

Corporate Governance Statement

Compliance with the NZX Corporate Governance Code (NZX Code)

The Board of T&G Global Limited believes that strong principles of corporate governance protect and enhance the assets of the Company for the benefit of all shareholders. The Board is committed to ensuring that these principles are adopted and implemented by the Company in accordance with best practice, applicable laws, and the NZX Corporate Governance Code (NZX Code). T&G has transitioned to the new NZX Listing Rules with effect from 1 July 2019. Accordingly, this Corporate Governance Statement has been prepared in accordance with the updated NZX Code, with which T&G complies. T&G's response to the NZX Code requirements is attached.

The Investor information / Corporate Governance section on T&G's website contains copies of the following corporate governance policies, practices and charters, adopted or followed by the Company and referred to in this Corporate Governance Statement:

Charters and Committee Charters

- Board Charter
- Finance, Risk and Investment Committee Charter
- Human Resources Charter

Policies

- Code of Ethics
- Diversity and Inclusion Policy
- Share Trading Policy
- Continuous Disclosure Policy
- Risk Management Policy
- Conflicts of Interest Policy
- Speak Up Policy
- Gifts and Hospitality Policy
- Anti-Bribery and Corruption Policy
- Remuneration Policy

This Corporate Governance Statement is dated 7 February 2020 and is signed on behalf of the Board by:



Prof. Klaus Josef Lutz
Chairman

Principle 1: Code of Ethical Behaviour

T&G's Code of Ethics describes the practices all employees are expected to follow to help maintain confidence in T&G's integrity. The Code of Ethics governs the conduct of the Company and includes details on the responsibility of employees to report concerns.

RECOMMENDATION 1.1

The Board should document minimum standards of ethical behaviour to which the issuer's director and employees are expected to adhere to (a Code of Ethics).

Code of Ethics

The Board has adopted a formal Code of Ethics in December 2017 which sets out the expected standards of professional conduct. It is available in the Investor Information / Corporate Governance section on T&G's website.

The Code of Ethics covers the following:

- Good Practice
 - Sustainability
 - Making best practice even better
 - Community
- General Conduct Requirements
 - Assets and resources
 - Human rights
 - Health & Safety
- Lawful Conduct
 - Compliance with all applicable laws and internal regulations
 - Compliance with competition laws and antitrust rules
 - Compliance with anti-corruption rules
 - Anti-money laundering, foreign trade and tax laws
 - Speak Up Policy
- Confidentiality and Data Protection
 - Data protection and privacy
 - Obligation of discretion
 - Reporting

The procedure for advising T&G of a suspected breach of the Code of Ethics is set out in the Code. No breaches were identified during the year.

Every new Director, employee or contractor of T&G is to be provided with a copy of the Code of Ethics.

T&G has various trainings in place including a company-wide Ethics training to fully meet the ethics training requirement.

The Code of Ethics is subject to biennial review by the Board of Directors.

RECOMMENDATION 1.2

An issuer should have a financial product dealing policy which applies to employees and directors.

Share Trading by Directors and Employees

The Share Trading Policy was issued in 2015 and was reviewed and updated in 2018. The Policy describes the procedures for handling trading of shares, with approvals being required by either the Chairman of the Board or the Approval Officer depending on who is trading and before trading can occur. It also prescribes the periods during which trading cannot occur. Furthermore, the Policy prohibits trading at any time by any individual holding material information and during periods which are deemed by the Board to be "closed" periods. These closed periods customarily include the end of the six- and twelve-month reporting period cycles, and until such time as profit announcements have been publicly disclosed. Closed periods include any additional period when the Board is engaged in matters that are likely to have an impact on the market value of the shares.

The Share Trading Policy is available in the Investor Information / Corporate Governance section on T&G's website.

Principle 2: Board Composition and Performance

T&G's Board Charter stipulates that the Board may have between three and nine Directors. At least two Directors must be ordinarily resident in New Zealand, and while the Company is listed it must not have less than the minimum of Independent Directors prescribed by the NZX Listing rules.

T&G currently has seven Non-Executive Directors, two of whom are ordinarily resident in New Zealand and are Independent Directors.

RECOMMENDATION 2.1

The Board should operate under a written charter which sets out the roles and responsibilities of the board.

Roles and Responsibilities of the Board

The Board is the governing body of T&G and is legally responsible for the affairs and activities of the Company. Responsibility for day-to-day management and leadership of T&G is delegated to the Chief Executive Officer.

The main functions of the Board include the following:

- Review and approve the corporate strategies, annual budgets and business plans;
- Monitor the financial performance;
- Approve transactions relating to acquisitions, divestments and capital expenditure above delegated authority limits;
- Appoint and monitor performance of the Chief Executive Officer;
- Ensure effective audit, risk management and compliance systems are in place to protect T&G's assets;
- Monitor compliance with regulatory requirements, ethical standards and corporate responsibility requirements.

The Board has two standing sub-committees to address issues that require detailed consideration by its members, being the Finance, Risk and Investment Committee (FRIC) and the Human Resources Committee (HRC).

Details of the Board's role, composition, responsibilities, powers and authorities, procedures and accountability are provided in the Board Charter available in the Investor Information / Corporate Governance section on T&G's website.

RECOMMENDATION 2.2

Every issuer should have a procedure for the nomination and appointment of directors to the Board.

Director Nomination and Appointment

Directors can be appointed by an ordinary resolution of shareholders, or by the Board. A Director appointed by the Board can only hold office until the next annual meeting but is eligible for election at that meeting.

As at 31 December 2019 the Board has a majority of non-independent Directors. Director independence is considered on a case by case basis and monitored on an ongoing basis.

RECOMMENDATION 2.3

An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.

Director Agreements

The Company has established a written agreement which is used for newly appointed Directors. This agreement outlines amongst other matters the terms of their appointment, provisions of services, duties, health & safety, remuneration, independence requirements, disclosure of interest requirements, confidentiality obligations, indemnity and insurance provisions and cessation of appointment.

RECOMMENDATION 2.4

Every issuer should disclose information about each director in its annual report or on its website, including a profile of experience, length of service, independence and ownership interests and director attendance at Board meetings.

Board of Directors

T&G discloses information about each Director in its annual report, section “Board of Directors”. This information includes the length of directorship, independence, Board Committees and experience.

Independence

On an annual basis the Board assesses the independence of each Director and includes this information in the T&G annual report. The Directors agreed to provide the Board with all relevant information to enable it to make the assessment. The guidelines set out in the NZX listing rules (section 2.6) are used for this purpose.

Interest Register

T&G and each subsidiary maintain an interest register in which particulars of certain transactions and matters involving the Directors are recorded. If a Director becomes aware of any actual or potential conflict of interest the Director discloses the information to the Chairman of the Board as soon as reasonably practicable.

The interest registers for T&G and its subsidiaries are available for inspection at T&G’s registered office.

Attendance to Meetings

The below table sets out Director attendance at Board and Committee meetings during the year ended 31 December 2019.

	Board		Finance, Risk and Investment Committee		Human Resources Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Klaus Josef Lutz	6	6	-	-	-	-
Andreas Helber	6	6	4	4	-	-
Carol Campbell	6	6	4	4	5	5
Rob Hewett	6	6	4	4	5	5
Mau Wah Liu	6	2	-	-		
Ralf Tobias Priske	6	5	-	-	5	4
Benedikt Mangold*	3	3	-	-	-	-
Christiane Bell**	3	3	-	-	-	-

* Benedikt Mangold was appointed as Director on 6 September 2019

** Christiane Bell resigned as Director on 31 July 2019

RECOMMENDATION 2.5

Every issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress on achieving them. The issuer should disclose the policy or a summary of it.

Diversity

T&G is committed to building a culture that promotes and values diversity and inclusiveness. Diversity supports T&G to create a global business perspective, to encourage improved business performance, innovation, creativity and brand reputation by:

- Attracting, selecting, developing, promoting and retaining a diverse group of employees and avoiding practices that are discriminatory or exclusive;
- Creating a safe environment where uniqueness and differences are valued and accepted ensuring unlawful discrimination, bullying, harassment and victimisation are not tolerated;
- Creating a common understanding of diversity and inclusiveness at T&G;
- Establishing diversity initiatives and measuring their success over time.

Responsibility for workplace diversity and the setting of measurable objectives is held by the Human Resources Committee. The Committee continues to establish measurable objectives for achieving diversity and inclusion.

The below table sets out the gender composition at Board, Executive team and leadership level:

Position	As at 31.12.2019		As at 31.12.2018	
	Female	Male	Female	Male
Directors	1	6	2	5
Executives	4	6	3	5
Leadership Team	22	18	18	39

RECOMMENDATION 2.6

Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

Directors Training

T&G's Directors are expected to understand the Company's operations and undertake continuing professional development to enable them to discharge their duties. This includes:

- Attending management presentations and tutorial sessions to gain a broader understanding and knowledge of T&G;
- Attending trainings on relevant changes in legislative, regulatory and industry frameworks;
- Attending professional development courses to keep up to date on relevant issues.

RECOMMENDATION 2.7

The Board should have a procedure to regularly assess director, board and committee performance.

Board Performance

The process to regularly conduct performance reviews of Directors, the Board and Committees is included in the Board Charter.

RECOMMENDATION 2.8

A majority of the Board should be independent Directors.

Board Independence

The Board composition is representative of the shareholding structure of the organisation. Of the seven current Directors, two are independent Directors, representing a public pool shareholding of approximately 6%. The Board regularly reassesses the need for an additional independent Director.

RECOMMENDATION 2.9

An issuer should have an independent chair of the Board. If the chair is not independent, the chair and the CEO should be different people.

Chair of the Board

For reasons outlined in recommendation 2.8, the Chair of the Board is non-independent. The positions of Chair of the Board and CEO of T&G are held by different people.

Principle 3 - Board Committees

The Board has established two Board Committees that focus on special responsibilities in greater detail than is possible for the Board as a whole:

- The Finance, Risk and Investment Committee (refer to recommendation 3.1 and 3.2);
- The Human Resources Committee (refer to recommendation 3.3).

Each Committee comprises at least two members being non-executive Directors. At least two members must be independent Directors.

The Committees meet a minimum of between three to four times per year (depending upon the respective Committee) and at such times the Committees consider appropriate to fulfil their duties. All proceedings are reported back to the Board.

RECOMMENDATION 3.1

An issuer's audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should be an independent director and not the chair of the Board.

Audit Committee

The Finance, Risk and Investment Committee operates under the "Finance, Risk and Investment Committee Charter" which is available in the Investor Information / Corporate Governance section on T&G's website.

Members of the Committee are appointed by the Board and comprise solely non-executive Directors, a majority of which must be independent Directors. The current members of the Finance, Risk and Investment Committee are:

- Carol Campbell (Chair and independent Director);
- Rob Hewett (independent Director);
- Andreas Helber.

The Committee meet on at least three occasions during the year and ensure oversight by the Board of all matters related to:

- External Audit;
- Financial Statements;
- Risk Management;
- Investment Activities.

RECOMMENDATION 3.2

Employees should only attend audit committee meetings at the invitation of the audit committee.

Committee attendance

The Finance, Risk and Investment Committee may require the attendance of a member of management or other persons it deems necessary to provide the information to carry out its duties.

The following are regularly invited to those meetings:

- Chief Executive Officer;
- Chief Financial Officer;
- Company Secretary;
- Head of Accounting and Tax;
- Head of Risk and Compliance.

RECOMMENDATION 3.3

An issuer should have a remuneration committee which operates under a written charter. At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.

Remuneration Committee

Remuneration oversight is an objective of the Human Resources Committee which operates under the “Human Resources Committee Charter”. The charter is available in the Investor Information / Corporate Governance section on T&G’s website. Members of the Committee are appointed by the Board and comprise solely non-executive Directors, a majority of which must be independent Directors. The current members of the Human Resources Committee are:

- Rob Hewett (Chair and independent Director);
- Carol Campbell (independent Director);
- Tobias Priske.

The Human Resources Committee meets on at least four occasions during the year with at least two meetings held at different T&G sites other than the Company’s head office in Mt Wellington, Auckland. It assists the Board by reviewing, approving, and monitoring the policies, strategies, annual plans and programmes regarding to:

- Health & Safety;
- Remuneration;
- Succession planning for the CEO and senior management positions.

The following are regularly invited to the Human Resources Committee meetings:

- Chief Executive Officer;
- Director People and Culture;
- Company Secretary.

RECOMMENDATION 3.4

An issuer should establish a nomination committee to recommend director appointments to the board (unless carried out by the whole board).

Nomination Committee

The Board has not established a Nomination Committee given that Director appointments are considered of such significance that they should be a direct responsibility of the full Board.

The procedures for Directors removal and appointment are governed by T&G’s constitution and the requirements of the NZX listing rules.

RECOMMENDATION 3.5

An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committee, and periodically report member attendance.

Board Committees

The Board considered that currently there is no need for an additional Board committee.

RECOMMENDATION 3.6

The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. The board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.

Takeover Protocols

In the event of a takeover offer an independent Committee of the Board will be immediately established to deal with all matters arising from a takeover proposal. The responsibilities of this Committee will include:

- Preparing T&G's response to the proposal;
- Engaging an independent advisor to report on the merits of the proposal;
- Making a recommendation to the shareholders.

Principle 4 – Reporting and Disclosure

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosure.

RECOMMENDATION 4.1

An issuer's board should have a written continuous disclosure policy.

Shareholder Communications and Market Disclosure

The Board of Directors is committed to high standards of reporting and disclosure to ensure proper accountability between T&G and its shareholders, employees and other stakeholders.

The Company has a Continuous Disclosure Policy in place which is available in Investor Information / Corporate Governance section on T&G's website.

The Policy includes procedures to ensure that:

- T&G is in compliance with the NZX listing rules;
- All shareholders have equal and timely access to material information concerning the Company, including its financial situation, performance and governance.

Significant market announcements, including the preliminary announcement of the half-year and the full year results, and any update on change in earnings forecasts are approved by the Board of Directors.

RECOMMENDATION 4.2

An issuer should make its Code of Ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on the website.

Charters and Policies

Key governance documents are available in the Investor Information / Corporate Governance section on T&G's website.

They include the following:

- Code of Ethics;
- Diversity and Inclusion Policy;
- Share Trading Policy;
- Continuous Disclosure Policy;
- Risk Management Policy;
- Conflict of Interest Policy;
- Speak Up Policy (Whistleblowing);
- Anti-Bribery and Corruption Policy;
- Remuneration Policy; and
- Board and Committee Charters.

RECOMMENDATION 4.3

Financial reporting should be balanced, clear and objective. An issuer should provide non-financial disclosure at least annually, including considering environmental, economic and social sustainability factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the Board.

Financial Reporting

T&G is committed to ensuring integrity and timeliness in its financial reporting and publishes audited interim and full-year financial statements that are prepared in accordance with relevant financial standards.

The Finance, Risk and Investment Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of the financial statements.

Non-Financial Reporting

Each year non-financial matters such as T&G's Risk Management strategy and Sustainability strategy are disclosed in the annual report.

Principle 5 – Remuneration

The remuneration of Directors and Executives should be transparent, fair and reasonable.

RECOMMENDATION 5.1

An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be disclosed in the issuer's annual report.

Director Remuneration

The Director remuneration is disclosed in the annual report and includes a breakdown of remuneration for Committee roles. The Director fee pool was last approved in 2004 and has not changed since then.

RECOMMENDATION 5.2

An issuer should have a remuneration policy for remuneration of directors and officers which outlines the relative weightings of remuneration components and relevant performance criteria.

Remuneration Policy

The Company has developed a Remuneration Policy that provides a framework for the remuneration of the Executive team and other employees. The policy is available in the Investor Information / Corporate Governance section on T&G's website.

RECOMMENDATION 5.3

An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short term incentives and long-term incentives and the performance criteria used to determine performance-based payments.

CEO remuneration

Details of the CEO remuneration are disclosed in the Annual Report.

Principle 6 – Risk Management

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

RECOMMENDATION 6.1

An issuer should have a risk management framework for its business and the issuers board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

Risk Management Framework

The Board of Directors is responsible for ensuring that effective audit, risk management, and compliance systems are in place to protect T&G's assets and to minimize the possibility of T&G operating beyond legal requirements or beyond acceptable risk parameters. The Board has delegated responsibility to the Finance, Risk and Investment Committee to ensure that T&G's risk management framework, including policies and procedures, is appropriate and that it appropriately identifies, considers and manages risks.

T&G has established a risk management and reporting framework which is documented in the Risk Management Policy and supplementing Guideline. It takes a consistent approach to identifying, assessing, controlling, monitoring and reporting on the key risks that may affect the Company's ability to achieve its objectives and / or protect its people, assets and reputation.

The Risk Management Policy and supplementing Guideline are available in the Investor Information / Corporate Governance section on T&G's website.

Internal Audit

The Internal Audit function reports to the Finance, Risk and Investment Committee to the extent and effectiveness of T&G's internal controls and processes and the committee reports this information to the Board. The annual Internal Audit work plan is determined by the Board.

Insurance

T&G has insurances in place covering all areas where risk to its assets and business can be effectively insured at a reasonable cost. It also operates a captive insurance subsidiary, T&G Insurance Limited. For the benefit of T&G, T&G Insurance is accessing reinsurance through the global reinsurance market.

RECOMMENDATION 6.2

An issuer should disclose how it manages health and safety risks and should report on their health and safety risks, performance and management.

Health & Safety

The Human Resources Committee is reviewing, approving and monitoring the Company's Health & Safety Policy, Strategy, Annual Plan and programme of work to ensure, so far as is reasonably practicable, the health and safety of all those that work for, or come into contact with, the Company.

Amongst others, the Human Resources Committee charter requires the Committee to:

- Review and make recommendations for Board approval on the Strategy, the H&S Management Policy, the Annual Plan, programme of work, and resources for achieving its health & safety objectives;
- Review and recommend for Board approval targets for health & safety performance and regularly review performance against those targets;
- Review T&G's compliance with the Health & Safety Policy and relevant legislation and regulations;
- Review all health & safety incidents that require notification of Worksafe New Zealand and consider the appropriateness and efficacy of any identified corrective actions to minimize the risk of recurrence.

Principle 7 – Auditors

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

RECOMMENDATION 7.1

The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures:

- (a) For sustaining communication with the issuer's external auditors;
- (b) To ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;
- (c) To address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and
- (d) To provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

External Auditor framework

The Company is currently developing a framework for the relationship with its external auditors which will be included in the Finance, Risk and Investment Committee Charter.

RECOMMENDATION 7.2

The external auditor should attend the issuers Annual Meeting to answer questions from shareholders in relation to the audit.

Annual Meeting

The Company ensures that the external auditor attends the Annual Meeting and that they are available to answer questions from investors relevant to the audit.

RECOMMENDATION 7.3

Internal audit functions should be disclosed.

Internal Audit Functions

T&G's Internal Audit function is managed by BayWa AG, Germany and governed by the Internal Audit Charter which is available in the Investor Information / Corporate Governance section on T&G's website.

T&G adopts a five-year Internal Audit strategy. This process enables a forward-looking view of areas for Internal Audit focus and can be tailored and aligned to the strategic thinking and plans of the business, including any acquisitions, international subsidiaries and domestic markets for review.

The Internal Audit planning is based on a risk-oriented consideration of the audit universe, i.e. the total of all legal and business units in T&G-Group (defined as T&G and its legal entities).

Business risks assessed as extreme or high are reviewed for potential Internal Audit activity in the upcoming year. The planning additionally reflects the requirements of the Board of Directors and T&G Management.

Further, Internal Audit conducts an audit of major investments after a period of 12 to 24 months after acquisition.

Internal Audits are conducted by an independent service provider and BayWa Munich, Germany, depending on the location of the audit. Both undertake a number of regular process reviews together with more in-depth reviews on specific matters agreed with the Finance, Risk and Investment Committee who receive regularly internal audit activity updates.

The Internal Audit strategy and the Internal Audit plan are annually presented to the Board for approval.

Principle 8 – Shareholder Rights

The Board should respect the rights of shareholders and foster constructive relationship with shareholders that encourage them to engage with issuers.

RECOMMENDATION 8.1

An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

Shareholder Relations

T&G is committed to maintaining open and transparent communications with its investors and stakeholders. The following are available in the Investors Information section on T&G's website:

- Annual and interim reports;
- NZX Announcements;
- Governance policies;
- Charters;
- Other corporate information.

RECOMMENDATION 8.2

An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.

Electronic Communication

Shareholders have the opportunity to express their views to the Company and receive communications electronically.

RECOMMENDATION 8.3

Quoted equity security holders should have the right to vote on major decisions which may change the nature of the company in which they are interested in.

Major Decisions

T&G is following the NZX's mandatory Listing Rules which outline specific requirements in respect of obtaining shareholder approval.

RECOMMENDATION 8.4

If seeking additional equity capital, issuers of quoted securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

Additional Equity

The Board will ensure that Recommendation 8.4 is followed in any situation where the Company is seeking additional equity capital.

RECOMMENDATION 8.5

The board should ensure that that notice of annual or special meeting of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

Annual Meeting

The notice of the Annual Meeting will be provided to shareholders at least 20 working days in advance of the meeting.