



Board Charter

BikeExchange Limited
ABN 24 625 305 240

Adopted on 9th February, 2021

Prepared by
Automic Legal Pty Ltd
ACN 147 418 942

*Liability limited by a scheme
approved under Professional
Standards Legislation*

Board Charter

1 Introduction and Purpose

The Board of Directors of BikeExchange Limited (**Company**) has adopted this Board Charter (**Charter**) to outline the manner in which its powers and responsibilities will be exercised and discharged having regard to principles of effective corporate governance.

The Constitution ultimately governs matters relating to the Board and its functions. This Charter explains and interprets the Constitution. The Constitution prevails to the extent of any inconsistency between this Charter and the Constitution.

2 Composition

2.1 Composition of the Board

- (a) The Directors will determine the Board size and composition, subject to the limits set out in the Company's constitution.
- (b) The Board will periodically review, with the assistance of the Remuneration and Nominations Committee, the mix of skills and diversity represented by Directors and determine whether that mix remains appropriate.
- (c) Non-executive Directors will be engaged through a letter of appointment and subject to election and re-election in accordance with the Company's Constitution.

2.2 Independent Directors

- (a) Where practicable, a majority of the Board shall be independent Directors.
- (b) The Board considers an independent Director to be a non-executive Director who is free of any interest, position, association or relationship that might influence, or 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.
- (c) In assessing independence, the Board will have regard to the factors set out in the criteria for independence set out in Schedule 1.
- (d) The independence of Directors will be assessed annually or as soon as practicable after there is a change in circumstances in respect of a Director which may affect their independence.

2.3 Chair

- (a) Where practicable, the Board will elect one of the independent, non-executive Directors to the office of Chairperson.
- (b) The Chair should not exercise the role of the CEO of the Company.
- (c) The Board will develop a succession plan for the office of Chairperson and will periodically review and update the plan.
- (d) The Board will, if practicable, identify an independent non-executive Director to act as an alternate Chairperson if the Chairperson is unable to perform their role for any reason.

3 Roles and Responsibilities

3.1 Role of the Board

The Board is responsible for the overall performance of the Company and accordingly takes accountability for monitoring the Company's business and affairs and setting its strategic direction, establishing policies and overseeing the Company's financial position and performance.

The Board is responsible for:

- (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;
- (d) overseeing and monitoring the implementation of the Company's strategic objectives, instilling of the Company's values and performance generally;
- (e) overseeing and monitoring the establishment of systems of risk management by approving risk management policies, operational risk policies and procedures (including policies relating to health, safety and injury management) and systems of internal controls; and
- (f) monitoring compliance with legal and regulatory requirements, ethical standards and external commitments and, generally, safeguarding the reputation of the Company.

3.2 Specific responsibilities of the Board

The Board has reserved some matters to itself for decision and, save for those matters, has delegated authority for all other matters to the CEO.

In addition to matters expressly required by law to be approved by the Board, the following powers are reserved for the Board:

- (a) approving the Company's strategy, annual budget and major capital expenditure;
- (b) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (c) monitoring the adequacy, appropriateness and operation of internal controls including reviewing and approving the Company's compliance systems and corporate governance practices;
- (d) overseeing the process for making timely and balanced disclosure of all material information and continuous disclosure of information to the investment community;
- (e) approval of:
 - (i) the Company's periodic financial statements and reports;
 - (ii) the Company's remuneration policy, including:
 - (A) the remuneration and conditions of service (including incentives) for executive Directors, senior executives, the Chief Financial Officer, the Chief Operating Officer and the Company Secretary;

- (B) industrial instruments or agreements of general application to some or all of the Company's employees; and
- (C) incentive plans;
- (iii) significant changes to the organisational structure of the Company;
- (iv) the acquisition, establishment, disposal or cessation of any significant assets of the Company;
- (v) the amount, nature and term of the Company's debt facilities;
- (vi) the issue of any shares, options, equity instruments or other equity securities in the Company;
- (vii) any public statements which reflect significant issues of the Company performance, policy or strategy;
- (viii) any changes to the discretions delegated by the Board;
- (ix) the Company's dividend policy and the payment of dividends; and
- (x) the Company's policies, including the corporate governance policies;
- (f) the appointment and removal of the Chair of the Board;
- (g) the appointment and removal of the CEO, the determination of the CEO's terms and conditions (including remuneration) and review of the CEO's performance;
- (h) the appointment and removal of the Chief Financial Officer, the Chief Operating Officer and the Company Secretary;
- (i) reviewing, with the assistance of reports from the Remuneration and Nominations Committee, succession planning for senior executives (including the CEO) on a regular and continuing basis;
- (j) the appointment, reappointment or replacement of the external auditor, upon the advice of the Audit and Risk Committee; and
- (k) any matters in excess of any discretions that the Board may have delegated to the CEO or senior executives.

Subject to the limitations imposed by the Company's Constitution, statute and other external regulation, the Board remains free to alter the matters reserved for its decision.

3.3 Roles and responsibilities of the Chair

The roles and responsibilities of the Chair are to:

- (a) ensure the efficient organisation and conduct of the Board's functions;
- (b) facilitate the effective contribution of all Directors;
- (c) promote constructive and respectful relations between Board members and between the Board and management;

- (d) be responsible for ensuring that the principles and processes of the Board are maintained;
- (e) review the agenda for each meeting prepared by the Company Secretary or the CEO (any Director may request that an item be added to the agenda);
- (f) report to the Board and committees of the Board as appropriate on decisions and actions taken between meetings of the Board; and
- (g) chair general meetings of the Company.

The Chairperson has authority to act and speak for the Board between its meetings, including engaging with the CEO.

4 Division of Authority and Responsibilities

4.1 Delegation to CEO and senior management

- (a) The Board has delegated to the CEO and senior management, the authority to manage the day to day affairs of the Company and to control the affairs of the Company in relation to all matters, subject to those powers reserved to the Board in accordance with this Charter and any specific delegations of authority approved by the Board.
- (b) The CEO and senior management must operate in accordance with the Board's approved policies and delegated limits of authority, as reviewed by the Board from time to time.
- (c) The Directors have complete and open access to the CEO and senior management and may make any enquiries to fulfil their responsibilities.

4.2 Responsibilities of CEO and senior management

The roles and responsibilities of the CEO and senior management are to:

- (a) manage day to day business and implement the strategic objectives of the Company while operating within the values, code of conduct, budget and risk appetite set by the Board;
- (b) assign responsibilities clearly to the employees of the Company, and supervise and report on their performance to the Board;
- (c) recommend to the Board significant operational changes, and major capital expenditure, acquisitions or divestments which are beyond delegated thresholds;
- (d) provide the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities; and
- (e) support a culture with the Company that promotes ethical and responsible behaviour.

4.3 Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Company Secretary is accountable to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

The roles and responsibilities of the Company Secretary are to:

- (a) develop and maintain the information systems and processes that are appropriate for the Board to fulfil its role; and

- (b) communicate with regulatory bodies and the Australian Securities Exchange and attend to all statutory and other filings.

The Company Secretary's advice and services shall be available to all Directors and committees of the Board.

5 Conduct of Directors

5.1 Duties

Each Director must have regard to their general law and statutory duties, which require, among other things, that each Director:

- (a) exercises due care and diligence;
- (b) exercises their power and discharges their duties in good faith in the best interests of the Company;
- (c) not improperly use his or her position or misuse information of the Company; and
- (d) commits the time necessary to discharge effectively his or her role as a Director.

Directors commit to the collective, group decision-making processes of the Board. Directors will debate issues openly, constructively and respectfully, and will be free to question or challenge the opinions presented at meetings where their own judgement differs from that of other Directors.

All Directors are expected to utilise their range of relevant skills, knowledge and experience for all matters discussed at Board meetings.

Directors will use all reasonable endeavours to attend Board meetings in person. Members unable to attend a meeting must advise the Chairperson and Company Secretary.

5.2 Conflict of interest and conflict of duty

If a Director has a material personal interest in a matter that relates to the affairs of the Company, or a situation has arisen where the director's duty to the Company conflicts with a duty to another person, the Director must:

- (a) act in accordance with the Company's Constitution, any applicable policy of the Company and any applicable law; and
- (b) abstain from voting or taking part in any discussion concerning the matter or at a Directors' meeting where that matter is being considered.

Where necessary, the Company Secretary will implement appropriate procedures designed to ensure that the interests of the Company are protected and the Director acts in accordance with his or her legal obligations.

6 Board Meetings

6.1 Conduct of meetings

- (a) All Board meetings must be conducted in accordance with the Company's Constitution.
- (b) Any Director may convene a meeting of the Board by contacting the Chair or the Company Secretary.
- (c) The Company Secretary must distribute the agenda and any Board papers to the Directors prior to each Board meeting to enable them to read the papers and properly prepare for the Board meeting.
- (d) Any Director may request that an item be added to the agenda for a Board meeting.
- (e) The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.
- (f) Non-executive Directors will periodically meet without executive Directors or executive management present.
- (g) Where deemed appropriate by the Board, meetings and subsequent approvals and recommendations may occur by written resolution or conference call or other electronic means of audio or audio-visual communication.

6.2 Minutes

- (a) The Company Secretary must prepare draft minutes of each Board meeting and promptly provide them to the Chairperson for review after each Board meeting.
- (b) Once the draft minutes have been reviewed by the Chairperson, the draft minutes must be tabled at the next Board meeting for final review and approval.

7 Board Committees

- (a) The Board will establish committees (including ad hoc committees) to assist the Board in the exercise of its authority.
- (b) The committees will have access to sufficient resources to carry out their activities effectively.
- (c) Each committee will have their own charters setting out the membership, responsibilities and the authority delegated by the Board to the committee.
- (d) Committees will maintain minutes of their meetings and the Chair of each committee will report back on committee meetings to the Board at the next full Board meeting.
- (e) The permanent committees of the Board are the Audit and Risk Committee and the Remuneration and Nominations Committee.

8 Induction and Training

New Directors will be provided with an induction programme to assist them in becoming familiar with the Company, its managers and its business following their appointment. Directors may, with the approval of the Chairperson, undertake appropriate professional development opportunities (at the expense of the Company) to maintain their skills and knowledge needed to perform their role.

9 Independent Advice

Directors may, with the consent of the Chairperson and with the assistance of the Company Secretary, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. A copy of any advice so received will be made available to all Directors.

10 Periodic Evaluation

The Board will annually evaluate the performance of:

- (a) the Board;
- (b) each Director; and
- (c) each Board Committee.

Evaluations will be undertaken against a set criteria and will have regard to the collective nature of Board work and the operation of the governance processes established in this document, and where appropriate seek to identify areas where performance could be improved. Where the Board considers it appropriate, third party advisers may be engaged to provide assistance.

The Board will disclose in the Company's Annual Report whether a performance evaluation has been undertaken during the relevant reporting period.

The Board will consider the outcome of the evaluation of those Directors who are seeking election or re-election at an annual general meeting in considering whether to recommend those Directors for election or re-election.

11 Review of Charter

The Board Charter will be reviewed periodically and updated as required to ensure it remains consistent with the Board's objectives and developments in current law and practice. The latest version of this Charter can be found on the Company's website or obtained from the Company Secretary.

12 Material Revisions

Version	Approval Date	Effective Date	Details
1.0	09/02/2021	09/02/2021	Policy approved by the board.