



25 August 2017

ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

**Buderim Group Limited (ASX: BUG):- Appendix 4G and 2017 Corporate Governance Statement**

Please find attached the Appendix 4G and 2017 Corporate Governance Statement in Accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A Bond'.

Andrew Bond  
Company Secretary



**BUDERIM GROUP LIMITED**

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Level 5, 303 Coronation Drive, Milton QLD 4064  
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## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Buderim Group Limited

ABN / ARBN:

68 010 978 800

Financial year ended:

30 June 2017

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website:  
<http://www.bugcorporate.com./governance/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 25 August 2017 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 25 August 2017

Name of Director or Secretary authorising lodgement:

Andrew Bond, Company Secretary



<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
1.1 A listed entity should disclose: (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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a> and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.4 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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) 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.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/about/board-directors">http://www.bugcorp.com/about/board-directors</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association 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, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p> <p>... and the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.5	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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	A listed entity should have a program for inducing new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a> and in the Directors Report on page 7 in the Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A 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 fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a> and in the Directors Report on page 17 in the Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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 risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorporate.com/governance/corporate-governance">http://www.bugcorporate.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a> and in the Directors Report on page 7 in the Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.bugcorp.com/governance/corporate-governance">http://www.bugcorp.com/governance/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

# Corporate Governance

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## Corporate Governance Statement

As at 25 August 2017

### INTRODUCTION

Buderim Group Limited's Board of Directors believes that sound and ethical corporate governance practices are essential to both conformance and performance, and send a positive signal to our workforce, our suppliers, customers and our shareholders about our culture. We also believe that responsiveness to the interests of other stakeholders and the undertaking of responsible and sustainable practices, including the safety and welfare of our employees and the protection of the environment in which we work, will help build a long-term future for the Group.

This statement is current as at 25 August 2017 and approved by the Board to provide information to shareholders and other stakeholders of the governance arrangements in the company in accordance with ASX Listing Rule 4.10.

Unless otherwise stated, the policies, practices and structures referred to in this Statement, have been in place for the whole of the reporting period. The company applies these arrangements to its operations both in Australia and internationally.

It is based on the requirements of the Corporations Law, the Listing Rules of the ASX, the recommendations of the ASX Corporate Governance Council, and other Australian and international guidelines. It is structured with reference to the Corporate Governance Council's principles and recommendations which are as follows:

#### Principle 1

Lay solid foundations for management and oversight

#### Principle 2

Structure the board to add value

#### Principle 3

Act ethically and responsibly

#### Principle 4

Safeguard integrity in corporate reporting

#### Principle 5

Make timely and balanced disclosure

#### Principle 6

Respect the rights of security holders

#### Principle 7

Recognise and manage risk

#### Principle 8

Remunerate fairly and responsibly

The directors have unanimously adopted these corporate governance principles. However this does not infer that the directors endorse all the recommended guidelines as being appropriate to the particular circumstances of the company. The directors are firmly of the opinion that these represent a

transparent and comprehensive regime that provides a high level of assurance to all stakeholders.

### NON COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS OF ASX CORPORATE GOVERNANCE COUNCIL

Where practical, the Group has complied with the 3<sup>rd</sup> edition Principles and Recommendations suggested by the ASX Corporate Governance Council from 29 May 2015. However, there are some instances whereby due to the composition of the Board, it is not considered economical or practical to implement some Recommendations. The Principles and Recommendations that have not been complied with are disclosed below.

### DISCLOSURE

This governance statement should be read in conjunction with the disclosures included in the Directors' Report.

This Statement is available on the Group's website at <http://www.bugcorporate.com/governance/corporate-governance>.

### MANAGEMENT AND BOARD OVERSIGHT (Principle 1)

#### Role of the Board

The board has the ultimate responsibility to shareholders for the profitable and proper conduct of the company's operations. In fulfilling its functions, the board has formally delegated specific authorities to management. These delegations are reviewed periodically. The specific responsibilities of the board include:

- approval of a strategic plan designed to meet stakeholders' needs and manage economic, environment and social sustainability and safety risks. Each year the board considers, and if appropriate, approves annual budgets, proposed capital expenditure and operating plans and strategies against which technical and financial performance is regularly reported;
- involvement in developing and approving initiatives and strategies designed to maintain the currency of the strategic plan and ensure the continued growth and success of the entity;
- continual review of the operational and financial performance of the consolidated entity and each operational unit against key performance indicators (both financial and non-financial);
- creating and maintaining a culture to ensure as far as reasonably practicable, the safety of employees, tourists and visitors
- establishment of management committees to report on occupational health and safety and environment. The board receives and considers reports on the group's performance in

## Corporate Governance Statement

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the areas of work health and safety, food safety and environmental control;

- review and approval of acquisitions and disposals of businesses and assets, and the approval of financing arrangements within defined limits;
- monitoring of the entity's liquidity, credit policies and exposures, and management's actions to ensure they are in line with company policy; and
- disclosure of any real or potential conflict of interest which is to be recorded in the minutes of meetings. Where a conflict of interest arises, directors are to withdraw from discussion and deliberation. Participation is only available in such situations with the consent of other directors.

### Role of the Chairman

The Chairman of the board has the responsibility for the conduct of the general meetings of the company, and the meetings of the directors of the company.

The Chairman also has the role of interfacing with the CEO, and the conduct of the CEO's performance appraisal.

The Chairman acts as an interface of the organisation with relevant external stakeholders (such as shareholders, government/funding bodies, local organisations and media when necessary).

The Chairman does not have a casting vote at any general meeting, however does have a casting vote at a meeting of the board if there is an equality of votes on any question or resolution except at a meeting of the board where there are only two directors.

### Directors

Directors are elected by the shareholders for a term of three years, or appointed by the board to fill a casual vacancy until the next Annual General Meeting of the company.

On election, directors receive a comprehensive letter of appointment from the Chairman outlining their rights and responsibilities, remuneration and benefits, expectations of commitment, and access to professional advice, documents and insurance.

A Deed of Indemnity, Insurance and Access is entered into between the company and its subsidiaries, and each director. The deed provides that the company indemnify all directors in accordance with the provisions of the Corporations Act 2001, and with access to the company books and records for a period of 7 years after they cease to be a director of the company. During the financial year, no payment was made by the company under the indemnities.

Directors of the company hold the majority of directorships in all subsidiary companies, except in MacFarms, LLC dba MacFarms of Hawaii which is a member run limited liability company in which Buderim Ginger America, Inc is the sole member. A further exception is the joint venture entity, Ginger Head Quarters Pty Ltd in which joint venture partners each have two representative directors on the board. In accordance with the Fiji Corporations Act, which requires at least one resident director, Mr Law Fook Kuen, the Business Manager of the Company's Fiji operations, has been appointed as a director of Frespac Ginger (Fiji) Limited.

### Delegation to Management

The Board is responsible for the direction of the Group and the oversight of management. The Board delegates the responsibility for day-to-day management of the Group to the CEO, who operates under strict limits on operational and capital expenditure and the ability to commit the Group to financial obligations. The CEO in turn delegates these limits to the management team subject to the approval of the Board.

The CEO is appointed by the board. The CEO is accountable for delivery of strategic outcomes and reports to the whole board on the delivery or non-delivery of those outcomes. The CEO also assumes responsibility as the principal spokesperson for the company on operational matters.

The Company Secretary is appointed as the secretary to the board as a whole. He/she relates one-to-one with the chairman who represents the views of the board.

The Chief Executive Officer and the Company Secretary enter into a Deed of Indemnity, Insurance and Access with the company and its subsidiaries on identical terms to the Directors' Deed.

Senior managers are appointed to specific positions within the company with the approval of the board. The Chief Executive Officer and senior managers all receive letters of appointment and have formal position descriptions.

During the financial year, no payment was made by the company under the indemnities.

### BOARD STRUCTURE (Principle 2)

#### Directors

The Board is currently comprised of five non-executive directors. Details of those directors serving at year-end are outlined in the Directors' Report. The maximum number of directors permitted by the Constitution is seven directors.

#### Retirement and Re-election of Directors

The Constitution requires that an election of directors must occur in each year and that, at any rate, directors cannot retain office for the longer of 3 years or until the third AGM following their re-election, without submitting themselves for re-election.

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### Director Independence

ASX Principles and Recommendations 2.4 states "A majority of the Board should be independent directors". In considering director independence, the Board considers an independent director as someone who is a non-executive director, not a member of management and 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 their judgment.

Of the five non-executive directors, one is considered independent, due to one director being appointed as the representative of a substantial shareholder, two directors being appointed as the representatives of Convertible Note holders, and another undertaking consulting work for a substantial shareholder.

The Board considers that the current Board structure and composition is a cost effective and practical method of directing and managing the company in view of the size of the company and the nature of its activities.

Mr Steve Morrow, the Chairman, was appointed as a director on 26 February 2010 and Chairman on 29 April 2011. Mr Morrow is considered to be an independent non-executive director as he is neither a substantial shareholder nor a major supplier of the company.

Mr Peter O'Keeffe was appointed as a director at the AGM held on 31 October 2014. Mr O'Keeffe is considered not to be an independent non-executive director as he undertakes consulting services for a substantial shareholder of the company.

Mr Albert Tse was appointed as a director on 15 February 2017. Mr Tse is considered not to be an independent non-executive director as he is the appointed representative of one of the Convertible Note holders.

Mr Yigang Yang was appointed as a director on 15 February 2017. Mr Yang is considered not to be an independent non-executive director as he is the appointed representative of one of the substantial shareholders.

Ms Christina Chen was appointed as a director on 28 July 2017. Ms Chen is considered not to be an independent non-executive director as she is an appointed representative of the Convertible Note holders.

The board is diligent in ensuring that a conflict of interest does not interfere with Directors' obligations towards the company.

In structuring the board to add value, the directors complete an annual skills analysis to ensure the board comprises directors with sufficient diversity and industry knowledge. A summary of the board skills analysis can be found in the corporate governance section of the company's website.

### Chair

The Board may elect one of the Directors to be chairman and may elect another to be deputy chairman and determine the period for which each of those Directors is to hold that office.

### Director Nomination Committee

The function of a Director Nomination Committee is performed by the whole of the board. The board reviews the company's succession plan, and assesses the necessary and desirable competencies of directors. External advice is sought in sourcing new directors.

The composition of the board is regularly reviewed to ensure that it continues to have the mix of skills and experience necessary for the conduct of the company's activities. Whether filling a vacancy or expanding the board, the procedures applied include the selection of a panel of nominees. In compiling the panel of nominees, the board draws on advice from external consultants and internal industry experience. Potential directors are approached and their interest in joining the board, together with the responsibilities such an appointment entail, are discussed. Terms and conditions of the appointment, including the level of remuneration, are also communicated to the nominee.

The board may appoint the new director(s) during the year, and that person(s) will then stand for election by shareholders at the next Annual General Meeting. When appointed to the board, all new directors are briefed by the chair and senior management and receive a package of documentation to assist them in familiarising themselves with matters relating to our business, our strategy and current issues.

## ETHICAL AND RESPONSIBLE DECISION MAKING (Principle 3)

### Corporate Code of Conduct

The company has developed a Code of Conduct to ensure the entity acts in a lawful, highly-principled and socially responsible manner in all of its business practices. Under this Code of Conduct, directors, executives and staff are expected to:

- have an overriding responsibility to all stakeholders of the business and not to any sectional or personal interests;
- display the highest standards of personal behaviour at all times;
- use every opportunity to promote the interests of the group in the community at large;
- act honestly and with the utmost integrity, and comply with the letter and spirit of any laws, rules and policies of the company and this Code of Conduct;

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- receive no benefit from their position other than approved arms-length negotiated commercial arrangements, remuneration and conditions of employment, and to use the assets of the company economically and efficiently for business purposes only;
- respect all people with whom they come into contact in their work;
- bring to their work all the skills and experience they possess and diligently apply themselves to their duties;
- participate freely in all discussions and will always be allowed to express their opinions;
- conduct business in the strictest confidence, and avoid any discussion of the information received in their duties unless it is approved for distribution;
- consider binding, all decisions of the board, without public dissent from such decisions; maintain good relations within the group;
- consistently and effectively comply with all established policies and procedures; act within delegated authorities;
- uphold the concept of a competitive economic environment, abstaining from price fixing, misleading or false representations regarding our products or those of our competitors.

### Directors & Executive Securities Trading Policy

The company has established the Directors and Executive Securities Trading policy to control the trading in the company's securities by directors and senior executives. This policy is included in the company's Corporate Governance policy manual which is issued to Directors and officers on their engagement. A signed acknowledgement is obtained from each Director and officer that they have read and understood all policies.

### Insider Trading

Directors and other officers of Buderim Group Limited are subject to restrictions under the Corporations Law relating to dealings in securities.

As required by law and in line with its Insider Trading Policy, buying or selling Buderim Group securities is not permitted at any time by any person who possesses price-sensitive information not available to the market in relation to those securities. Closed periods in which Directors and Executives are prohibited from trading in the company's securities are the 2 months immediately preceding the company's half year and full year financial results announcements.

In addition to these restrictions, the board's policy is that directors and officers may only buy or sell Buderim Group

securities, after notifying the Chairman, in the six weeks immediately following our half year and full year financial results announcements and any General Meeting.

At all other times directors and officers require the prior written consent of the board to buy or sell Buderim Group securities, with the board examining each request for a proposed security transaction prior to approval to ensure it is not related to insider trading. Exceptional circumstances whereby the entity's Directors and Executives are permitted to trade during a prohibited period include:

- Off-market transactions within a Director's or Executive's various security holding accounts through which no change in beneficial interest occurs;
- Transactions through a Director's or Executive's estate after death when the restricted person has no control or influence with respect to the trading decision;
- Trading through a fund or other scheme where the assets of the fund or scheme are invested at the discretion of a third party;
- Undertakings to accept, or the acceptance of, a takeover offer;
- Trading under an offer or invitation made to all or most of the security holders, such as a Rights Issue, a Share Purchase Plan, a Dividend Reinvestment Plan, a Dividend Share Issue Plan and an Equal Access Buy-Back where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- A disposal of securities that is the result of a secured lender exercising their rights, subject to the Director or Executive having previously obtained written approval from the Board to enter into an agreement with the lender through which the Director or Executive provides the lender with rights over their interest in the company's securities; and
- Where written board approval has been given to the Director or Executive to sell or otherwise dispose of the company's securities during a prohibited period where the Director or Executive is in severe financial hardship or there are other exceptional circumstances such as pressing financial commitments that cannot be satisfied otherwise than selling the relevant securities of the company. In such cases, the Chairman or the Chief Executive Officer is designated to determine what constitutes an exceptional circumstance and whether or not written approval is to be granted to permit trading in the company's securities during a prohibited period.

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Where written approval has been provided to Directors and Executives to trade during prohibited periods, the period is specified in each individual case. Written approvals may be provided in either email or paper format.

The Australian Stock Exchange has granted Buderim Group Limited a waiver from Listing Rule 10.11 to the extent necessary to permit the company to issue up to \$15,000 worth of securities to each of its directors under the Share Purchase Plan, without obtaining shareholder approval, on condition that directors are offered securities under the plan on the same terms as other security holders.

In order to prevent the unfair use of information, directors and officers are generally prohibited from short-term trading at all times. Short-term trading is a purchase and sale of the same securities within a six month period.

### Disclosure of Directors' Security Transactions

Directors must enter into agreements with the company regarding disclosure of directors' securities transactions. Under these agreements, directors are obliged to provide the necessary information to the company, to allow the company to comply with the ASX Listing Rule requiring disclosure of details of directors' interests in securities.

Details of an initial investment and on-going transactions are to include the transaction date, the number and class of securities held before and after the change, the nature of the change, and consideration payable in connection with the change, or if a market consideration is not payable, the value of the securities the subject of the change.

Details of changes in securities not registered in the director's name but in which the director has a relevant interest within the meaning of section 9 of the Corporations Act, must also be provided.

Directors are to provide the required information within three business days after the date of the change.

Directors also agree to provide appropriate information on securities held at the date of ceasing to be a director.

Directors have advised that no securities controlled by them are the subject of margin loans.

### Stakeholders Interests

The company recognises that there are many stakeholders in the business in addition to the shareholders. The company endeavours to relate openly, fairly and equitably with all shareholders in terms of their relationship with the company.

Among the stakeholders are:

- staff;
- customers;
- suppliers;
- communities in the countries where we operate;
- local, state and national governments;
- other participants in the food industry.

Stakeholder interests are protected and recognised through the company's policies and procedures and the adoption of a Code of Conduct. The policies cover matters such as accounting and

reporting, employment conditions, employee safety and welfare, customer privacy, and legal compliance.

### INTEGRITY OF CORPORATE REPORTING (Principle 4)

#### Audit & Compliance Committee

The company has established an Audit & Compliance Committee in order to:

- assist the board in discharging its responsibilities relative to financial reporting and regulatory conformance;
- give additional assurance regarding compliance with directors' statutory responsibilities, the quality and reliability of financial information used by the board and financial statements issued by the company;
- oversee the economic entity's risk management framework including strategies, policies and processes that have the potential to impact significantly on the company's performance, sustainability and safety;
- monitor performance and advice on selection and retention of external auditors.

The primary responsibilities of the Audit & Compliance Committee are to:

- assist the board to exercise due care in reviewing the financial statements and assistance in fulfilling their legal responsibilities;
- oversee and appraise the quality of audits conducted by external auditor;
- perform an independent review of financial information prepared by management for external parties;
- assess the adequacy and effectiveness of the internal controls to ensure the integrity of the company's accounting records and to safeguard its assets;
- monitor compliance with Australian Accounting Standards, Taxation and Corporations Law, Australian Stock Exchange Listings Rules, and Australian Investment and Securities Commission regulations;
- ensure compliance to accepted standards of ethical conduct, laws and regulations (e.g. Industrial Relations, Industry Codes, Trade Practices, Consumer Protection, Work Health & Safety and Environmental Regulations);
- monitor corporate risk assessment and the internal controls instituted;

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- supervise special investigations when requested by the board.

The committee comprises three non-executive directors. Due to the current circumstances of the company the chair of the committee is not currently an independent director and is not the chair of the board. The members of the committee are financially literate, and the chair of the committee has financial expertise.

The committee has standing invitations to the following attendees:

- Auditor,
- Chief Executive (CEO),
- Chief Financial Officer (CFO).

Meetings are held regularly and at times to best manage the audit processes and ensure compliance with statutory timeframes. Minutes of all meetings are provided to the full board.

The committee regularly reviews the work and independence of the external auditor and recommends any change, selection and appointment to the main board.

### CEO and CFO Certification

In accordance with section 295A of the Corporations Act, the Chief Executive Officer and the Chief Financial Officer have provided a written statement to the Board that:

- Their view provided of the Group's financial report is founded on a sound system of risk management and internal compliance and control which implements financial policies adopted by the Board.
- That the Group's risk management and internal compliance and control system is operating effectively in all material respects.

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute.

This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

In addition to the above certification, the CEO and CFO, provide the board with a comprehensive letter of representation prior to the acceptance of the annual accounts by the board. This letter not only certifies the correctness and integrity of the financial and risk management systems, but also covers compliance with legal and regulatory requirements in relation to

trade practices, employment, workplace health and safety, quality assurance and environmental factors.

As part of the process of certifying the annual accounts, the directors and management provide a letter of representation to the external auditors, in similar terms to the letter provided by management to the directors.

### TIMELY AND BALANCED DISCLOSURE (Principle 5)

Policies and procedures to comply with continuous disclosure and other statutory requirements have been developed by the company.

Under its Continuous Disclosure Policy, Buderim Group Limited is committed to providing shareholders with comprehensive information about the company and its activities, and to fulfilling its obligations to the broader market for continuous disclosure.

Consistent with best practice disclosure and continuous disclosure requirements, all market-sensitive data, periodic financial reports (Appendix 4 - end of year and half-year) and addresses by the Chairman and CEO to shareholder meetings are released to the stock exchange via ASX On-Line prior to release to the market via press release and posting on Buderim Group's internet site.

Similarly, annual reports and notices of meetings, dividend re-investment and share plan documentation are released through ASX On-Line prior to being distributed to shareholders via the website or through the mail.

Detailed commentary on financial results is included in the Annual Report, and in the Chairman's Address at the Annual General Meeting. This address is circulated to shareholders with any annual dividend payment.

Further commentary on half-yearly results is included in the press release announcing those results, and circulated to shareholders with any interim dividend payment.

As part of its Continuous Disclosure Policy the Company has processes in place to provide balanced response to market rumours or speculation of which it is made aware.

### RESPECT FOR SECURITY HOLDERS (Principle 6)

#### Effective Communication

Buderim Group Limited is committed to providing shareholders with comprehensive information about the company and its activities, and to fulfilling its obligations to the broader market for continuous disclosure.

## Corporate Governance Statement

As at 25 August 2017

Shareholders are now able to receive their shareholder information electronically in preference to mail. Notification via email of company announcements, annual and half year reports and other company information is available by registering for this service through the company's website.

### Access to Information

The company publishes a comprehensive Annual Report incorporating financial and other information. This is sent to all shareholders on request and is available to the public, as well as being posted on the company's website. A Half-Yearly Report incorporating abbreviated financial data and market commentary is also made available on the same basis.

The company maintains a comprehensive web site [www.buderimginger.com](http://www.buderimginger.com) that contains extensive shareholder and stakeholder information in addition to information about the company's products. The past three years' Annual and Half-Yearly Reports and a corporate governance section are contained within the website.

The company's offices maintain supplies of shareholder information for public access; and the Company Secretary's office is responsible for the distribution of material and responding to requests for information from shareholders and the public.

Under the company's Investor Communication Policy the board, and in particular the Chairman, bear particular responsibility for communication with shareholders and members. This occurs formally through the Annual Report and the Annual General Meeting. At other times, senior management and Chairman liaise between the board and key shareholders and analysts.

Any company announcement is published on the company's website at [www.bugcorporate.com](http://www.bugcorporate.com).

### Annual General Meeting

The company conducts its Annual General Meetings at the Ginger Factory Tourism site at Yandina.

Notice of the meeting is sent to every shareholder and advertised publicly.

The company's auditor attends the Annual General Meeting and is invited to answer relevant questions and make statements to the meeting.

The directors and senior management attend all General Meetings and are available to shareholders and other stakeholders.

The Chairman accepts written questions and pre-submitted questions at a General Meeting and responds appropriately to all questions.

The public and the media are welcome to attend General Meetings as observers.

## RISK MANAGEMENT (Principle 7)

The company has an Enterprise Risk Framework designed to establish consistent standards for how risks are identified, evaluated and managed across the group. Reporting and Assurance is managed through a Governance, Risk and Compliance System which allocates responsibility for risks and controls and allows the board and management to have visibility of risk management across the company.

### Policies and Procedures

The company has documented policies and procedures for all principal areas of its operations and the key risks within each of the principal areas of its operations are understood and have appropriate controls in place.

Policies are approved by the board and procedures developed by management to give effect to the policies and manage key risks across the group

### Review

Risks are reviewed on an ongoing basis based upon their ratings. Extreme and High levels risks are overseen by the board, while management are responsible for all levels of risk across the company.

The company's policies are reviewed periodically by the board.

### Internal Audit

The company does not maintain a separate internal audit function having established a control self assessment approach through the Governance, Risk and Compliance system and supported by a series of independent checking processes that are approved and supervised by the Audit Committee,.

### Insurance

The company maintains a program of insurance where insurable risks are identified. The level of self-insurance and exposure to deductibles in insurance policies is not material.

During the financial year, the company paid premiums in respect of a directors' and officers' liability insurance policy. The policy insures each person who is or has been a director or executive officer against certain liabilities arising in the course of their duties to the company and its controlled entities. The insurance policy prohibits disclosure of the nature of the liabilities or the amount of the premium.

## IMPROVING PERFORMANCE THROUGH FAIR & RESPONSIBLE REMUNERATION (Principle 8)

## Corporate Governance Statement

As at 25 August 2017

A structured process is currently being established to review and evaluate the performance of the board and board sub committees and to identify areas where improvement can be made. The review process will include assessment of board composition, governance relations and internal processes to ensure continuing corporate governance improvement. The performance and contribution of non-executive directors is to be assessed against pre-determined criteria.

Senior executive performance review is conducted annually, and as a preliminary to annual remuneration review. The CEO conducts senior executive performance reviews and reports on these to the board. The CEO's performance review is conducted by the Chairman of the board and reported to the board. This evaluation is based on specific criteria, including the group's business performance, whether strategic objectives are being achieved and the development of management and personnel.

While there is no formal program of director education, directors and senior executives attend industry and other related seminars and conferences under relevant professional development programs for which the company has made a budget provision.

Directors are entitled to seek independent professional advice in the performance of their duties. The company will pay for this advice on the approval of the chairman.

The board has appointed a Company Secretary, who also fulfils the role of Chief Financial Officer. The Company Secretary reports directly to the board on all secretarial matters. The Company Secretary's employment may not be terminated without the concurrence of the board.

### REMUNERATION

#### Remuneration Committee

The company has established a Remuneration Committee to ensure that the remuneration policies and practices of the company are consistent with its strategic goals and human-resource objectives.

The committee comprises the Chairman and two non-executive directors. It is chaired by the Chairman of the board.

#### Diversity at Buderim Group Limited

Buderim Group Limited considers a gender-balanced diverse and inclusive workforce, where employee differences in areas of gender, age, culture, disability and lifestyle choice are valued, and in which everyone has the opportunity to fully participate and is valued for their individual inputs, a strategic asset for its business.

The Group's Diversity Policy encapsulates and complements the principles incorporated in its many human resource management policies, such as Affirmative Action, Equal Opportunity and

The role of the Remuneration Committee is to:

- recommend aggregate director's remuneration and entitlements to the shareholders for approval;
- establish and recommend the remuneration and entitlements of the Chief Executive;
- establish remuneration policies and guidelines for senior executives and staff.

Independent external advice is sought on the quantum of remuneration and entitlements for directors and senior staff to enable alignment with market conditions in similar businesses. A formal review of remuneration is conducted annually.

#### Directors and Senior Management

Directors receive director's fees and associated minimum statutory superannuation payments. Fees payable to individual directors are established by the directors within the aggregate approved by the shareholders.

Directors are not entitled to any retirement allowances nor any bonuses or share options.

Details of the nature and amount of directors' remuneration are outlined in the Directors' Report.

Senior management (including the CEO) are engaged on contracts with no fixed term, with remuneration comprising three possible elements:

- fixed component – comprising salary, superannuation, motor vehicle and other standard industry benefits;
- performance component – comprising cash bonus for performance above pre-agreed objective hurdles. The maximum bonus payable is 40% of the fixed component.

The company does not issue options over shares as part of any remuneration arrangements.

Details of the nature and amount of senior executives' remuneration are outlined in the Directors' Report.

Anti-Discrimination, Workplace Bullying, Sexual Harassment, and Rehabilitation policy.

Valuing and managing diversity means that Buderim Group:

- Facilitates equal employment opportunities based on relative ability, performance or potential;
- Builds and maintains a safe work environment by taking action against inappropriate workplace and business behaviour;
- Develops flexible work practices to meet

## Corporate Governance Statement

As at 25 August 2017

the differing needs of our employees at different stages of their life cycle;

- Attracts and retains a skilled and diverse workforce;
- Enhances customer service and market reputation through a workforce that respects and reflects the diversity of our customers and partners;
- Improves productivity and teamwork;
- Meets the relevant requirements of legislation and human resource policies; and
- Creates an inclusive workplace culture.

### Gender Balance at Buderim Group

Buderim Group's Board currently comprises five non-executive Directors. As part of the succession planning process, skill gaps are regularly assessed to determine if additional experience is required at Board level.

Directors are elected by shareholders for a term of three years, or appointed by the Board to fill a casual vacancy until the next Annual General Meeting of the company. Directors have the opportunity to retire at the end of their three year term, or offer themselves for re-election.

There is currently one female on the Board. The opportunity to appoint a female Director is considered whenever Board appointments are made. It is the Board's objective to aim for female representation on the Board around 25%. Irrespective, appointments are based on merit and a matching of skills required at Board level to those of applicants.

It is the Board's objective to maintain at least 25% female representation throughout the Group. With respect to the total number of females across the Group's businesses, this percentage currently approximates 45%, while management level representation is approximately 25%.

In accordance with the requirements of the Australian Workplace Gender Equality Act 2012, Buderim Group Limited lodged its annual public report with the Workplace Gender Equality Agency on 1 June 2017.

### Progression and Development Practices

Buderim Group aims to achieve gender balance in its training and development programs throughout the Group. These programs are aimed at ensuring every individual has access to learning to assist in the performance of their roles and to provide growth potential within the group when succession

opportunities arise.

### Flexible Arrangements and Parental Leave

Buderim Group offers flexible work arrangements and support in special circumstances to help balance life priorities with work and to manage careers. These include flexible start and finish times, part-time work arrangements, working from home, job sharing, telecommuting, transitional arrangements for new parents returning to work after parental leave, and unpaid leave as required.

Further details of the Group's Diversity Policy can be accessed at [www.bugcorporate.com](http://www.bugcorporate.com).

## Board Charter

## Attachment "A"

### BOARD OF DIRECTORS AND COMMITTEES

The board of directors of Buderim Group Limited is responsible for the corporate governance of the consolidated entity. The board guides and monitors the business and affairs of Buderim Group Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the board.

#### Objective of the Board

The board's principal objective is to maintain and increase shareholder value while ensuring that the Consolidated Entity's overall activities are properly managed.

#### Composition of the Board

The composition of the board is determined in accordance with the following principles and guidelines:

- the board should comprise a majority of non-executive directors;
- the board should comprise a majority of independent directors;
- the chairperson must be a non-executive director elected by directors from their number;
- the chairperson should possess high qualities of leadership and business acumen;
- the board should comprise directors with an appropriate range of qualifications and expertise;
- the board shall meet at least ten times per year and follow meeting guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items;
- directors are appointed for a 3 year term (with the exception of the Managing Director, where one is in place) after which time they are required to seek re-election by shareholders; and
- when a board vacancy exists or where it is considered that a director with particular skills or experience is required, the board selects a panel of candidates with the appropriate expertise and experience from which the most suitable candidate is appointed on merit.

#### Board Committees

The board has established various sub-committees to assist it in discharging its responsibilities relative to financial report and regulatory conformance, and remuneration of directors and executive manager. Sub-committees operating include the Audit &

Compliance Committee and the Remuneration Committee. Other board committees may be established from time to time to consider matters of special importance. Committee charters are approved by the board.

#### Board Responsibilities

As the board acts on behalf of and is accountable to the shareholders, the board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the consolidated entity is formally delegated by the board to the CEO and the executive team. The board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the chief executive and the executive team.

The board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the board. The board has a number of mechanisms in place to ensure this is achieved. In addition to the establishment of the committees referred to above, these mechanisms include the following:

- board approval of a strategic plan, which encompasses the entity's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk. Each year the board considers, and if appropriate, approves annual budgets, proposed capital expenditure and operating plans and strategies against which technical and financial performance is regularly reported;
- the strategic plan is a dynamic document and the board is actively involved in developing and approving initiatives and strategies designed to ensure the continued growth and success of the entity;
- implementation of operating plans and budgets by management and board monitoring of progress against budget - this includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes. At each meeting, the board reviews the operational and financial performance of the consolidated entity and each operational unit;

**Board Charter**

- establishment of management committees to report on occupational health and safety and environment. The board receives and considers reports on the group's performance in the areas of occupational health and safety, food safety and environmental control;
- procedures to allow directors, in the furtherance of their duties, to seek independent professional advice at the company's expense. With the prior approval of the chairman, each director has the right, at the company's expense, to seek independent professional advice relevant to the company's affairs. A copy of any such advice is to be provided to all directors;
- review and approval of acquisitions and disposals of businesses and assets, and the approval of financing arrangements within defined limits;
- monitoring of the entity's liquidity, credit policies and exposures, and management's actions to ensure they are in line with company policy; and
- disclosure of any real or potential conflict of interest which is to be recorded in the minutes of meetings.

Where a conflict of interest arises, directors are to withdraw from discussion and deliberation. Participation is only available in such situations with the consent of other directors.

The Chairman is responsible for the effective and efficient conduct of the board's meetings, the company's general meeting of members and activities. He/she has particular responsibilities to support the chief executive officer and act as a link between the board and the CEO and the board and the Company Secretary.

**Attachment "A"****Monitoring of the Board's Performance and Communication to Shareholders**

In order to ensure that the board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is reviewed annually by the chairperson. The chairperson's performance is reviewed through Board assessment. Directors whose performance is assessed as unsatisfactory are asked to retire.

The board of directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report released through the ASX;
- the annual general meeting and other meetings so called to obtain approval for board action as appropriate;
- market announcements; and
- the company's website.

## Corporate Code Of Conduct

## Attachment "B"

### CORPORATE CODE OF CONDUCT

Buderim Group Limited is committed to acting in a lawful, highly-principled and socially responsible manner in all of its business practices. To assist in these endeavours, directors, executives and staff of Buderim Group Limited are expected to abide by the company's Code of Conduct that establishes the framework for corporate behaviour.

#### Objective

The objective of the Code of Conduct is to guide directors, executives and staff in carrying out their duties and responsibilities.

The Code is designed not only to foster ethical business conduct, but also to govern such things as workplace and human resources practices, insider trading, risk management, and legal compliance. There are a number of specific policies which underpin the Code and elaborate on various legal and ethical issues.

#### Core Values

Fundamental to our success are the Core Values we believe in and practice:

- The highest possible product quality.
- A safe and rewarding work environment for our people.
- Technological leadership in our products and processes.
- Unbreakable customer alliances reinforced by our deeds.
- Treating all stakeholders with integrity, honesty and respect.
- People that treat the business like their own.

#### General

Directors, executives and staff are expected to:

- have an overriding responsibility to all stakeholders of the business and not to any sectional or personal interests.
- display the highest standards of personal behaviour at all times.
- use every opportunity to promote the interests of the group in the community at large.
- act honestly, with the utmost integrity, and comply with the letter and spirit of any laws, rules and policies of the company and this Code of Conduct.
- receive no benefit from their position other than approved remuneration and conditions of employment, and to use the assets of the company economically and efficiently for business purposes only.
- respect all people with whom they come into contact in their work;
- bring to their work all the skills and experience they possess;
- diligently apply themselves to their duties;
- participate freely in all discussions and will always be allowed to express their opinions;
- conduct business in the strictest confidence, and avoid any discussion of the information received in their duties unless it is approved for distribution;

- consider binding, all decisions of the board, without public dissent from such decisions;
- consistently and effectively comply with all established policies and procedures.
- act within delegated authorities.
- uphold the concept of a competitive economic environment, abstaining from price fixing, misleading or false representations regarding our products or those of our competitors.

#### Constitution and Corporate Policies

Directors should have a thorough knowledge of the company's Constitution and directors, executives and staff should understand its policies and be constantly aware of their application.

#### Responsibilities

Directors are expected to:

- notify the chairman of the board or committee of any conflict of interest, financial or otherwise, that may arise between their personal activities and the operations of the company. In the event of conflict arising, directors should withdraw from consideration of the matter, unless otherwise unanimously approved by the board or committee; and
- be prepared and ready to discuss company matters with shareholders, after considering the confidentiality of the matter;
- pass directors' requests or instructions to staff through the CEO or Company Secretary.
- provide full and complete disclosure of all activities of the company.

#### Responsibilities

Executives are expected to:

- ensure that all requests or complaints by shareholders are passed, preferably in writing, to the Company Secretary or CEO, who will pass to the board if appropriate, for noting and action if necessary;
- notify the CEO of any conflict of interest, financial or otherwise, that may arise between their personal activities and the operations of the company
- be prepared and ready to discuss company matters with shareholders, after considering the confidentiality of the matter;
- provide speedy and effective responses to requests from the board and its committees.

## Securities Trading Policy

## Attachment "C"

### DIRECTOR & EXECUTIVE SECURITIES TRADING POLICY

The company has established the Directors and Executive Securities Trading policy to control the trading in the company's securities by directors and senior executives. This policy is included in the company's Corporate Governance policy manual which is issued to Directors and officers on their engagement. A signed acknowledgement is obtained from each Director and officer that they have read and understood all policies.

#### Insider Trading

Directors and other officers of Buderim Group Limited are subject to restrictions under the Corporations Law relating to dealings in securities.

As required by law and in line with its Insider Trading Policy, buying or selling Buderim Group securities is not permitted at any time by any person who possesses price-sensitive information not available to the market in relation to those securities. Closed periods in which Directors and Executives are prohibited from trading in the company's securities are the 2 months immediately preceding the company's half year and full year financial results announcements.

In addition to these restrictions, the board's policy is that directors and officers may only buy or sell Buderim Group securities, after notifying the Chairman, in the six weeks immediately following our half year and full year financial results announcements and any General Meeting.

At all other times directors and officers require the prior written consent of the board to buy or sell Buderim Group securities, with the board examining each request for a proposed security transaction prior to approval to ensure it is not related to insider trading. Exceptional circumstances whereby the entity's Directors and Executives are permitted to trade during a prohibited period include:

- Off-market transactions within a Director's or Executive's various security holding accounts through which no change in beneficial interest occurs;
- Transactions through a Director's or Executive's estate after death when the restricted person has no control or influence with respect to the trading decision;
- Trading through a fund or other scheme where the assets of the fund or scheme are invested at the discretion of a third party;
- Undertakings to accept, or the acceptance of, a takeover offer;
- Trading under an offer or invitation made to all or most of the security holders, such as, a Rights Issue, a Share Purchase Plan, a Dividend Reinvestment Plan, a
- Dividend Share Issue Plan and an Equal Access Buy-Back where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- A disposal of securities that is the result of a secured lender exercising their rights, subject to the Director or Executive having previously obtained written approval from the Board to enter into an agreement with the lender through which the Director or Executive provides the lender with rights over their interest in the company's securities; and
- Where written board approval has been given to the Director or Executive to sell or otherwise dispose of the company's securities during a prohibited period where the Director or Executive is in severe financial hardship or there are other exceptional circumstances such as pressing financial commitments that cannot be satisfied otherwise than selling the relevant securities of the company. In such cases, the Chairman or the Chief Executive Officer is designated to determine what constitutes an exceptional circumstance and whether or not written approval is to be granted to permit trading in the company's securities during a prohibited period.

Where written approval has been provided to Directors and Executives to trade during prohibited periods, the period is specified in each Individual case. Written approvals may be provided in either email or paper format.

The Australian Stock Exchange has granted Buderim Group Limited a waiver from Listing Rule 10.11 to the extent necessary to permit the company to issue up to \$15,000 worth of securities to each of its directors under the Share Purchase Plan, without obtaining shareholder approval, on condition that directors are offered securities under the plan on the same terms as other security holders.

In order to prevent the unfair use of information, directors and officers are generally prohibited from short-term trading at all times. Short-term trading is a purchase and sale of the same securities within a six month period.

#### Disclosure of Directors' Security Transactions

Directors must enter into agreements with the company regarding disclosure of directors' securities transactions. Under these agreements, directors are obliged to provide the necessary information to the company, to allow the company to comply with the ASX Listing Rule requiring disclosure of details of directors' interests in securities.

Details of an initial investment and on-going transactions are to include the transaction date, the number and class of securities

***Securities Trading Policy******Attachment "C"***

held before and after the change, the nature of the change, and consideration payable in connection with the change, or if a market consideration is not payable, the value of the securities the subject of the change.

Details of changes in securities not registered in the director's name but in which the director has a relevant interest within the meaning of section 9 of the Corporations Act, must also be provided. Directors are to provide the required information within three business days after the date of the change. Directors also agree to provide appropriate information on securities held at the date of ceasing to be a director.

## Audit & Compliance Committee Charter

## Attachment "D"

### AUDIT & COMPLIANCE COMMITTEE -TERMS OF REFERENCE

The Audit & Compliance Committee shall be a committee of the board of directors of Buderim Group Limited established by the board.

#### Composition of the Committee

The composition of the committee is determined in accordance with the following principles and guidelines:

- All members of the committee shall be non-executive directors;
- A majority of independent directors shall be maintained, where practical;
- All members of the committee shall be financially literate;
- At least one member shall hold financial qualifications.

#### Objectives

The objectives of the committee are:

- To assist the board in discharging its responsibilities relative to financial reporting and regulatory conformance;
- To give additional assurance regarding compliance with directors' statutory responsibilities, the quality and reliability of financial information used by the board and financial statements issued by the company.
- To oversee the economic entity's risk management framework including strategies, policies and processes that have the potential to impact significantly on the company's performance, sustainability and safety To monitor performance and advice on selection and retention of external auditors.

#### Secretarial and Meetings

- One of the committee members shall be appointed by the board as chair of the committee.
- The secretary of the committee shall be appointed by the board.
- A quorum of members of the committee shall be two.
- The committee may have in attendance such members of management including the chief financial officer and such other persons including the external auditors, as it considers necessary to provide appropriate information and explanations.
- All directors shall be entitled to attend meetings of the committee provided that executive directors shall not be entitled to attend those meetings which the committee chooses to hold without any company executives present.
- Reasonable notice of meetings and the business to be conducted shall be given to the members of the committee, all other members of the board, the chief executive officer, the chief financial officer, and the external auditors.
- Meetings shall be held not less than two times a year having regard to the company's reporting and audit cycle. Any member of the committee, the chief executive officer, the

chief financial officer or the external auditors may request a meeting at any time if they consider it necessary.

- Minutes of all meetings shall be kept.

#### Responsibilities

- Demonstrate the board's intention to exercise due care in reviewing the financial statements and assistance in fulfilling their legal responsibilities;
- Oversee and appraise the quality of audits conducted by external auditors whilst maintaining open lines of communication between the board, the external auditors and management;
- Perform an independent review of financial information prepared by management for external parties;
- Assess the adequacy and effectiveness of the internal controls to ensure the integrity of the company's accounting records and to safeguard its assets;
- Monitor compliance with Australian Accounting Standards, Taxation and Corporations Law, Australian Stock Exchange Listings Rules, and Australian Investment and Securities Commission regulations;
- Ensure adherence to accepted standards of ethical conduct, laws and regulations (e.g. Industrial Relations, Industry Codes, Trade Practices, Consumer Protection, Occupational Health & Safety, Environmental Regulations);
- Monitoring of corporate risk assessment and the internal controls instituted; and
- Supervise special investigations when requested by the board.

In addition, the committee examines any other matters referred to it by the board.

#### Authority

- The committee has no executive or decision making obligation - this is reserved for the board.
- The committee is authorised by the board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the committee.
- The committee is authorised by the board to obtain, at the expense of the company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise if it considers this necessary.

#### Review of the Committee

The committee shall undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities shall also be reviewed by the board, the chief executive officer, the chief financial officer and any other person the board considers appropriate.

***Audit & Compliance Committee Charter******Attachment "D"*****Reporting Procedures**

- The committee shall maintain direct lines of communication with the external auditors, the chief executive officer, the chief financial officer, and with management generally including those responsible for non-financial risk management.
- The chief executive officer and the chief financial officer shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of the company, any material breakdown in internal controls, and any material event of fraud or malpractice.
- After each committee meeting the chairman shall report the committee's findings and recommendations to the board.
- The minutes of all committee meetings shall be circulated to members of the board, the chief executive officer, the chief financial officer, the external auditors and to such other parties as the board directs.
- The Chairman shall present an annual report to the board summarising the committee's activities during the year and any related significant results and findings.

## Continuous Disclosure Policy

## Attachment "E"

### CONTINUOUS DISCLOSURE POLICY

#### General

Compliance with regulatory and prudential requirements is of vital importance to Buderim Group Limited. The company takes its obligations seriously and constantly looks to improve its standard of compliance.

Compliance with ASX continuous disclosure requirements, as detailed in Listing Rule 3.1, and supported by section 674 of the Corporations Act, is paramount to ensuring timely advice in the maintenance of market integrity. Release of information to ASX is to be viewed as the first step in the dissemination of information to all sectors of the market.

It is the directors' intention that the interest of the company will not take precedence over the interests of a fully informed market.

#### ASX Listing Rule and Corporations Law Requirements

Once the company is aware of any information concerning it that may have a material effect on its share price, the company is to immediately make an announcement to the market through the ASX. A material effect is deemed to exist if a reasonable person would expect the information in question, to influence investors' behaviour when deciding whether or not to subscribe for, buy or sell the company's shares.

Disclosure to the market does not apply if all of the following circumstances are satisfied:

- a reasonable person would not expect the information to be disclosed;
- the information is confidential and ASX has not formed the view that the information has ceased to be confidential;
- one or more of the following applies:
- it would be a breach of a law to disclose the information;
- the information concerns an incomplete proposal or negotiation;
- the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- the information is generated for the internal management purpose of the company;
- the information is a trade secret.

Note that the company becomes aware of information if a director or executive officer has come into possession of the information in the course of the performance of their duties as a director or executive officer.

If directors and management are in doubt as to whether or not a matter should be disclosed, immediate consultation with legal advisors and the ASX Company Advisor is to be initiated.

#### Approval Process

All company announcements are to be approved for release to the market by the board prior to distribution through the ASX company announcement platform. This includes periodic financial data, media releases, statements in relation to strategic initiatives and as required to ensure a fully informed market.

#### Communications Officer

The company's communication officer in relation to ASX releases, is the Company Secretary. This officer co-ordinates the company's disclosure activities.

#### Company Spokesperson

The Chairman and the CEO are authorised to speak on the company's behalf in relation to market announcements. These officers are able to clarify information which has been publicly released through the ASX.

#### Monitoring Compliance

A Compliance Report is prepared and signed by the CEO and Company Secretary and presented to the Audit & Compliance Committee during the statutory audit process. This document includes statements regarding ASX and ASIC compliance along with other regulatory compliance matters.

#### Financial Performance/Market Announcements

Buderim Group Limited is committed to providing shareholders with comprehensive information about the company and its activities, and to fulfilling its obligations to the broader market for continuous disclosure.

Consistent with best practice disclosure and continuous disclosure requirements, all market-sensitive data and periodic financial reports (Appendix 4 - end of year and half-year) are released to the stock exchange via ASX On-Line prior to release to the market via press release and posting of Buderim Group's internet site.

Similarly, annual reports and notices of meetings, dividend re-investment and share plan documentation are released through ASX On-Line prior to being distributed to shareholders via the website or through the mail.

#### Buderim Group Website

Price sensitive information is to be placed on the website only after it has been disclosed to the market through the ASX company announcements office or ASX online.

#### Shareholder Documents/Press Releases

Any document to be forwarded to shareholders must be approved by the ASX prior to distribution. Information to be released to shareholders or analysts, must firstly be released through ASX Company Announcement Office via ASX On-Line. Similarly, any media release which may have an influence on the share price, must be released through the ASX prior to distribution.

**Continuous Disclosure Policy****Attachment "E"****General Meetings of Shareholders**

The ASX must approve the Notice of Meeting for any general meeting of shareholders prior to distribution.

The Chairman's and CEO's addresses and any presentation given at general meetings, must be released through the ASX prior to the commencement of the meeting.

The contents of any prepared market announcement must be given to the ASX no later than the start of the meeting.

The outcome in respect of each resolution put at meetings of shareholders, must be released through the ASX immediately after the meeting. If the meeting is adjourned, the company must immediately tell the ASX of the adjournment and the outcome in respect of each resolution dealt with before the adjournment.

**Disclosure of Directors' Security Transactions**

Directors must enter into agreements with the company regarding disclosure of directors' securities transactions. Under these agreements, directors are obliged to provide the necessary information to the company, to allow the company to comply with the ASX Listing Rule requiring disclosure of details of directors' interests in securities.

Advice is to be given to the ASX of any movements in Directors' shareholdings. ASX Appendices 3X, 3Y and 3Z are to be used for this purpose. Please refer to the company's policy on Securities Trading for information on details to be provided.

**Change in Circumstances etc**

The ASX is to be notified of any of the following occurrences:

- a change in chairperson, director, chief executive officer or company secretary;
- a change of address, telephone or facsimile number of its registered office or principal administrative office;
- a change of address of its share registry;
- announcement of, or any changes to a proposed buy-back;
- details of a reorganisation of capital e.g. a proposed issue of capital;
- a change in auditor.

**Management of Market Rumours**

If directors and/or management become aware of market rumours, leaks or inadvertent disclosures, discussions will be held with the ASX Company Advisor regarding a release to the market or a trading halt, depending upon the circumstances.

**Investor Communication Policy****Attachment "F"****INVESTOR COMMUNICATION POLICY**

Communication with stakeholder groups is the responsibility of both the board and management. The board, in particular the Chairman, bears particular responsibility for communication with shareholders and members. This occurs formally through the annual report and the annual general meeting. At other times, senior management and Chairman liaise between the board and key shareholders and analysts.

**Financial Performance/Market Announcements**

Buderim Group Limited is committed to providing our shareholders with comprehensive information about the company and its activities, and to fulfilling our obligations to the broader market for continuous disclosure.

Consistent with best practice disclosure and continuous disclosure requirements, all market-sensitive data, corporate presentations and reports are released to the stock exchange via ASX On-Line prior to release to the market via press release and posting of Buderim Group's internet site or through the mail.

Annual reports are mailed to shareholders in September/October of each year, along with the notice of meeting and any communication relevant to shareholders. Financial results for each half year and end of year are released with the ASX. Although the half year result is not mailed to shareholders, they are available on request and will be posted on the company's website.

Shareholders are now able to receive their shareholder information electronically in preference to mail. Notification via email of company announcements, annual and half year reports and other company information is available by registering for this service through the company's website.

**Buderim Group Website**

The internet now provides the quickest way of disseminating information, so we encourage all our shareholders, customers, and any other interested parties, to visit our website [www.buderimginger.com](http://www.buderimginger.com). You will find copies of our annual reports, Chairman and CEO public addresses, market releases and public announcements, and of course information on our products and services.

The investor section of the website also includes a discussion on the company's strategy and positioning, dividend policy, share purchase plan, information on the most frequently asked questions, and links to both the ASX and Computershare websites. Forms to manage or restructure shareholders' holdings can be obtained through the Computershare website link. Share price and volume information can be obtained through the ASX website link.

**Letters from the Chairman**

The Chairman will write to shareholders to introduce new investor related programs and to provide the necessary update to forecasts as required.

**Remuneration Committee Charter****Attachment "G"****REMUNERATION COMMITTEE - TERMS OF REFERENCE**

The Remuneration Committee shall be a committee of the board of directors of Buderim Group Limited established by the board.

**Composition of the Committee**

The composition of the committee is determined in accordance with the following principles and guidelines:

- All members of the committee shall be non-executive directors.

**Objectives**

The objective of the committee is to ensure that the remuneration policies and practices of the company are consistent with its strategic goals and human-resource objectives.

**Secretarial and Meetings**

- One of the committee members shall be appointed by the board as chair of the committee.
- The secretary of the committee shall be appointed by the board.
- A quorum of members of the committee shall be two.
- The committee may have in attendance such members of management and such other persons, as it considers necessary to provide appropriate information.
- All directors shall be entitled to attend meetings of the committee provided that executive directors shall not be entitled to attend those meetings which the committee chooses to hold without any company executives present.
- Reasonable notice of meetings and the business to be conducted shall be given to the members of the committee, all other members of the board, and the chief executive officer.
- Meetings shall be held not less than once a year having regard to the company's annual performance management system, budgeting and remuneration cycle. Any member of the committee or the chief executive officer may request a meeting at any time if they consider it necessary.
- Minutes of all meetings shall be kept.

**Responsibilities**

- Review with the chief executive, the overall remuneration structure and policies for staff employed;
- Review and approve the details of the remuneration of the senior executive staff and appointments at senior level;
- Ensure that the remuneration policy structure is equitable, market competitive and consistent so as to assure the recruitment and retention of staff with capabilities, competence and experience necessary for the achievement of business objectives.

- With advice from appropriate external consultants, the committee reviews and establishes the remuneration and other employment conditions of the chief executive.
- Review remuneration structure and policies for directors.
- Consider the draft remuneration report for inclusion in the annual report and make recommendation to the Board for its approval.

**Authority**

- The committee has no executive or decision making obligation - this is reserved for the board.
- The committee is authorised by the board to obtain, at the expense of the company, the advice of qualified external consultants on appropriate levels of remuneration for the non-executive directors, and to arrange for the attendance at meetings, of outside parties with relevant experience and expertise if it considers this necessary.

**Review of the Committee**

The committee shall undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities shall also be reviewed by the board, and any other person the board considers appropriate.

**Reporting Procedures**

- The committee shall maintain direct lines of communication with the chief executive officer and with management generally including those responsible for staff and salary management.
- After each committee meeting the Chairman shall report the committee's findings and recommendations to the board.
- The minutes of all committee meetings shall be circulated to members of the board.
- The Chairman shall present an annual report to the board summarising the committee's activities during the year and any recommended change in policy.

## Diversity Policy

## Attachment "H"

### DIVERSITY POLICY

#### Purpose

Buderim Group recognises the benefits of diversity in the workforce through which a wide array of perspectives can result in fresh ideas and perceptions which promote innovation and business success.

A diverse workforce is one that embraces the diverse skills and perspectives that people bring to the organisation through their gender, origin, ethnicity, culture, disability, age, sexual orientation and/or religious beliefs. Diversity also encompasses the many ways people differ in terms of their education, life experience, job function, work experience, personality, location, marital status and carer responsibilities.

It is for these reasons that Buderim Group is committed to:

- Providing a diversity inclusive workplace in which everyone has the opportunity to fully participate and is valued for their distinctive skills, experiences and perspectives.
- Incorporating diversity into its business practices through its corporate social responsibility initiatives that aim to improve the quality of life for its workforce, their families, communities and society at large.

#### Policy Statement

Buderim Group's diversity agenda focuses on the visible and invisible differences that exist between people, such as gender, education, ethnicity/culture, language, physical and mental ability and flexibility as key levers linked to building a high performing and sustainable organisation.

Valuing and managing diversity means that Buderim Group will:

- Facilitate equal employment opportunities based on relative ability, performance or potential;
- Build and maintain a safe work environment by taking action against inappropriate workplace and business behaviour that does not value diversity including discrimination, harassment, bullying, victimisation and vilification;
- Develop flexible work practices to meet the differing needs of our employees at different stages of their life cycle;

- Attract and retain a skilled and diverse workforce as an employer of choice;
- Enhance customer service and market reputation through a workforce that respects and reflects the diversity of our customers and partners;
- Improve the quality of decision-making, productivity and teamwork;
- Meet the relevant requirements of legislation and human resource policies;
- Align with world leading practice; and
- Create an inclusive workplace culture.

These objectives are met through a combination of:

- Diversity targets (measurable objectives for diversity)
- Training programs in leadership
- Human Resource policies, systems and processes
- Sponsorships and events
- Internal communications and awareness processes

#### Definitions

##### Non-inclusive behaviours include:

**Direct discrimination** is denying a person of an opportunity or treating them less favourably because they belong to a particular group or category. For example: not employing a male applicant on the grounds of females typically doing the job.

**Indirect discrimination** occurs when an action or policy which appears to treat everyone equally, has a discriminatory effect against a certain group of people. For example: holding workplace meetings after work hours when employees with family responsibilities would find it hard to attend.

**Harassment** is any form of behaviour that is unwelcome and which offends, humiliates or intimidates a person.

**Sexual Harassment** is any form of unwelcome sexual attention. This may be obvious or indirect, physical, or verbal, intentional or unintentional, or behaviour that creates a sexually hostile or intimidating environment.

**Bullying** is the repeated less favourable treatment of a person by another or others that may be considered unreasonable and inappropriate workplace behaviour. The behaviours can be physical, verbal or non-verbal. For example: assaulting, shouting or isolating a person in the workplace.

## Diversity Policy

## Attachment "H"

**Victimisation** is when an employee is treated less favourably for making a complaint or providing information as a witness. For example: using pay back, refusing to acknowledge the person, removing or reducing benefits.

**Vilification** is conduct that incites hatred against, serious contempt for, or revulsion or severe ridicule of another person or group of persons on the grounds of race, ethno religious beliefs, HIV or AIDS, transgender or homosexuality. For example: graffiti that encourages hatred of a particular race of people.

### Key terms:

Diversity is recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. People differ not just on the basis of race and gender, but also other dimensions such as lifestyle, education, physical ability, age and family responsibility.

Inclusion is actively valuing a person or group's diversity and making them part of Buderim Group's success, by providing opportunities for their full participation at every opportunity – regardless of differences such as age, gender, physical or mental ability and culture or family responsibilities.

Vicarious liability is a legal term used to describe when a person or organisation has knowledge or is a witness to discrimination, harassment or workplace bullying and fails to take reasonable action to prevent it from occurring (including reporting). The person and/or the organisation can be held legally responsible and cannot claim not to have known.

Corporate Social Responsibility is a continuing commitment by the business to behave ethically and contribute to economic development and environment protection while improving the quality of life of the workforce, their families and the local community and society at large. It is a genuine attempt to build meaningful relationships between the corporate sector and the rest of society.

### Responsibility

Buderim Group is responsible for creating a culture that encourages respect and welcomes individual differences together with a range of different value systems. We aim to promote diversity practices and value staff input into new and creative ways to promote diversity. This includes:

- Facilitating a management culture that values and promotes diversity.
- Encouraging the contribution and successful participation of staff from diverse backgrounds.

- Enhancing the visibility of diverse groups within the organisation.
- Ensuring staff are aware of their rights and responsibilities.

Managers are responsible for understanding their role in promoting diversity within the organisation, communicating and implementing policies and procedures effectively and working with staff to integrate the values of diversity into employment practices.

Staff are responsible for understanding this policy and incorporating it into their daily work practices.

### Framework for integrating diversity in employment

#### Policy

Buderim Group is responsible for developing, implementing, maintaining and communicating appropriate policies and initiatives that embody and action the company's values of diversity. This will incorporate an analysis of target groups and job categories, and reference to relevant diversity statistics to guide policy decisions and action plans/initiatives.

#### Recruitment and Selection

Buderim Group is responsible for promoting an approach to recruitment that includes a consideration and understanding of diversity. Appropriate training and resources will be made available to those responsible for recruitment including: recruitment strategies (which vary for different job categories) and guidelines; interview questions; methods of reference checking.

#### Training and Support

Buderim Group will ensure that all new staff are aware of the contents of the Diversity policy when they join the organisation by including it in the company's induction as well as providing relevant resources and support relating to diversity practices.

#### Monitoring

Buderim Group will ensure that its diversity practices are monitored against action plans. This policy will be reviewed on an ongoing basis to reflect changes in the law, demographics and group priorities.

#### Enforcement

Buderim Group does not tolerate non-inclusive behaviour and upholds the law aimed at preventing vicarious liability. To achieve this Buderim Group expects its employees to:

- Uphold and demonstrate Buderim Group's core values and Code of Conduct;
- Attend diversity awareness training as required;

**Diversity Policy****Attachment "H"**

- Understand and comply with Diversity policies and procedures;
- Be assertive to prevent inappropriate and non-inclusive behaviours of discrimination, harassment, bullying, victimisation and vilification; and
- Willingly adapt behaviour if required to ensure appropriate workplace conduct.

**Resolution Options**

Buderim Group supports any employees who are subjected to inappropriate behaviours through its Resolution Options. There are three resolution options the employee can choose from as follows:

**Informal complaint** – usually a verbal complaint about a minor incident. The most suitable resolution option here is the person is encouraged to address and resolve the issue with the other party directly. They can also seek information or assistance from their Supervisor or through PPC Worldwide/Interlock, the confidential employee assistance program offered by the company.

**Formal Complaint (internal)** – more serious complaint which is put in writing to the General Manager or Chief Executive.

**Formal Complaint (external)** – usually for an extremely serious complaint lodged with an external provider e.g. Anti-Discrimination Commission. A formal investigation will occur.

A high degree of discretion, sensitivity and confidentiality must be exercised by all those involved at any stage of resolving the complaint.