

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

COSTA GROUP HOLDINGS LIMITED

ABN/ARBN

68 151 363 129

Financial year ended:

27 December 2020

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://investors.costagroup.com.au/investor-centre/?page=corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 13 April 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 14 April 2021

Name of authorised officer
authorising lodgement:

David Thomas – Company Secretary

¹ "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.

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 Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ 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.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: http://investors.costagroup.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (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 workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (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 and published under that Act. <p>If the entity was in the S&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 each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at http://investors.costagroup.com.au/investor-centre/?page=corporate-governance and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement. We were included in the S&P / ASX 300 Index at the commencement of the reporting period and our measurable objective for achieving gender diversity in the composition of our board was to have not less than 30% of our directors being of each gender.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</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> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at http://investors.costagroup.com.au/investor-centre/?page=corporate-governance and the information referred to in paragraphs (4) and (5) at pages 17 and 18 of Costa's Annual Report for the financial year ending on 27 December 2020.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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, affiliation 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 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><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement and the length of service of each director at pages 17 and 18 of Costa's Annual Report for the financial year ending on 27 December 2020.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at https://costagroup.com.au/about-us/values/	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: http://investors.costagroup.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: http://investors.costagroup.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
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 informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: http://investors.costagroup.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

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Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
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,</p> <p>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><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: http://investors.costagroup.com.au/investor-centre/?page=corporate-governance and the information referred to in paragraphs (4) and (5) at pages 17-19 of Costa's Annual Report for the financial year ending on 27 December 2020.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
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, 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: http://investors.costagroup.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: www.costagroup.com.au	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: http://investors.costagroup.com.au/investor-centre/?page=corporate-governance and the information referred to in paragraphs (4) and (5) at pages 17 and 18 of Costa's Annual Report for the financial year ending on 27 December 2020.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out 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 governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/> and we have disclosed how our internal audit function is structured and what role it performs in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks and, if we do, how we manage or intend to manage those risks at pages 26-30 of Costa's Annual Report for the financial year ending on 27 December 2020.	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: http://investors.costagroup.com.au/investor-centre/?page=corporate-governance and the information referred to in paragraphs (4) and (5) at pages 17 to 18 of Costa's Annual Report for the financial year ending on 27 December 2020.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Corporate Governance Statement and in the Remuneration Report (pages 33-46) in Costa's Annual Report for the financial year ending on 27 December 2020.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at http://investors.costagroup.com.au/investor-centre/?page=corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



Costa Group Holdings Ltd

CY20 Corporate Governance Statement

This corporate governance statement relates to the financial year ending on 27 December 2020 (**reporting period**), is current as at 13 April 2021 and has been approved by the Board of the Company.

The directors and management of Costa Group Holdings Ltd (**Costa** or the **Company**) are committed to achieving high corporate governance standards and instilling and reinforcing a culture that supports good governance.

This statement outlines the key aspects of Costa's corporate governance framework and main governance practices. In addition, the Board has adopted corporate governance policies and practices which can be found in the Corporate Governance section of the Investor Centre on the Costa website at <http://investors.costagroup.com.au/investor-centre> (**Costa Investor Centre**).

Costa's main corporate governance policies are summarised below under the eight principles set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) that applied during the reporting period (**ASX Recommendations**).

During the reporting period, the Company complied with all of the ASX Recommendations.

Principle 1 – Lay solid foundations for management and oversight

Board responsibilities

The Company has established a Board charter which sets out the responsibilities of the Board and the responsibilities of senior management. During the reporting period, the Board reviewed and updated the Charter.

Pursuant to the Board Charter, which is disclosed in the Costa Investor Centre, the matters for which the Board is responsible include:

- demonstrating leadership, defining the Company's purpose and setting the strategic objectives of the Company;
- overseeing management's implementation of the Company's strategic objectives, instilling of the Company's values and its performance generally;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including internal and external audit;
- approving the Company's statement of values and code of conduct to underpin the desired culture within the Company; and
- satisfying itself that the Company has in place an appropriate risk management framework for both financial and non-financial risks and setting the risk appetite within which the Board expects management to operate.

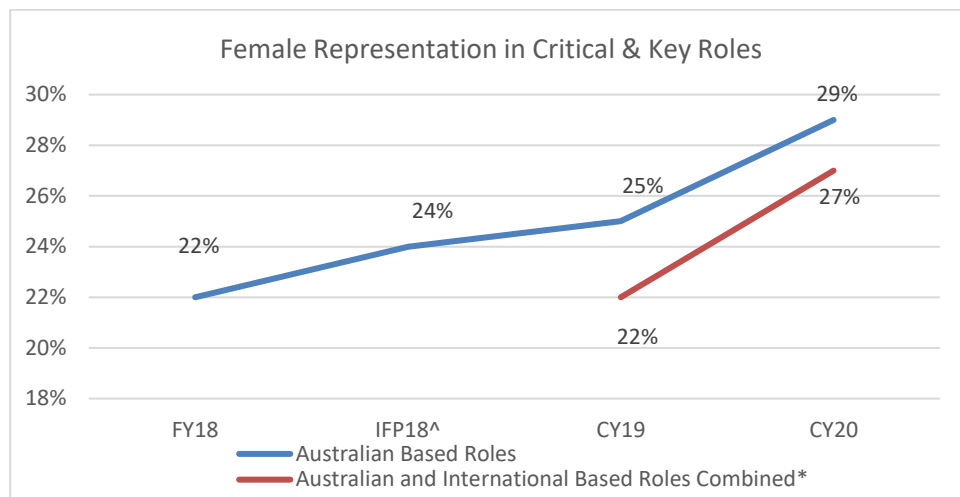
The Board delegates authority to the Managing Director and CEO, and through the CEO to other senior executives, for the day to day operations of the Company, its subsidiaries and their respective operations. The scope of, and limitations to, these delegations are clearly documented and are regularly reviewed. The delegations balance effective oversight with appropriate empowerment and accountability of senior executives.

Diversity

The Company has a Diversity and Inclusion Policy, which is disclosed in the Costa Investor Centre. This policy includes a requirement that the Board set measurable objectives relating to diversity, including gender diversity, and to assess annually both the objectives and progress in achieving them. The Board has set a long term objective of achieving and maintaining at least 30% female representation of Directors and this objective was achieved throughout the reporting period and is currently being met. The Board will continue to monitor and report on outcomes in relation to this target.

As a 'relevant employer' under the Workplace Gender Equality Act 2012, the Company is preparing an annual filing for the 12 month period ending 31st March 2021 disclosing its Gender Equality Indicators. This report will be uploaded in the Costa Investor Centre once available.

Costa undertakes a capability review of critical and key roles across the organisation led by the CEO three times each year. The cohort reviewed includes leadership roles and the pipeline of potential leaders. Through the implementation of gender balanced short listing of potential candidates as well as other employment policies such as flexible work arrangements, it is expected to increase the female representation in those critical and key roles. Costa is targeting to reach 30% female representation of the people in these roles within Australia by the end of 2022 and the Company is developing a target for female representation in the internationally-based roles within this cohort. Female representation of this group across the business has been measured over the last few years and is set out below.



^This was a 6 month reporting period for transitioning to a calendar year based financial year.

*No data collected in FY18 and IFP18 for Australian and International Based Roles Combined.

Critical to the success of Costa and its operations is ensuring inclusive approaches to the attraction and retention of high calibre technical experts in the horticultural, agronomy and grower professions. This area of focus has greatly benefited our recruitment activities leading, for example, to 50% of new hires in the technical field of horticulture being women during calendar year 2020 recruitment. In addition, the Costa Graduate intake for 2020 was 75% female, and the broader graduate training and development program cohort has a 67% female representation. This is particularly important as career development in the technical field can lead to further career progression, including as horticultural subject matter experts and progress into leadership roles in farm operations. Costa has established extensive relationships across multiple tertiary institutions in Australia, Morocco and China. Scholarships, internships, guest lecturing, career events and work experience programs are offered by Costa to support connection of academics and students (undergraduate and graduate) to the Costa operations. Through these connections Costa has successfully made merit-based decisions recruiting female graduate and post graduate horticulture professionals.

A review of salaries is conducted as part of the normal salary review process, with gender pay gaps being a key element of this review. The company's annual salary review process, recruitment and promotion processes continue the drive to remove pay gaps across the business.

In addition to setting gender diversity targets and reporting on gender diversity, the Company is continuing its commitment to be a workplace that realises the benefits of, and values, ethnic and cultural diversity. Costa has individuals from over 90 different nationalities, working throughout the business and undertakes cultural inclusion activities at numerous Costa sites throughout Australia each year. We continued to celebrate diversity and inclusion through events such as International Women's Day, R U OK Day and Chinese New Year and have deployed a Diversity Calendar for the ongoing recognition and celebration of key dates throughout the year.

Pursuant to the Company's Diversity and Inclusion strategy, goals have been set in relation to representation of females in the Company's workforce and the Company has committed to actions in respect of indigenous Australians, the LGBTQIA+ community and people who identify as having a disability. Where possible due to appropriate health and safety practices to mitigate COVID-19 infections the calendar of events and celebrations were undertaken at sites with a combination of physical activities and or virtually.

Board appointments and reviews

The Company has written agreements in place with its directors setting out the terms of their appointment. Prior to the appointment of a new director, the Company undertakes appropriate checks and security holders are provided with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.

The Board acknowledges the importance of regular reviews of its effectiveness and performance, including the effectiveness and performance of its individual directors and Committees. In accordance with the Board Charter, the Board periodically reviews its performance with the aim of ensuring that individual directors and the Board as a whole work effectively in meeting their responsibilities.

During the reporting period, the Board considered and discussed the results of an internal review of the Board's performance and implemented improvements that would assist in the Board's oversight and management of issues related to the Company's performance. The Board is committed to continuing to monitor its performance on an annual basis, with the aim of having those reviews being externally facilitated in every third year. Reviews of the performance of the Remuneration and Human Resources Committee and the Audit & Risk



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Committee continue to occur on an annual basis, including reviews that took place during the reporting period, and the performance of the Horticultural Innovation and Technology Committee will also be reviewed annually.

Executive responsibilities and reviews

The Company undertakes appropriate checks before the appointment of senior executives, including in respect of the appointment of Sean Hallahan as the Company's CEO, which occurred during the reporting period. Each of Costa's senior executives, including the CEO, has a written service agreement that clearly sets out his or her role and responsibilities and Costa's expectations in terms of their performance. Quantifiable goals and objectives are set at the beginning of each financial year and the executive is measured against those goals and objectives at the end of the year, together with an assessment of the individual performance of the executive. This assessment directly impacts on the executive's short term incentive for that year. In addition, the performance of the CEO is reviewed by the Board and the Chairman meets annually with the CEO to discuss individual performance.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Principle 2 – Structure the Board to be effective and add value

Board structure, skills and experience

The role of Chairman and the role of Managing Director & CEO are exercised by different individuals, which during the reporting period were Neil Chatfield (an independent director) and Harry Debney, respectively. Sean Hallahan has been appointed as Managing Director & CEO, replacing Harry Debney, with effect from 31 March 2021.

As disclosed in the Board Charter, the Company seeks to have directors with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of and competence to deal with current and emerging issues of the business. These matters are regularly assessed to enable the identification of particular competencies and perspectives that will best increase the Board's effectiveness.

The Company has established a skills matrix against which existing non-executive directors are reviewed and potential non-executive directors are assessed, to ensure that the skills and experience of the Board reflect the various areas relevant to Costa's core capabilities and strategic objectives. The skills of the existing non-executive directors were assessed during the period, with the results showing that there was a broad mix of skills on the Board and all key skills identified by the Board were well represented. The following table summarises these key skills, together with the criteria used for assessment:

Key Non Executive Director Skills /Experience	ASX listed company non-executive experience <i>Experience as a non-executive director within other companies listed on the ASX.</i>
Financial, accounting and tax experience <i>Accounting, tax or related financial management qualifications, together with experience in reviewing and assessing the financial statements of organisations of significant size and complexity</i>	Experience in FMCG and dealing with major retail organisations <i>Management or direct sales experience gained with an FMCG company with major retail customers</i>
Knowledge of risk management practices <i>An understanding of financial and non-financial risk management practices within ASX listed organisations and/or direct risk management experience in a large business that is subject to rigorous governance and risk management standards</i>	Experience in developing and managing international operations <i>Direct management experience, or significant consulting experience, in countries with political, cultural, regulatory and/or business conditions that are significantly different to the corresponding conditions in Australia</i>
Government and government relations experience <i>Experience in, or direct dealings with, government and regulatory policy matters, multiple stakeholder relations and community engagement</i>	Technology and e-commerce knowledge <i>An understanding of, or experience in, organisations of a significant size having a major technology focus, including digital sales platforms, digital customer management, new technologies or digital disruption</i>



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Senior executive listed company experience <i>Experience as a senior executive with financial and/or operational responsibilities within a company listed on the ASX</i>	Agriculture industry experience <i>Specific experience, knowledge and expertise gained within agricultural businesses of significant scale</i>
Mergers and Acquisitions experience <i>Successful track record of delivering strategically sound and value accretive mergers and acquisitions</i>	Strategic planning experience <i>An understanding of and experience in, developing and delivering strategic change and/or meaningful business growth outcomes in a large business</i>
Integrated supply chain management <i>An understanding of, or experience in, integrated supply chain management for organisations with a diverse range of suppliers and customers across multiple jurisdictions</i>	Marketing and brand management experience <i>An understanding of and direct experience in, consumer and customer marketing and delivering growth through successful execution of brand campaigns or innovative sales channels</i>

Independence of directors

The Board considers an independent director to be a non-executive director who is not a member of or allied with the Company's management or a substantial securityholder or other stakeholder and who is free of any interest, position, association or relationship that might influence, or would reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its securityholders generally. The Board regularly monitors and assesses the independence of each Director and will consider the materiality of any given interest, position, association or relationship on a case-by-case basis.

The Company's Board Charter sets out guidelines and thresholds of materiality for the purpose of determining independence of directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations. The Board reviews the independence of each director in light of interests disclosed to the Board from time to time.

At all times during the reporting period, and as at the date of this statement, the Board considers that each of Neil Chatfield, Tim Goldsmith, Janette Kendall, Peter Margin and Jane Wilson are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the director's judgement and is able to fulfil the role of an independent director for the purposes of the ASX Recommendations.

The Company's CEO and Managing Director (being Harry Debney during the reporting period and Sean Hallahan from 31 March 2021) is not considered to be an independent director. Accordingly, the Board consists of a majority of independent non-executive directors, in accordance with the ASX Recommendations.

Nomination Committee and Board education and succession

The Board has established a Nomination Committee which is comprised of all of the Company's non-executive directors and accordingly consists entirely of independent directors. The Chairman of the Nomination Committee is the Chairman of the Board, Neil Chatfield (who is an independent director).

The roles, responsibilities, composition and structure of the Nomination Committee are set out in the Nomination Committee Charter, a copy of which can be found in the Costa Investor Centre.

The Company has a program for inducting new directors and provides appropriate professional development opportunities on an ongoing basis for directors to develop and maintain the skills and knowledge needed to effectively perform their role as directors. In addition to the site visits conducted by new directors as part of their induction, the directors regularly visit Costa's operations (although in person site visits were restricted during the reporting period due to COVID-19 precautions).

The Company's succession plans are designed to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board. The Board continues to review its composition with a view to maintaining an appropriate balance of these factors.



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Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

The Company is committed to and strives to act honestly and with integrity in all its dealings and to act ethically and responsibly. It has adopted a Code of Conduct that sets out the Company's values, commitments, ethical standards and policies and outlines the standards of conduct expected of Costa's business and people, taking into account the Company's legal and other obligations to its stakeholders. The Code of Conduct is supplemented by a Whistleblower Policy and an Anti-Bribery and Anti-Corruption Policy, all of which have been approved by the Board. The Company's Risk Escalation procedure requires any breaches of the Code of Conduct or these policies to be reported through to the Board or the Chair of the Company's Audit & Risk Committee.

A Securities Trading Policy has been established to set out the Company's policy on employees and directors buying and selling securities of the Company including shares, options, derivatives and other financial products of the Company that are able to be traded on a financial market.

A Human Rights Policy and Supplier Code of Conduct have been approved by the Board, to outline the Company's commitment to respecting the rights of others and to demonstrate the standards of conduct that the Company expects of organisations from which it sources goods and services.

The Company has adopted a Diversity and Inclusion Policy that sets out Costa's commitment to diversity and inclusion in the workplace at all levels and provides a framework to achieve its diversity goals. The Company is committed to creating and ensuring a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the Company. The directors and management believe that the Company's commitment to that policy contributes to achieving the Company's corporate objectives and embeds the importance and value of diversity within the culture of the Company.

The Company has adopted an Environmental Policy that outlines the key principles in Costa's Sustainable Commercial Farming objectives. The policy sets out the Company's commitment to undertaking its activities in an environmentally responsible manner.

Copies of the Code of Conduct and the abovementioned policies can be found in the Costa Investor Centre.

Principle 4 – Safeguard the integrity of corporate reports

Audit & Risk Committee

The Board has established an Audit & Risk Committee to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

- the integrity of the Company's external financial reporting and financial statements;
- the appointment, remuneration, independence and competence of the Company's external auditors;
- the internal assurance program and the authority, independence and objectivity of the internal auditors;
- the performance of the internal assurance and external audit functions and review of their audits;
- the effectiveness of the Company's system of risk management and internal controls including modern slavery and labour risks; and
- the Company's systems and procedures for compliance with applicable legal and regulatory requirements, including tax laws relevant to the Group.



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The Audit & Risk Committee is comprised of 4 non-executive directors, all of whom are independent, being Tim Goldsmith (Chair), Neil Chatfield, Janette Kendall and Peter Margin. The Company has adopted a Charter for the Audit & Risk Committee, which can be found in the Costa Investor Centre.

The CEO, the CFO and the external auditor must attend Committee meetings if requested. The Committee has unrestricted access to management and the auditors and has rights to seek explanations and additional information. The Committee meets on a regular basis with the internal and external auditors, including meetings without management present.

Certifications and verification

For the results for the reporting period, the CEO and CFO have provided 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.

The Company's non-audited periodic corporate reports, such as the Sustainability Report and the non-audited sections of the Annual Report, are verified by management (and external verification where appropriate) and approved by the Board prior to release to the market.

External audit

Costa's external auditor is KPMG. The Company ensures that the lead audit engagement partner from its external auditor attends the Company's AGM and is available to answer questions from shareholders relevant to the audit and the preparation and content of the auditor's report.

Principle 5 – Make timely and balanced disclosure

The Company has established a Disclosure & Communication Policy for the purposes of complying with its continuous disclosure obligations imposed by law and ensuring that the Company's announcements are presented in a factual, clear and balanced way.

Subject to limited exceptions, the Company is required to immediately disclose to the ASX any information concerning the Company which is not generally available and which, if it was made available, a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Disclosure & Communication Policy outlines the processes that the Company implements to ensure compliance with its continuous disclosure obligations, including the establishment of a Disclosure Committee which currently comprises the CEO, CFO, Company Secretary and Corporate Affairs Manager. The Disclosure & Communication Policy can be found in the Costa Investor Centre.

In accordance with the Company's Disclosure & Communication Policy, if the Company gives a new and substantive investor or analyst presentation, a copy of the presentation materials is released to the market through the ASX ahead of the presentation.

The Company Secretary provides copies of all material market announcements to the Board promptly after they are made.

Principle 6 – Respect the rights of securityholders

Communication with shareholders

The Company acknowledges that respecting shareholders' rights is of fundamental importance and that communication with shareholders is a key element of this. The Company is committed to ensuring that shareholders are informed of all major developments affecting the Company through effective communication materials and processes. Shareholder communications include half yearly and annual reports, market announcements and media releases, all of which are available in the Costa Investor Centre in addition to governance and background information on the Group. Shareholders have the option to receive



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communications from, and send communications to, the Company and its security registry electronically, to ensure that information is received in a timely manner.

Shareholders are encouraged to attend general meetings for the opportunity to meet the Board and senior management. Shareholders who are unable to attend will be able to vote on the motions proposed by appointing a proxy or using any other means included in the notice of meeting. The Company conducts its general meetings in accordance with the Company's constitution, the Corporations Act and the Listing Rules and ensures that all substantive resolutions at meetings of security holders are decided by a poll. During the reporting period, the Company held a virtual Annual General Meeting, with technology that enabled full remote shareholder participation, including the ability to vote and ask questions in real time during the meeting. The Board will continue the use of technology and other means to facilitate shareholder participation as appropriate.

The Company's policies on communicating with its shareholders can be found in the Disclosure & Communication Policy, which can be found in the Costa Investor Centre.

Investor relations and stakeholder engagement

In addition to the above shareholder communications, the Company's investor relations program includes scheduled and ad hoc interactions and briefings with institutional investors, analysts and the financial media. This activity also provides an opportunity for two way communication, where the parties involved can provide their views and feedback on matters of particular interest to them relating to the Company and its performance. In conjunction with the investor relations program the Company also operates a broader stakeholder engagement program involving interactions with politicians, bureaucrats, regulators and community groups. This activity is aimed at ensuring Costa's stakeholders are sufficiently aware of the Company's views and concerns relating to matters including public policy, and for the Company to be proactively informed on matters relevant to its stakeholders involving the activities of the Company.

Principle 7 – Recognise and manage risk

Audit & Risk Committee

The Company's Audit & Risk Committee is responsible for overseeing, implementing and periodically reviewing the Company's risk management system, including:

- regularly reviewing the material risks facing the Company including financial and non-financial matters;
- ensuring that the Company has an effective risk management system and reviewing the risk management system at least annually to ensure that it continues to be sound and to determine whether there have been any changes in the material business risks faced by the Company;
- monitoring management's performance against the Company's risk management framework, including whether it is operating with due regard to the risk appetite set by the Board;
- assessing and ensuring that there are internal controls for determining and managing key risk areas, including tax risks;
- overseeing the internal audit program, and the authority, independence and objectivity of the internal auditors; and
- overseeing the entity's insurance program, having regard to the insurable risks associated with the Company's business.

The Company has adopted a Risk Management Policy, which can be found in the Costa Investor Centre. In accordance with that policy, during the reporting period the Board reviewed aspects of the Company's risk management framework, including updating the risk management policy and the risk appetite within which management is required to operate.

Evaluation and management of risk

The Board and the Audit & Risk Committee also monitor and evaluate internal risks through a variety of systems, programs and policies including:

- annual budgeting and monthly reporting systems to monitor performance against budget;
- external financial audits;
- internal and external reviews of key risks identified by the Audit & Risk Committee;



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- an annual insurance program;
- workplace health and safety reviews, including overseeing regular cross-functional reviews of each site by the Company's executive team;
- approval limits for matters requiring Board approval; and
- annual identification and assessment of strategic risks facing the Company.

The Company's management is responsible for managing operational risk and implementing risk mitigation measures, within parameters set by the Board. As a result, management has incorporated risk management into strategic planning and decision making to understand and prioritise the management of material business risks.

The Company's internal audit function provides an independent and objective evaluation of the adequacy and effectiveness of Costa's governance, risk management and internal controls, together with recommendations to improve the design of processes supporting the achievement of the Company's stated goals and objectives.

As outlined in the Internal Assurance Charter, approved by the Board, the internal audit function is authorised full and unrestricted access to any and all of the Company's records, physical properties, and personnel pertinent to carrying out its activities. The Group Manager Risk & Internal Assurance reports functionally to the Audit & Risk Committee and administratively to the General Counsel. The Audit & Risk Committee review the performance of the internal audit function including the alignment of its activities to business risks, approve the internal audit plan, monitor the function's authority and independence, and review reports and associated agreed management actions.

During the reporting period, the Company's management established a COVID-19 Steering Committee, which was responsible for designing and implementing changes to business practices in order to mitigate and respond to the risks to the Company's business resulting from the pandemic. The Company's management provided regular reports to, and received and implemented feedback from, the Board and its Committees on the impact of COVID-19 on the business and the actions to minimise that impact.

Comments on the Company's material exposure to environmental and social risks are set out on pages 26-30 of Costa's Annual Report for the reporting period. Further information on the Company's commitment to environmental and social responsibility is provided in a separate Sustainability Report. The most recent Sustainability Report can be found in the Costa Investor Centre.

Principle 8 – Remunerate fairly and responsibly

Remuneration and Human Resources Committee

The Company's Remuneration and Human Resources Committee assists and advises the Board on remuneration policies and practices for the Board, the CEO, the CFO, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company, together with assisting and advising the Board in relation to management programs to optimise the Company's human resources.

The Remuneration and Human Resources Committee is comprised of 4 non-executive directors, all of whom are independent including the Chair. The directors currently serving on this Committee are Peter Margin (Chair), Jane Wilson, Tim Goldsmith and Neil Chatfield. The roles, responsibilities, composition and structure of the Remuneration and Human Resources Committee are set out in the Remuneration and Human Resources Committee Charter, a copy of which can be found in the Costa Investor Centre.

Director and executive remuneration

The Remuneration Report in Costa's Annual Report for the reporting period sets out details of the Company's policies and practices for remunerating directors and executives. The Company distinguishes the remuneration of executive directors and executives from that of non-executive directors by offering the Managing Director and CEO and other executives a mix of fixed and incentive remuneration in certain circumstances (e.g. under the Company's short term incentive plan and long term incentive plan). Remuneration of non-executive directors is fixed. The Company does not have in place any schemes for retirement benefits, other than superannuation, for non-executive directors.

Securities Trading Policy

The Company's Securities Trading Policy provides that the CEO and other Company executives (each being 'Designated Persons' under the policy) are prohibited from entering into transactions or arrangements with anyone which could have the effect of



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limiting their exposure to risk relating to an element of their remuneration that has not vested or is held subject to escrow restrictions.

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