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2021 Corporate Governance Statement

BikeExchange Limited
ABN 24 625 305 240

Adopted on 3rd February, 2021

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2021 Corporate Governance Statement

This corporate governance statement sets out BikeExchange Limited's (Company) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Third Edition) (ASX Principles and Recommendations). The ASX Principles and Recommendations are not mandatory. However, this corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations. This corporate governance statement is current as at 3 February 2021 and has been approved by the board of the Company (Board).

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
<p>1.1. <i>A listed entity should disclose:</i></p> <p>(a) <i>the respective roles and responsibilities of its board and management; and</i></p> <p>(b) <i>those matters expressly reserved to the board and those delegated to management.</i></p>	Yes	<p>The Board is responsible for the overall strategic guidance and corporate governance of the Company. The Board has adopted a Board Charter which distinguishes which functions are and responsibilities are reserved for the Board and those which are delegated to management.</p> <p>The Board is responsible for (amongst other things):</p> <ul style="list-style-type: none"> (a) demonstrating leadership; (b) approving the Company's statement of values and code of conduct to underpin a culture of acting lawfully, ethically and responsibly; (c) approving and monitoring the Company's strategy, business performance objectives and financial performance objectives; and (d) overseeing and approving risk management policies, operational risk policies and procedures and systems of internal controls; and (e) monitoring compliance with legal and regulatory requirements and ethical standards. <p>Management is responsible for (amongst other things):</p> <ul style="list-style-type: none"> (a) the day to day management of the Company; (b) assigning responsibilities clearly to the employees of the Company, and supervise and report on their performance to the Board; and (c) supporting a culture with the Company that promotes ethical and responsible behavior. <p>The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.</p> <p>The Board Charter on the Company's website.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>1.2. <i>A listed entity should:</i></p> <p>(a) <i>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</i></p> <p>(b) <i>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.</i></p>	Yes	<p>The Company undertakes appropriate checks to verify the suitability of candidates considered for nomination to the Board, having regard to each candidate's character, experience, education, criminal record and bankruptcy history prior to nomination for election as a director.</p> <p>The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election, to enable them to decide on whether or not to appoint or re-elect a director.</p>
<p>1.3. <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i></p>	Yes	<p>Directors are given letters of appointment and/or service agreements, and senior executives are given employment contracts setting out the terms of their appointment. These set out the terms and conditions of their appointment.</p>
<p>1.4. <i>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.</i></p>	Yes	<p>The Company Secretary is accountable directly to the board on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for (amongst other things):</p> <ul style="list-style-type: none"> (a) advising the board and its committees on governance matters; (b) coordinating the timely completion and despatch of board and committee papers; and (c) ensuring that the business at board and committee meetings is accurately captured in the minutes.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>1.5. A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>Yes</p> <p>Yes</p> <p>No</p>	<p>The Company has adopted a diversity policy which provides a framework for new and existing diversity related initiatives and policies within the Company. In accordance with the diversity policy, the Board will set measurable objectives for achieving diversity outcomes and monitor the Company's progress in achieving them.</p> <p>The diversity policy is available on the Company's website.</p> <p>As the Company has just listed on the ASX, the Board has not set any measurable objectives for achieving gender diversity and their annual assessment. As at the date of this statement, the measurable objectives of the diversity policy are being developed by the Board. The Company will disclose the measurable objectives set by the Board and its progress towards achieving them at the end of the reporting period.</p>
<p>1.6. A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p>	<p>The performance of the Board as a group and individual directors will be assessed each year for all future years. In particular, all directors seeking re-election at an annual general meeting will be subject to formal performance appraisal to determine whether the Board recommends their re-election to shareholders.</p> <p>As the Company has just listed on the ASX, the Company has not undertaken a formal performance appraisal of the Board and its directors.</p>
<p>1.7. A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p>	<p>The Board and senior management team intend to regularly review the performance of its senior executives and address any issues that may emerge.</p> <p>As the Company has just listed on the ASX, the Company has not undertaken a formal performance appraisal of senior executives.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
2. STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1. <i>The board of a listed entity should:</i></p> <p>(a) <i>have a nomination committee which:</i></p> <p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(5) <i>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</i></p> <p>(b) <i>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.</i></p>	<p>No</p> <p>N/A</p>	<p>The Company has a Remuneration and Nomination Committee, with its own Charter. As at the date of this statement, the Committee comprises of:</p> <p>(a) Sam Selter (Non-executive director); and (b) Jade Wyatt (Non-executive director),</p> <p>who are both currently considered by the Board not to be independent.</p> <p>The Remuneration and Nomination Committee is chaired by Sam Salter.</p> <p>The Company will continually evaluate the performance and function of the Remuneration and Nominations Committee and determine whether it will be appropriate to appoint independent directors to the Remuneration and Nomination Committee as the business evolves and expands.</p> <p>The Remuneration and Nominations Committee Charter is available on the Company's website.</p> <p>As the Company has just listed on the ASX, the Remuneration and Nominations Committee has not yet convened.</p>
<p>2.2. <i>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</i></p>	No	<p>The Board is committed to ensuring that it is comprised of directors with a blend of skills, experience and attributes appropriate for the Company and its business. The Board, in consultation with the Remuneration and Nominations Committee will be responsible for preparing and maintaining the board skills matrix.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
<p>2.3. A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Yes	<p>The Board has reviewed the position and associations of each of the directors and has determined that the following Directors are considered Independent Directors:</p> <p>(a) Gregg Taylor; and (b) Bryan Zekulich.</p> <p>The interests of the Directors are disclosed in the Prospectus dated 16 December 2020 (Prospectus). The Company will continually evaluate whether it will be appropriate to consider additional independent directors as the business evolves and expands.</p> <p>The appointment date of each director is disclosed in the Prospectus, which is available on the Company's website.</p>
<p>2.4. A majority of the board of a listed entity should be independent directors.</p>	No	<p>As at the date of this statement, the Board does not consist of a majority of independent directors. The Board consists of 2 independent directors from a Board comprising 5 members.</p> <p>The Company will continually evaluate the performance and function of the Board and determine whether it will be appropriate to appoint additional independent directors as the business evolves and expands.</p>
<p>2.5. The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes	<p>The Board's Chairman is Gregg Taylor who is an independent director. The Board's Chairman is not the same person as the CEO of the Company.</p>
<p>2.6. A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	Yes	<p>The Company has an induction programme for each new Director upon appointment. This includes meeting with members of the existing Board, Company Secretary, management and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.</p> <p>On an ongoing basis, and subject to approval of the Chairman, Directors may request and undertake training and professional development, as appropriate, at the Company's expense.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
3. PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING		
3.1. <i>A listed entity should:</i>	Yes	The Company adopted a formal code of conduct for its directors, senior executives and employees.
(a) <i>have a code of conduct for its directors, senior executives and employees; and</i>		
(b) <i>disclose that code or a summary of it.</i>		The code of conduct is available on the Company's website.
4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.1. <i>The board of a listed entity should:</i>	No	The Company has an Audit and Risk Committee, with its own Charter. As at the date of this statement, the Committee comprises of:
(a) <i>have an audit committee which:</i>		
(1) <i>has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</i>		(a) Bryan Zekulich (Independent Non-executive director); and (b) Andrew Ryan (Non-executive director).
(2) <i>is chaired by an independent director, who is not the chair of the board, and disclose:</i>		Andrew Ryan is currently considered by the Board not to be independent.
(3) <i>the charter of the committee;</i>		The Audit and Risk Committee is chaired by Bryan Zekulich, who is currently considered by the Board not to be independent.
(4) <i>the relevant qualifications and experience of the members of the committee; and</i>		The Company will continually evaluate the performance and function of the Audit and Risk Committee and determine whether it will be appropriate to appoint additional independent directors to the Audit and Risk Committee as the business evolves and expands.
(5) <i>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</i>		The Audit and Risk Committee Charter is available on the Company's website.
(b) <i>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.</i>	N/A	As the Company has just listed on the ASX, the Audit and Risk Committee has not yet convened.
4.2. <i>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.</i>	No	As the Company has just listed on the ASX, the Company has not released financial statements as a listed entity. The Board intends to receive a declaration from the CEO and CFO before it approves the Company's financial statements.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
4.3. A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company will ensure that its external auditor is present at the Company's annual general meetings and be available to answer questions from security holders relevant to the audit.
5. MAKE TIMELY AND BALANCED DISCLOSURE		
5.1. A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	Yes	<p>The Company has adopted a Continuous Disclosure Policy to establish a framework for ensuring compliance with its continuous disclosure obligations and for shareholders to be provided with timely, complete and accurate information.</p> <p>The Continuous Disclosure policy is available on the Company's website.</p>
6. RESPECT THE RIGHTS OF SHAREHOLDERS		
6.1. A listed entity should provide information about itself and its governance to investors via its website.	Yes	<p>The Company provides information about itself and its governance to its investors on the Company's website via the following URL: https://bikeexchange.com.au/</p> <p>The Company will regularly update the website and its contents as necessary.</p>
6.2. A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	<p>The Company has adopted a Shareholder Communication Policy whereby information will be communicated to shareholder through:</p> <ul style="list-style-type: none"> (a) publishing information on the Company's website; (b) continuous disclosure of all relevant financial and other information to the ASX; (c) periodic disclosure through the Annual Report and half year financial report; (d) notice of meetings and explanatory material; and (e) the annual general meeting and other general meetings. <p>The Shareholder Communication Policy is available at the Company's website.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
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.	Yes	<p>The Company has adopted a Shareholder Communication Policy which sets out the processes through which the Company encourages participation at meetings of security holders. These include:</p> <ul style="list-style-type: none"> (a) giving shareholders the opportunity to meet the directors of the Company, members of the management team and the external auditor at the meeting; (b) allowing shareholders in attendance a reasonable opportunity to ask questions regarding the items of business, including questions to the external auditor regarding the conduct of the audit and the preparation and content of the auditor's report; (c) providing shareholders who are unable to attend the meeting with an opportunity to submit questions in advance of the meeting; (d) allowing shareholders to lodge proxies electronically; (e) ensuring all substantive resolutions at a meeting of shareholders are decided by a poll rather than a show of hands; and (f) where practicable, using technology to encourage shareholder participation at meetings. <p>The Shareholder Communication Policy is available at the Company's website.</p>
6.4. A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	<p>The Company encourages security holders to register for receipt of communications from the Company electronically. The process is managed by the Company's Registry.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
7. RECOGNISE AND MANAGE RISK		
<p>7.1. <i>The Board of a listed entity should:</i></p> <p>(a) <i>have a committee or committees to oversee risk, each of which:</i></p> <p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director, and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(5) <i>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</i></p> <p>(b) <i>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.</i></p>	No	<p>The Company has an Audit and Risk Committee, with its own Charter. As at the date of this statement, the Committee comprises of:</p> <p>(a) Bryan Zekulich (Independent Non-executive director); and (b) Andrew Ryan (Non-executive director).</p> <p>Andrew Ryan is currently considered by the Board not to be independent.</p> <p>The Audit and Risk Committee is chaired by Bryan Zekulich, who is currently considered by the Board not to be independent.</p> <p>The Company will continually evaluate the performance and function of the Audit and Risk Committee and determine whether it will be appropriate to appoint additional independent directors to the Audit and Risk Committee as the business evolves and expands.</p>
<p>7.2. <i>The board or a committee of the board should:</i></p> <p>(a) <i>review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</i></p> <p>(b) <i>disclose in relation to each reporting period, whether such a review has taken place.</i></p>	N/A	<p>The Audit and Risk Committee Charter is available on the Company's website.</p> <p>As the Company has just listed on the ASX, the Audit and Risk Committee has not yet convened.</p>
<p>7.3. <i>A listed entity should disclose:</i></p> <p>(a) <i>if it has an internal audit function, how the function is structured and what role it performs; or</i></p> <p>(b) <i>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.</i></p>	Yes	<p>The Audit and Risk Committee will review the Company's risk management framework throughout the year.</p> <p>As the Company has just listed on the ASX, the Audit and Risk Committee has not yet conducted such a review.</p>
<p>7.3. <i>A listed entity should disclose:</i></p> <p>(a) <i>if it has an internal audit function, how the function is structured and what role it performs; or</i></p> <p>(b) <i>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.</i></p>	N/A	<p>The Company does not have an internal audit function. The Company has set up internal processes for evaluating and continually improving the effectiveness of its risk management and internal control framework.</p>
<p>(b) <i>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.</i></p>	Yes	<p>The Audit and Risk Committee will periodically review the Company's operations to evaluation the effectiveness of risk management and internal control processes of the Company.</p>

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
7.4. <i>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</i>	Yes	<p>The Company does not consider it has a material exposure to economic, environmental and social sustainability risks.</p> <p>The Company will announce to the ASX any material economic, environmental and social sustainability risks in accordance with its continuous disclosure obligations.</p>
8. REMUNERATE FAIRLY AND RESPONSIBLY		
8.1. <i>The Board of a listed entity should:</i> <i>(a) have a remuneration committee which:</i> <i>(1) has at least three members, a majority of whom are independent directors; and</i> <i>(2) is chaired by an independent director, and disclose:</i> <i>(3) the charter of the committee;</i> <i>(4) the members of the committee; and</i> <i>(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</i> <i>(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.</i>	Yes	<p>The Company has a Remuneration and Nomination Committee, with its own Charter. As at the date of this statement, the Committee comprises of:</p> <p>(c) Sam Selter (Non-executive director); and (d) Jade Wyatt (Non-executive director),</p> <p>who are both currently considered by the Board not to be independent.</p> <p>The Remuneration and Nomination Committee is chaired by Sam Salter.</p> <p>The Company will continually evaluate the performance and function of the Remuneration and Nominations Committee and determine whether it will be appropriate to appoint independent directors to the Remuneration and Nomination Committee as the business evolves and expands.</p> <p>The Remuneration and Nominations Committee Charter is available on the Company's website.</p> <p>As the Company has just listed on the ASX, the Remuneration and Nominations Committee has not yet convened.</p>
8.2. <i>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.</i>	No	The Company will disclose its remuneration policy in the 2021 annual report.
8.3. <i>A listed entity which has an equity-based remuneration scheme should:</i> <i>(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</i> <i>(b) disclose that policy or a summary of it.</i>	Yes	<p>The Company has a Securities Trading Policy that prohibits directors, officers and employees from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration scheme.</p> <p>A copy of the Securities Trading Policy is available on the Company's website.</p>