------------------------------------|----------|--|----------|--|----------|-----------------|
| | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | |
| Brett Hewlett ²⁰ | 2 | 2 | 4 | 4 | 3 | 3 | 1 | 1 | 7 |
| Julia Hoare ²⁰ | 2 | 2 | 4 | 4 | 3 | 3 | – | – | 1 |
| Robert Major | 12 | 12 | 26 | 24 | 1 | 1 | 4 | 4 | 6 |
| Zhu Guangping | 12 | 9 | 25 | 5 | – | – | – | – | 6 |
| David Banfield ²⁰ | 2 | 2 | 3 | 3 | – | – | – | – | 3 |
| Yawen Wu ²¹ | 12 | 12 | 25 | 25 | – | – | – | – | 4 |
| Bridget Coates | 12 | 12 | 26 | 26 | 5 | 5 | 4 | 4 | 4 |
| Michael Sang | 12 | 12 | 26 | 20 | 8 | 8 | 1 | 1 | 2 |
| Lucas Bunt ²² | 9 | 8 | 18 | 16 | 4 | 4 | 2 | 2 | 1 |

¹⁷ Chair of the Board has no casting vote.
¹⁸ Chair of the A&R Committee has no casting vote.
¹⁹ Chair of the S&P Committee has no casting vote.
²⁰ Brett Hewlett, Julia Hoare and David Banfield resigned effective 31 August 2024.
²¹ Yawen Wu's alternative Ching Ho LUK attended twelve of the board meetings and 23 of the special meetings on her behalf.
²² Lucas Bunt was appointed director effective 1 September 2024 and resigned effective 31 May 2025. Lucas had previously been a director for 9 years from 24 July 2014 to 30 September 2023.

Gender composition of directors and officers and diversity

Comvita is committed to diversity (race, gender, sexuality etc.) in its employment of individuals at all levels in the organisation.

As at 30 June 2025 (the prior year’s comparison is in brackets):

| | | Board | | A&R Committee | S&P Committee | Officers |
|---|----------------|---|-----|---|---|----------|
| Gender | Male | 3 (5) | 60% | 2 (2) | 2 (2) | 3 (5) |
| | Female | 2 (3) | 40% | 1 (1) | 1 (1) | 5 (5) |
| | Gender Diverse | 0 (0) | 0% | 0 (0) | 0 (0) | 0 (0) |
| Age | Under 30 years | 0 | 0% | | | |
| | 30 – 50 years | 1 | 20% | | | |
| | Over 50 years | 4 | 80% | | | |
| Executive | | 0 | | 0 | 0 | |
| Non-Executive | | 5 | | 3 | 3 | |
| Independent | | 3 | | 3 | 3 | |
| Number of each individuals other significant positions and commitments, and the nature of the commitments | | Please refer to the Statutory Information section of the Financial Statements | | Please refer to the Statutory Information section of the Financial Statements | Please refer to the Statutory Information section of the Financial Statements | |
| Membership of under-represented social groups | | 2 x Chinese ethnicity 2 x female | | 1 x female | 1 x female | |
| Stakeholder representation | | None | | None | None | |

Director competencies

| Board Skills and Competencies | B.Coates | Z.Guangping | B.Major | M.Sang | Y.Wu |
|--|----------|-------------|---------|--------|------|
| Commercial Expertise, Corporate Governance & Risk Management | ● | ● | ● | ● | ○ |
| Key Market Insights, Leadership & Sales & Marketing | ● | ● | ● | ○ | ● |
| Financial, Investment, Capital Markets & Corporate Finance | ● | ○ | ● | ● | ● |
| Technology & Digital Innovation | ○ | | ○ | ○ | |
| Innovation & Commercialisation of Science | ○ | ○ | ● | ○ | |
| Agriculture Industry | ○ | | ● | ● | |
| Manufacturing & Supply Chain | ○ | ○ | ○ | ○ | |
| Sustainability | ● | | ○ | ● | |
| Stakeholder Engagement | ● | ○ | ● | ● | ○ |
| People, Culture, Health & Safety | ○ | | ● | ○ | ○ |
| KEY: ● High Capability ○ Medium Capability | | | | | |

Diversity Policy (Recommendation 2.5)

Comvita has maintained its commitment to diversity, equity, and inclusion – a stance which is reflected in the core values and behaviours of the company. Comvita has a Diversity Policy in which is available on the company's website. The Safety and Performance Committee is monitoring set diversity objectives and targets, specifically relating to pay policies and equity, development and growth, and the diversity of senior executives (gender, and global experiences and perspectives). The Committee is positive about current progress and strategies to maintain equality on a scheduled approach.

Further details on Comvita's diversity and inclusion are outlined at page 49.

Director training and performance (Recommendations 2.6 and 2.7)

Board members are encouraged to regularly participate in learning and self-development opportunities provided by the Institute of Directors or other professional groups to ensure they remain current on how best to perform their duties as a Director. Relevant resources and updates are provided at each Board meeting, including advice from and workshops with capital, legal and accounting advisors as well as management presentations in respect of Comvita operations.

Comvita has a procedure to assess Director, Board and Committee performance, which is set out in the Board Charter. In particular, the Board periodically undertakes a self-assessment of its performance, processes and procedures as well as periodically seeking support of an external independent advisor to assist.

Independence of Directors (Recommendation 2.8, 2.9 and 2.10)

The majority of the Board are independent (60% independent and 40% non-independent by virtue of affiliation with shareholders) and the Chair is independent. The Chair and the CEO positions are not held by the same person.

For 2 months of the 2025 financial year (up until 31 August 2024) the Chair, Brett Hewlett, was not considered independent due to Comvita becoming his sole directorship (and, as a result, the majority of his became from the directors' fees he received from Comvita). For this same period, the Board comprised of eight directors, of which four were deemed independent. The Board recognised this was a divergence from the Code which indicates that a majority of board members being independent and the Chair being independent, is best practice. This was addressed by appointing an independent director (as the next director) and appointing an independent chair (effective 31 August 2024). The Board is of the view that the divergences during that period did not interfere with the Board's capacity to provide independent judgements in fulfilling their responsibilities.

It is viewed that the Chairs of the Audit and Risk and the Safety and Performance Committees are independent, as are the Committee members.

Principle 3 – Board Committees (Recommendation 3.5)

The Board uses Committees where this enhances the effectiveness in key areas while retaining Board responsibility. The Board operates two Committees to assist in the execution of the Board's duties: the Safety and Performance Committee and the Audit and Risk Committee. Each Committee has a specific Charter, which can be viewed at the company's website www.comvita.co.nz. Committee members are appointed from members of the Board for an initial two-year term, with re-appointment reviewed on an annual basis.

All matters determined by Committees are submitted to the full Board as recommendations for Board decision. Staff members attending those Committees are at the invitation of the specific Committee.

The Board did not consider it necessary to have any other Committees for the reporting period as a standing board Committee.

Audit and Risk Committee (Recommendation 3.1 and 3.2)

The Audit and Risk Committee at 30 June 2025 comprised of:

- Mike Sang (Chair) (tenure: 21 months),
- Bridget Coates (tenure: 9 months)* and
- Bob Major (tenure: 1 month)*

*Julia Hoare was a member from March 2023 to August 2024, Brett Hewlett was a member from October 2023 to August 2024 and Luke Bunt was a member from Sep 2024 to May 2025.

The Committee met eight times during the period. As at 30 June 2025, all members of the Committee were independent and all were non-executive Directors (at all times during the FY25 year, the majority of the Committee members were independent and all non-executive). At least one member has an adequate accounting background (CA ANZ member), and the Chair is independent and not Chair of the Board.

No Committee meetings were held, and no decisions were made by the Committee, during a period of 18 Business Days when there was only one member of the Committee (Mike Sang). This arose with the resignation of Brett Hewlett and Julia Hoare on 31 August 2024, and was addressed by the appointment of Bridget Coates and Luke Bunt to the Committee on 25 September 2024. Listing Rule 2.13.2(b) requires the Committee to have three members and so the Company did not comply for 18 Business Days, despite the Committee not meeting or making decisions during that period.

The Committee reviews the annual audit process, the financial, non-financial and operational information provided to stakeholders and others including climate statements, the management of risks facing the organisation relating to insurance, tax and treasury and the framework of internal control and governance that the leadership team and the Board have established. The Chief Executive Officer, Chief Financial Officer and Group Financial Controller regularly attend meetings by invitation.

Comvita's external auditors attend Committee meetings as deemed necessary by the Committee. Further detail on the Committee's roles and responsibilities is set out in the Committee Charter.

The Audit and Risk Committee will also provide guidance and review of Comvita's non-financial reporting and non-financial reporting audits (including GHG inventory report) and recommend to the Board the adoption of (or otherwise).

**Safety and Performance Committee
(Recommendation 3.3 and 3.4)**

The Safety and Performance Committee as at 30 June 2025 comprised of:

- Bob Major (Chair) (tenure: 27 months),
- Bridget Coates (tenure: 27 months) and
- Mike Sang (tenure: 1 month)*

* Luke Bunt was a member from Sep 2024 to May 2025 and Brett Hewlett was a member from Oct 2023 to Aug 2024.

The Committee Charter requires a minimum of three members. For a period of 18 Business Days (from the resignation of Brett Hewlett on 31 August 2024 until the appointment to the Committee of Luke Bunt on 25 September 2024 there were only two members on the Committee. The Committee did not meet or make any decisions during this period.

The Committee met four times during the period.

For the FY25 year, the majority (or all) of the Committee members were independent and all were non-executive Directors. Management only attends Committee meetings by invitation.

The Committee provides oversight to health and safety by ensuring the business maintains a strong health and safety culture that meets or exceeds the company's obligations under legislation and best practice standards. The Committee also recommends the remuneration policies and packages, including performance incentives for the Chief Executive Officer and the Chief Financial Officer. Additionally, it reviews the performance targets of the Chief Executive Officer, succession planning for the leadership team and the Board, risk and compliance monitoring in relation to the company's human resources and operational health and safety oversight, and remuneration policies and guidelines for Directors. In determining remuneration external independent consultants are engaged where appropriate in accordance with the Committee's Charter but the views of other stakeholders are not sought at this stage.

The Committee also carries out the functions of a nominations Committee, recommending new Director appointments to the full Board. Further detail on the Committee's roles and responsibilities is set out in the Committee Charter.

The Committee is also responsible for overseeing Comvita's purpose, values, strategies and goals related to sustainable development, including environmental, social and governance aspirations, making recommendations to the Board as appropriate. Comvita's sustainability framework is articulated through its Harmony Plan. The Committee delegates responsibility for identifying and managing stakeholder engagement and impacts

on the economy, environment and people to the Chief Purpose and Transformation Officer (CPTO). The CPTO is supported by the Sustainability Steering Group, which meets at least every two months and consists of a sub-group of Leadership Team members and senior managers from relevant functions, and by the Sustainability team and other employees. Monthly updates on Comvita's sustainability activities and impacts are provided to the full Board, with a detailed update and presentation of relevant topics to the Committee every quarter where the Committee will review recommendations and recommend to the Board annual, measurable ESG objectives, ESG strategies and policies and other ESG tasks as appropriate. Comvita also undertakes a stakeholder engagement process and materiality assessment undertaken by an external consultant at least every two years using external experts to assist. The results, and process itself, are reviewed by the Committee and the results are communicated to the Board.

Control transaction protocols (Recommendation 3.6)

The Board has established experience in respect of the various NZX and statutory requirements in the event of a control transaction. The key requirements of the Takeover Code and Companies Act 1993 are well understood by the Board.

Further, Comvita has established formal protocols that set out the procedure to be followed if there is a control transaction in accordance with Recommendation 3.6 of the NZX Code.

Principle 4 – Reporting and Disclosure

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosure on entity affairs.

Comvita is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders that reflects a considered view on the present and future prospects of the company.

Continuous Disclosure (Recommendation 4.1)

Continuous disclosure obligations of NZX require all listed companies to advise the market about any material events and developments as soon as the company becomes aware of them. The company has policies and monitoring in place to ensure that it complies with these obligations. In particular, the company has a Continuous Disclosure Policy applicable to all Directors, officers and employees that is available on Comvita's website.

Charters and Policies (Recommendation 4.2)

Key corporate governance documents are available on Comvita's website.

Financial reporting (Recommendation 4.3)

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements. It reviews half-year and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit. Management accountability for the integrity of the company's financial reporting is reinforced by the certification from the Chief Executive Officer and Chief Financial Officer in writing that the company's financial statements are fairly stated in all material aspects.

Non-financial reporting (Recommendation 4.4)

Comvita is committed to non-financial reporting that is balanced, clear and objective, including reporting transparently on the material impacts of our business activities and how we are managing these. Broader reporting of environmental, social and governance factors is contained in this Annual Report. These disclosures have been developed in line with the Global Reporting Initiative Standards (GRI).

Comvita's consolidated financial statements and GHG inventory are subject to independent external assurance. The organisation who conducts the audits comply with the relevant independence and ethical requirements and there were no impairments of their independence for the purposes of the engagements. Where external assurance is not currently undertaken data is gathered by appropriate internal business owners / experts, compared to previous reporting period, and cross checked against other data.

Comvita has also released its Climate Statement under the Aotearoa New Zealand Climate Standards that can be found at [Climate Statement](#). This Climate Statement includes Comvita's greenhouse gas inventory for all scopes and removals, and the related assurance report.

Principle 5 – Remuneration

The remuneration of Directors and senior executives is transparent, fair and reasonable. Making sure team members and Directors get the rewards they deserve is the responsibility of the Safety and Performance Committee.

Comvita has a Remuneration Policy for Directors and officers, a copy of which is available on the company's website.

**Non-Executive Directors' remuneration
(Recommendation 5.1)**

The fees payable to the Non-Executive Directors are determined by the Board within the aggregate amount approved by shareholders. The Board considers external information of peer companies in terms of scale and complexity when setting remuneration levels. The current Directors' fee pool limit is \$610,000 approved at the 2016 Annual Shareholders' Meeting. Information on payments to each Director is set out in the Statutory Information section at the back of the Financial Statements 2025.

Senior executive remuneration (Recommendation 5.2)

For FY25, senior executive remuneration was made up of: base or fixed remuneration, a short term incentive plan and a long term incentive plan, subject to Board approval.

The short term incentive plan is a bonus opportunity based on company performance hurdles of EBITDA and the long term incentive plan is a performance share rights plan vested over three years based on company TSR performance against an NZX index.

**Chief Executive Officer remuneration
(Recommendation 5.3)**

The Interim Chief Executive's base salary for the FY25 year was \$660,000. Subject to Board approval, for FY25, the Chief Executive Officer was also entitled to a short-term incentive if he met agreed financial and non-financial goals (with on-target earnings of 50% of base salary).

Annual remuneration ratios:

- 1:11.95 = highest paid employee to median annual remuneration of all other employees
- we are unable to report on the percentage increase in annual remuneration for highest paid employee to median percentage increase for all other employees as Comvita did not have an annual remuneration increase cycle in FY25

Staff remuneration

All permanent staff are eligible to participate in a short-term incentive scheme. Bonus payments are contingent upon achievement of company targets for the year (as approved by the Board), as well as assessment of individual delivery against objectives cascaded through the organisation and individual behaviour in line with core values.

Principle 6 – Risk Management

Risk Management Framework – Recommendation 6.1

Comvita’s risk management framework is a structured and tailored approach to identifying, assessing and mitigating factors which may affect Comvita’s ability to achieve its objectives and/or to protect its people, assets, reputation, communities and environment.

Comvita’s Board is responsible for the strategic oversight of Comvita’s risk management framework, including regular review of identified risks and opportunities, and associated action planning to offset potential impacts against strategy. A risk matrix prepared by the Leadership Team measures the impact of the risk and likelihood of risk occurrence and is provided to the Board for review and discussion monthly. Alongside this operational view, the Leadership Team highlights the top three strategic and top three execution risks for deeper assessment and prioritisation each month, including relevant actions and updates.

Twice a year, the Comvita Board and Leadership Team engage in formal, longer-term business strategy planning. This incorporates a 5–10 year view of existing and emerging external and internal risks and opportunities versus plan.

Supported by the Leadership Team, the Chief Executive Officer (CEO) is responsible for the day-to-day leadership of Comvita’s global business to ensure business objectives and strategies are developed and delivered. The Leadership Team oversees implementation of strategy, with a continuous view of risks and opportunities, performance, resource allocation and metrics, to meet agreed objectives. The Leadership Team is broadly responsible for managing business risk across Comvita and maintains the Business Risk Register.

Types of Risk

When assessing risk, Comvita considers the impact on its business across several categories, including:

- Strategy – risk to strategic objectives, and/or execution risk against strategy
- Financial – financial risk arising from business performance, increased costs, market value and/or liquidity changes
- Operational – risk associated with internal process, systems or delivery risks (including people-related) and the external events which may impact these
- Customer and Stakeholder – risk derived from misalignment with key stakeholder expectations, including the potential impact on Brand and Corporate reputation, and/or financial performance
- People – health and safety, talent attraction and retention and culture management.
- Technology and data – potential loss resulting from cyber-attacks, data breaches or other security failures
- Climate – impact of climate change
- Legal and Regulatory – risk arising from changing legal and regulatory landscape, including food safety, and the impact of any non-compliance
- Biological / Biodiversity risk – change in ecosystems and the spread of disease or pests which may impact biodiversity and ecosystems.

Material Risks and Management

| Risk | The risk and its impact | Responses / Mitigation |
|-----------|---|--|
| Strategic | <p>There is strategic execution risk that is impacted by our market geographical balance, the effective utilisation of our assets, geopolitical landscape and our ability to adapt and react. In particular, there is risk associated with reliance on the China market and the current China economic conditions impacting sales and performance.</p> <p>As a single product category business (Bee products) we are reliant on maintaining or increasing Mānuka honey share of the total honey market.</p> | <ul style="list-style-type: none">• Our strategy is reviewed regularly by the executive team and the Board.• Our strategy includes business simplification, market reviews and roadmaps, market diversification and strategic asset and investment planning.• Changes in leadership have been implemented in the Asian market to ensure the presence of the right sales and marketing capabilities.• Thorough reviews of channel profitability have been conducted, resulting in the closure of certain stores.• Secured a large North American customer, increasing sales and distribution in that market• Regular review of honey category performance and outlook along with Mānuka share where available. Adjacent categories of propolis, olive leaf extract, lozenge and regional NPD aim to mitigate pure honey in a pot risk. |
| Financial | <p>Current market capitalisation and NZX listing means there is liquidity risk, market volatility risk and overall, this impacts financial stability.</p> <p>Two years of underperformance and Comvita's current high levels of debt and inventory means there is increased interest costs, operational constraints and risk associated with our syndicated bank facility and covenants and shareholder confidence. These factors may cast doubt on Comvita's ability to continue as a going concern in the event the scheme of arrangement is not implemented and alternative funding cannot be secured.</p> <p>The global commoditisation of the Manuka category, driven by the current oversupply of Manuka, the entry of large global warehouse clubs and super discounters at the everyday value end, is impacting margins. This oversupply has also affected the valuation of inventory held and increased aging inventory risk.</p> <p>High fixed operating costs limit Comvita's ability to maintain operational flexibility.</p> | <ul style="list-style-type: none">• Strengthened and sustainable corporate and global positioning.• Comvita is ensuring we are closely working and collaborating with our supportive banks to ensure we maintain transparent communication and a clear plan.• Focused management of procurement and inventory levels to effectively manage supply, demand and cash flow.• Banking covenant waivers agreed through to 31 Dec 2025 and extension of facility through to January 2026 (and reduction of facility).• Reduction of net debt by \$17.4m over the last financial year.• Converted non-strategic assets to cash.• Comvita has entered into a Scheme Implementation Agreement with Florenz Limited ("Florenz") under which Florenz has agreed to acquire all shares in Comvita through a court approved scheme of arrangement ("Scheme"). The Scheme is subject to shareholder approval, High Court approval, an Independent Adviser's Report concluding that the Scheme consideration is within or above the valuation range for Comvita shares, and other customary conditions relating to certain events or occurrences prior to implementation.• Significant inventory provisions taken up in FY25 to address valuation and ageing risks and strategic procurement strategies in place.• Cost reduction focus in FY25, resulting in global head count reduction and other fixed cost savings. |

Material Risks and Management (continued)

| Risk | The risk and its impact | Responses / Mitigation |
|--------|--|--|
| People | High turnover in senior leadership roles, compounded by a lack of integrated systems and well-defined processes, poses a risk to organisational continuity, retention of institutional knowledge, and operational effectiveness and increases workload and reduces engagement. | <ul style="list-style-type: none">• Establishing global ways of working to address process inefficiencies.• Systems review to consolidate and/or integrate globally.• Organisational leadership structure proposal in development. |

Chief Executive Officer and Chief Financial Officer assurance

The Chief Executive Officer and Chief Financial Officer have provided the Board with written confirmation that the Comvita’s 2025 financial statements are founded on a sound system of risk management and internal compliance and control and that all such systems are operating efficiently and effectively in all material respects.

Health and safety (Recommendation 6.2)

Comvita employs a Health and Safety Lead with oversight of health and safety matters sitting with the Safety and Performance Committee. The health and safety functions of the Committee include undertaking due diligence in the identification and monitoring of critical workplace, health, safety and wellbeing, as well as the monitoring and review of Comvita’s compliance with documented health and safety policies and procedures. Health and safety review reports are a priority agenda item at all Board meetings, and specific reviews are sought as required. The Board undertakes ongoing external health and safety governance training and undertakes safety walks in key operational sites on a scheduled basis.

Further details on Comvita’s health and safety are outlined at pages 47-49.

Principle 7 – Auditors

External Auditors (Recommendations 7.1 and 7.2)

The Board ensures the quality and independence of the external audit process. A framework for the company’s relationship with its external auditors is overseen by the Audit and Risk Committee. Further detail on that framework and the role and responsibilities of the Audit and Risk Committee in relation to the external audit framework is set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee actively engage the company’s external auditors in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of such auditors and recommend to the Board appropriate action to ensure its independence.

Comvita’s external auditor is KPMG. KPMG was reappointed by shareholders at the 2024 Annual Shareholders’ Meeting in accordance with the provisions of the Companies Act 1993. KPMG was first appointed as auditors in 1998. KPMG has been invited to attend this year’s Annual Shareholders’ Meeting and will be available to answer questions about the audit process, Comvita’s accounting policies and the independence of the auditor.

Internal audit (Recommendation 7.3)

Comvita currently does not have an internal audit function, however the Audit & Risk Committee approves Management’s Internal Audit Plan annually. This programme of work includes internal and external reviews of specific risk areas and includes a review of one offshore subsidiary per year. The Audit and Risk Committee is responsible for reviewing and monitoring the company’s risk management and internal control framework and has open communication with external auditors, financial and senior management and the Board. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records and facilities and personnel of the company and the power to retain outside counsel or other experts for this purpose. In addition, the Board seeks reports on specific areas of potential concern or to evaluate business performance on a post-investment basis. The reviews are completed by appropriate internal staff and/or with external input. In the current year Comvita has engaged with an external consultant to undertake an internal controls uplift project to ensure appropriate controls are in place to mitigate financial risk within acceptable limits.

Principle 8 – Shareholder Rights and Relations

Information and communication with shareholders (Recommendations 8.1 and 8.2)

The Board fosters constructive relationships with shareholders, which encourages them to engage with the company.

The Board aims to ensure shareholders are provided with all information necessary to assess the company’s strategic direction and performance. It does this through a communication strategy that includes:

- periodic and continuous disclosure to NZX
- information provided to media and briefings to major shareholders
- half-year and annual reports
- Comvita’s website with an investor relations section
- future direction presentation at the Annual Shareholders’ Meeting, which is conducted in a very open manner, and a range of questions are considered.

Comvita aims to ensure the process of communication with investors is easy and uses a variety of channels and technologies to keep its shareholders informed, including by providing and encouraging investors to receive communications electronically. Comvita engages an investor relations consultant to assist with its investor relations programme.

Major decisions (Recommendation 8.3)

All major decisions that may result in a change in the nature of Comvita’s business are subject to shareholder approval in accordance with the Constitution, the Companies Act 1993 and the NZX Listing Rules.

Capital raising (Recommendation 8.4)

When considering any raising of additional capital, the Board considers the interests of all shareholders when assessing its options to raise capital. The Board will usually look to raise additional equity capital from existing shareholders on a pro-rata basis.

Notice of meeting (Recommendation 8.5)

To encourage shareholder participation in meetings, the Board looks to ensure notices of annual or special meetings of shareholders are posted on the company’s website at least 20 working days prior to the meeting.

GOVERNANCE DISCLOSURES

There were no instances during FY25 of the NZX exercising its power under Listing Rule 9.9.3.