

Corporate Governance



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Governance Statement

INTRODUCTION

This statement is provided to inform shareholders and other stakeholders of the governance arrangements in the company for the period 1 January 2003 to 31 December 2003. 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.

The statement is provided recognising the transitional provisions for companies in providing the information. Some of the governance practices described in this statement have not been in place for the entire reporting period, but are in place at year end.

The directors have unanimously resolved to adopt the statement. However this does not infer that the directors endorse all the recommended guidelines as being appropriate to the particular circumstances of the company.

Note should be taken of the descriptions and explanations of the governance arrangements 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.

DISCLOSURE

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

This statement is published on the company's web site (www.buderimginger.com), and is available in hard copy on request to the Company Secretary.

MANAGEMENT AND BOARD OVERSIGHT

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 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;
- 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);
- 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;
- 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 of the meetings of the directors of the company.

The Chairman also has the role of interfacing with the Managing Director, and the conduct of the Managing Director'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 meeting.

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 are also directors of all subsidiary companies, except Buderim Ginger America, Inc, for which only one

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director is required under local regulations. In addition, Mr Satish Kumar, the General Manager of the company's Fiji operations, has been appointed as a director of Frespac Ginger (Fiji) Limited in accordance with the Fiji Corporations Act, which requires at least one resident director.

Senior Management

A Managing Director is appointed by the board and charged with the general management of the company. He/she is accountable for delivery of strategic outcomes and reports to the whole board on the delivery or non-delivery of those outcomes. He/she 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 Managing Director 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 Managing Director 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

Directors

There are five directors of the company, including the Managing Director. Details of those directors serving at year-end are outlined in the Directors' Report.

Commentary on Director Independence

Independent directors comprise the majority of the board.

It is noted that the chairman and Mrs Crerar ceased employment with the company over 10 and 15 years ago respectively. The Chairman, Mr Ruscoe, was employed as a managing director of the company for a period of 12 years. Mrs Crerar is recognised as a world leader in ginger processing with extensive expertise in this area. The board believes that their past employment does not impair their independence as directors, but rather allows the company to positively benefit from their depth of industry and technical experience.

Mr Templeton may not be regarded as independent as a director and as a member of the Audit and Compliance Committee by virtue of his substantial shareholding and major supplier status with the company. However, he provides significant industry experience to the board and the company from his own and his family's extensive experience in the cultivation and marketing of this specialised crop. This is of

undoubted value in the company's core business and is pivotal to the success of the Australian ginger industry at large. Mr Templeton would also be regarded as financially qualified for Audit Committee purposes. The board and Mr Templeton are diligent in ensuring that a conflict of interest does not interfere with his obligations towards the company.

Chair

The chair is elected by the directors at the first meeting after each Annual General Meeting.

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

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 introduced in 2003 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 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.

Trading in Securities

The company has established the following policy to control the trading in the company's securities by directors and senior executives:

Insider Trading

Directors and other officers of Buderim Ginger 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 Ginger 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.

In addition to these restrictions, the board's policy is that directors may only buy or sell Buderim Ginger securities, after notifying the Chairman, in the six weeks immediately following our half year and full year financial results announcements and any Annual General Meeting. At all other times directors require the prior consent of the board to buy or sell Buderim Ginger securities, with the board examining each transaction prior to approval to ensure it is not related to insider trading. Exceptions to this process include shares issued under the company's Dividend Re-investment Plan and the Share Purchase Plan.

The Australian Stock Exchange has granted Buderim Ginger Limited a waiver from Listing Rule 10.11 to the extent necessary to permit the company to issue up to \$5,000 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.

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.

INTEGRITY OF FINANCIAL REPORTING

Audit Committee

The company has established an Audit 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 strategies, policies and processes that have the potential to impact significantly on earnings performance;
- monitor performance and advice on selection and retention of external auditors.

The primary responsibilities of the Audit 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;

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- 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);
- monitor corporate risk assessment and the internal controls instituted;
- supervise special investigations when requested by the board.

The committee does not include the Chairman of the board, with the two members comprising non-executive directors. The chair of the committee is an independent director. The members of the committee are financially literate, and the chairman of the committee has financial expertise.

The committee has standing invitations to the following attendees:

Auditor; Managing director, Chief Financial Officer.

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

Letters of Representation

On behalf of management, the Managing Director and CFO, provide the board with a comprehensive letter of representation prior to the acceptance of the annual accounts by the board. The letter particularly certifies the correctness of the accounts, the integrity of the company's financial and risk management systems; and the state of compliance with legal and regulatory requirements.

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

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

Under its Continuous Disclosure Policy Buderim Ginger 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 Managing Director 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 Ginger'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 the annual dividend payment.

Further commentary on half-yearly results is included in the press release announcing those results, and circulated to shareholders with the 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 SHAREHOLDERS

Effective Communication

Buderim Ginger 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.

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 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 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.

Governance Statement

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.

Annual General Meeting

The company conducts its Annual General Meetings in rotation between its corporate headquarters and factory site at Yandina and in Queensland's nearby financial capital of Brisbane.

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

Systems

The company has well established systems for the conduct of its business. These extend to the major functions of the company (food processing and tourism operations) and to the administrative systems to support its operations.

Policies

The company has documented policies and procedures for all principal areas of its operations.

Policies are approved by the board and procedures developed by management to give effect to the policies.

Review

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

The Audit Committee also has responsibility for oversight of risk management in the company.

Internal Audit

The company does not maintain a separate internal audit function. It does have a series of independent checking processes that are approved and supervised by the Audit Committee, and co-ordinated with the external audit function. These processes extend to non-financial risk areas such as food safety.

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.

An anti-discrimination claim lodged in 2000 was settled during the year with 50% of legal costs met by the company's insurers. The amounts are not material in the company's accounts.

IMPROVING PERFORMANCE

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 Managing Director conducts senior executive performance reviews and reports on these to the board. The Managing Director'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.

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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 two independent non-executive directors. It is chaired by the Chairman of the board.

The role of the Remuneration Committee is to:

- recommend aggregate director's remuneration and entitlements to the shareholders for approval;
- establish and approve the remuneration and entitlements of the Managing Director;
- 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

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 Managing Director) 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 20% of the fixed component;
- Managing Director employee incentive scheme - as part of the Managing Director's remuneration package, an annual bonus of up to 20% of the total value of the Managing Director's package may be paid as incentive subject to performance targets being met. Under this shareholder approved arrangement, a maximum number of 100,000 shares in the company may be issued each year over a period of 3 years finishing April 26, 2004. The bonus is calculated as a cash sum which is then divided by the average ASX closing price of the company's shares for the 2 trading days immediately after release of the company's annual result to ASX.

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.

STAKEHOLDER 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.

Board Charter

Attachment "A"

BOARD OF DIRECTORS AND COMMITTEES

The board of directors of Buderim Ginger Limited is responsible for the corporate governance of the consolidated entity. The board guides and monitors the business and affairs of Buderim Ginger 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 monthly 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) 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 managing director/chief executive officer 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;
- 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;

Board Charter (cont)

Attachment "A"

- 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.

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 Ginger 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 Ginger 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 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.
- 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 Managing Director, who will pass to the board if appropriate, for noting and action if necessary;
- notify the Managing Director 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

Insider Trading

Directors and other officers of Buderim Ginger Limited are subject to restrictions under the Corporations Law relating to dealings in securities. As required by law and by our own insider trading policy, buying or selling Buderim Ginger 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.

In addition to these restrictions, the board's policy is that directors may only buy or sell Buderim Ginger securities, after notifying the Chairman, in the six weeks immediately following our half year and full year financial results announcements and any Annual General Meeting. At all other times directors require the prior consent of the board to buy or sell Buderim Ginger securities, with the board examining each transaction prior to approval to ensure it is not related to insider trading. Exceptions to this process include shares issued under the company's Dividend Re-investment Plan and the Share Purchase Plan.

The Australian Stock Exchange has granted Buderim Ginger Limited a waiver from Listing rule 10.11 to the extent necessary to permit the Company to issue up to \$5,000 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.

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.

Audit 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 Ginger 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 strategies, policies and processes that have the potential to impact significantly on earnings performance.
- 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.

Audit Committee Charter (cont)

Attachment "D"

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.

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 Ginger 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 Managing Director 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 Managing Director 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 Ginger 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 Ginger'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 Ginger 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 ASXonline.

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 (cont)

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 Managing Director'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, depend 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 Ginger 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 Ginger's internet site or through the mail.

Annual reports are mailed to shareholders in March 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 Ginger 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. You will find copies of our annual reports, chairman and managing director 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 Ginger 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.

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.