

# Bubs Corporate Governance Statement

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Principles And Recommendations	Comply	Explanation
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<p><b>Recommendation 1.1</b> A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.</p>	Complying	<p>The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chair and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p>
<p><b>Recommendation 1.2</b> A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	Complying	<p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Nomination Committee Charter requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. These checks were independently conducted in relation to the appointment of Paul Jensen and Reg Weine to the Board.</p> <p>Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.</p>
<p><b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Complying	<p>The Company's Nomination Committee Charter requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p>
<p><b>Recommendation 1.4</b> 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>	Complying	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p>
<p><b>Recommendation 1.5</b> A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workplace generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entities progress towards achieving this objectives; and</p> <p>(iii) either:</p> <p>(A) 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>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act. If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of</p>	Complying	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Diversity Policy is available on the Company's website.</p> <p>(b) The Diversity Policy allows the Board to set measurable gender diversity objectives and to continually monitor both the objectives and the Company's progress in achieving them.</p> <p>(c)</p> <p>(i) The Diversity Policy provides that measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition the Board will review progress against the objectives in its annual performance assessment.</p> <p>(ii) The Diversity Policy provides that the Board will include in the annual report each year, the measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board Level.</p> <p>(iii) A) N/A</p> <p>B) As at the time of preparation of this statement:</p> <ul style="list-style-type: none"> <li>25% of the Company's directors are female (previously 50% from 1 July 2022 to 9 May 2023) and the Company has a female Chair;</li> <li>17% of its senior management (being those employees reporting directly to the interim CEO) were female; and</li> <li>52% of its employees globally were female.</li> </ul> <p>Bubs is not a relevant employer" under the Workplace Gender Equality Act.</p>

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## Recommendation 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Complying

The Nomination Committee is responsible for arranging a performance evaluation of the Board, its Committees and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in the Company's Performance Evaluation Policy

The Nomination Committee used Johnson & Partners to conduct an independent review of the performance of its Board and its individual directors during the reporting period and the report was provided to the Board and considered in June 2023.

The Company's Performance Evaluation Policy requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company's Performance Evaluation Policy provides guidance on the review process to be undertaken by the Nomination Committee. Details of the performance evaluations conducted will be provided in the Company's Annual Reports.

## Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Complying

The Nomination Committee is responsible for arranging a performance evaluation of senior executives on an annual basis. To assist in this process an independent advisor may be used.

The confirms annual performance reviews of senior executives have been undertaken.

## Principle 2: Structure the board to add value

### Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.

Complying

The Company has a Nomination Committee. The Members of the Committee are Katrina Rathie (Independent Chair), Steve Lin and Reg Weine (from 9 April 2023) replacing Dennis Lin. It has three members, and the majority are currently independent directors.

The Charter of the Nomination Committee is located on the Company website.

The Nomination Committee will meet at least twice per annum and as required. The Committee met 4 times in the year ended 30 June 2023.

### Recommendation 2.2

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

Complying

Board Skills Matrix	Number of Directors that Meet the Skill
ASX Experience	4
Dairy/FMCG Industry	3
International (China/USA)	3
Finance/Audit	4
Legal/shareholder relations	3
CEO/Senior management	4
Brand/Product development	3
Retail/distribution	3

A profile of each director setting out their skills, experience and expertise is set out in the Directors' Report of the Company's 2023 Annual Report.

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## Recommendation 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (4th Edition), 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
- (c) the length of service of each director

Complying

- (a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. Katrina Rathie, Paul Jensen are considered independent. Reg Weine was considered independent until 29 August 2023.
- (b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Report.
- (c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website.

## Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

Complying

The Board Charter requires that where practical the majority of the Board will be independent. There are currently two independent directors, being Katrina Rathie and Paul Jensen. Reg Weine was considered independent until 29 August 2023. The Board believes that the current Directors can and do make quality and independent judgements in the best interest of the Company and other stakeholders.

## Recommendation 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.

Complying

The Board Charter provides that where practical, the Chair of the Board will be an independent director. The current Chair of the Board is Katrina Rathie and is an independent director. The Board believes that the current Chair can and does make quality and independent judgements in the best interest of the Company and other stakeholders.

## Recommendation 2.6

A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.

Complying

The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.

## Principle 3: Instill a culture of acting lawfully, ethically and responsibly

### Recommendation 3.1

A listed entity should articulate and disclose its values

Complying

The Company values are articulated and disclosed on the Company's investor website.

### Recommendation 3.2

A listed entity should:

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

Complying

- (a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.
- (b) The Company's Corporate Code of Conduct is on the Company's investor website.

### Recommendation 3.3

A listed entity should:

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

Complying

The Company has a whistleblowing policy is on the Company's investor website. The board is informed of any material incidents reported under the policy. The Company has appointed a Whistleblowing Officer during the reporting period.

### Recommendation 3.4

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the Board or committee of the Board is

Complying

The Company has an anti-corruption policy which is on the Company's investor website. The board is informed of any material incidents reported under the policy.

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informed of any material breaches of that policy.

## Principle 4: Safeguard integrity of corporate reports

### Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee which:
  - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, who is not the chair of the board, and disclose:
    - (iii) the charter of the committee;
    - (iv) the relevant qualifications and experience of the members of the committee; and
    - (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

### Recommendation 4.2

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 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.

### Recommendation 4.3

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

Complying

The Company has an Audit and Risk Committee, formed in April 2023. Pursuant to Clause 4(h) of the Company's Board Charter. The Committee Chair is an independent director, Paul Jensen (who is not the Chair of the Board) and the members are Reg Weine and Steve Lin. Paul Jensen is an independent director and Reg Weine was considered independent until 29 August 2023.

The role and responsibilities of the Audit and Risk Committee are outlined in the Company's Audit and Risk Committee Charter which is on the Company's investor website.

The Board devote time at regular board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper reporting. [There was one Audit and Risk Committee meeting held in the reporting period with all members in attendance].

Complying

The Company's Audit and Risk Committee Charter states that a duty and responsibility of the Audit and Risk Committee is to ensure that before the Board approves the entity's financial statements for a financial period, the interim CEO and interim CFO have declared 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. The services of the former CEO of the Company were terminated on 10 May 2023 and the CFO resigned in May 2023 during the reporting period. An Interim CEO and an Interim CFO were appointed during the reporting period. The previous CFO resigned in May 2023 with effect from 15 August 2023.

Complying

The Company's Audit and Risk Committee Charter provides that the Committee must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. The Company appointed KPMG as its external auditors in November 2022 and during the reporting period, the auditors have reviewed the periodic corporate reports released to the market.

## Principle 5: Make timely and balanced disclosure

### Recommendation 5.1

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

Complying

The Board Charter provides details of the Company's disclosure policy. In addition, the Company's Continuous Disclosure Policy details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.

The Company's Continuous Disclosure Policy is available on the Company investor website.

### Recommendation 5.2

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

Complying

Each member of the board approves material market announcement prior to release and receives copies of all material market announcements promptly after they have been made.

### Recommendation 5.3

A listed entity that gives a new and substantive investor or

Complying

All substantive investor or analyst presentations are released on the ASX Market Announcement Platform ahead of the presentation.

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analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

## Principle 6: Respect the rights of security holders

### Recommendation 6.1

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

Complying

Information about the Company and its governance is available on the Company's investor website.

### Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Complying

The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.

### Recommendation 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.

Complying

The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.

### Recommendation 6.4

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

Complying

All Resolutions at the Company General Meetings are decided by poll.

### Recommendation 6.5

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

Complying

Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries are referred to the Company Secretary at first instance.

## Principle 7: Recognise and manage risk

### Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.

Complying

The Company has an Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter. The Committee Chair is Paul Jensen and the members are Mr Reg Weine and Steve Lin. Paul Jensen is an independent director and Reg Weine was an independent director until 29 August 2023.

The role and responsibilities of the Audit and Risk Committee are outlined in the Company's Audit and Risk Committee Charter.

The Board devote time at regular board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper reporting.

### Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due

Complying

- (a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems.

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- regard to the risk appetite set by the Board; and
- (b) disclose in relation to each reporting period, whether such a review has taken place.

## Recommendation 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

## Recommendation 7.4

A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

- (b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.

Complying

The Company's Audit and Risk Committee Charter provides for an internal audit function of the Company, but the Company does not have an internal audit function. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures, and the Audit & Risk Committee is charged with the primary responsibility for evaluating and continually approving the effectiveness of its risk management and internal control processes.

Complying

The Company's Audit and Risk Committee Charter details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks. The Committee intends to establish a formal risk management program to identify, establish appropriate risk mitigation strategies and risk monitoring procedures.

## Principle 8: Remunerate fairly and responsibly

### Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
- (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Complying

The Company has a Remuneration Committee with three members, the majority of whom are independent directors. The Members of the Committee are Katrina Rathie (Independent Chair), Steve Lin and Reg Weine. The Charter of the Remuneration Committee is located on the Company's investor website. The Remuneration Committee will meet at least twice per annum and as required. There have been four meetings in the year ended 30 June 2023. The Committee has one independent members, Katrina Rathie. Reg Weine was an independent director until 29 August 2023.

### Recommendation 8.2

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.

Complying

The role and responsibilities of the Remuneration Committee are outlined in the Company's Remuneration Committee Charter. The policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives are set out in the Annual Report.

### Recommendation 8.3

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

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

Complying

- (a) The Company introduced an equity-based remuneration scheme on 6 June 2023 that was approved by shareholders at the November 2022 AGM. The Board has unfettered discretion in relation to grants of any equity-based remuneration. The Company has an insider trading policy. Company's Remuneration Committee Charter states that the Board is required to review, manage and disclose the policy (if any) on whether participants in any executive incentive plans are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.
- (b) The Company's Remuneration Committee Charter and insider trading policy are available on the Company's investor website.

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