

# **Board Charter**

Bailador Technology Investments Limited ACN 601 048 275

adopted on 25 September 2014

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## **1 Introduction**

- 1.1 This Board Charter sets out the principles for the operation of the board of directors (**Board**) of Bailador Technology Investments Limited ACN 601 048 275 (**Company**) and describes the functions of the Board.
- 1.2 The conduct of the Board is also governed by the Company's constitution (**Constitution**). Where there is an inconsistency between this document and the Constitution, the Constitution will prevail to the extent of the inconsistency.
- 1.3 Each director of the Company (**Director**) has an overriding responsibility to act in good faith and in the best interests of the Company. In assessing the Company's best interests the Board may however, have regard to the interests of:
- (a) shareholders (with a view to building sustainable value for them);
  - (b) employees (if any); and
  - (c) other people or entities with whom the Company deals.
- 1.4 The Board's broad functions are:
- (a) to chart strategy and set financial targets for the Company;
  - (b) to monitor the implementation and execution of strategy and performance against financial targets; and
  - (c) to appoint and oversee the performance of Bailador Investment Management Pty Ltd ACN 143 060 511 (or any equivalent manager) (**Manager**),
- and generally to take an effective leadership role in relation to the Company.

## **2 Responsibilities of board**

- 2.1 The Board's responsibilities include:
- (a) determining the Board's composition (including appointment and retirement or removal of directors and company secretary);
  - (b) oversight of the Company and the Manager (including control and accountability systems);
  - (c) reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct, and legal compliance;
  - (d) approving and formulating company strategy and policy;
  - (e) monitoring the Manager's implementation of the investment strategy;
  - (f) monitoring the progress of the Manager in respect of major capital expenditure, capital management, and acquisitions and sales;

- (g) approving and monitoring financial and other reporting (subject to receiving the declarations or approvals required under the Corporations Act or any other regulatory requirements);
- (h) overseeing the Manager's monitoring of the performance of major investment and treasury functions;
- (i) monitoring industry developments relevant to the Company and its business;
- (j) developing suitable key indicators of financial performance for the Company and its business;
- (k) having input in and granting final approval of corporate strategy and performance objectives developed by the Manager;
- (l) the overall corporate governance of the Company (including its strategic direction and goals for management, and monitoring the achievement of these goals); and
- (m) oversight of committees.

### **3 Board composition**

#### **3.1 The chair of the Board (Chair):**

- (a) must be appointed from the Board's membership;
- (b) is responsible for the Board's leadership and for its efficient organisation and conduct;
- (c) should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors and between the Board and the Manager; and
- (d) unless the Board determines otherwise in its absolute discretion;
  - (i) must be an independent director; and
  - (ii) must not be the same person as the CEO.

#### **3.2 The Board should comprise:**

- (a) members with a broad range of experience, expertise, skills, diversity and contacts relevant to the Company and its business;
- (b) no less than five directors, half of whom should be non-executive directors;
- (c) more than five directors where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
- (d) where possible, a majority of independent directors.
- (e) Deputy Chair

- (i) Subject to clause 3.1 and 3.2 above, where the chair is not considered by the Board to be independent, the Board will appoint one of the independent directors to be the deputy chair of the Board (**Deputy Chair**).
- (ii) If appointed the Deputy Chair's responsibilities will include:
  - (A) the chair role where the Chair is conflicted or unavailable (including by not limited to, matters, discussions or determinations in relation to the chair's appointment or performance, or any matters relating to the Manager (if the Chair is a director or employee of the Manager); and
  - (B) assisting the Board in reviewing the performance of the Chair.

#### **4 Ethical standards and values**

- 4.1 All Directors must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.
- 4.2 The Directors must comply with the Company's Code of Conduct in the exercise of their duties.

#### **5 Independence of Directors**

- 5.1 The Board must regularly assess whether each Director is an independent Director in the light of the interests disclosed by them.
- 5.2 Each Director must provide the Board with all relevant information for this purpose.
- 5.3 The independence of Directors will be disclosed in the annual report.
- 5.4 Where the Board decides a Director has ceased to be an independent Director, this must be immediately disclosed to the market.

#### **6 Appointment and retirement of Directors**

- 6.1 The terms of the appointment of all new directors should be set out in a letter of appointment.
- 6.2 All Directors, must retire in accordance with the requirements of the Constitution and the ASX Limited ACN 008 624 691 (**ASX**) listing rules (**Listing Rules**). Retiring Directors may, in these circumstances, be eligible to be re-elected.

#### **7 Performance review and evaluation of directors**

- 7.1 The performance of all other Directors should be reviewed and assessed each year by the Chair.
- 7.2 The Chair's performance should be reviewed and assessed each year by the other Directors.
- 7.3 The evaluation criteria and process to be followed is the same in each case.

- 7.4 The Board will determine the evaluation criteria and process from time to time.
- 7.5 A Director, whose performance is unsatisfactory, may be asked to retire.
- 7.6 The Board should satisfy itself that its performance is efficient so that all Directors meet their obligations and are not exposed to any legal liability.
- 7.7 Each Director must cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by:
- (a) the Chair (as defined in the ASX Principles);
  - (b) any other Director; or
  - (c) any independent third party externally appointed for the purpose.
- 7.8 Unless otherwise stated in any other charter or document, the Board may also review and assess the performance of its senior executives in accordance with the above process.

## **8 Training and advice for Directors**

- 8.1 Before accepting the appointment, Directors must be provided with information about the Company that is appropriate for them to discharge their responsibilities.
- 8.2 Directors must be given access to continuing education in relation to the Company, extending to its business, the industry in which it operates, financial and accounting matters and other information required by them to discharge their responsibilities.
- 8.3 Each Director may seek independent legal or other professional advice at the Company's expense. Prior approval from the Chair is required and may not be unreasonably withheld or delayed.

## **9 Board meetings**

- 9.1 Board meetings should occur at least eight times in any year.
- 9.2 Papers for Board meetings must be circulated, where practical, at least five days before the relevant meeting.
- 9.3 Draft minutes of Board meetings (for consideration and approval at the next relevant meeting) should be circulated within ten days following each meeting.

## **10 Secretary**

- 10.1 The secretary of the Company (**Secretary**) is accountable to the Board, through the Chair, on all corporate governance matters and is responsible for:
- (a) Advising the Board and its committees on governance matters;
  - (b) monitoring this policy, any corporate governance policy and any Committee charter, to ensure they are followed;

- (c) helping to organise and facilitate the induction and professional development of the Directors; and
- (d) coordinating the timely completion and despatch of:
  - (i) Board agendas and committee briefing materials; and
  - (ii) draft minutes of Board and committee meetings for approval at the next meeting.

## **11 The Manager's responsibilities**

11.1 The Board has delegated to the Manager authority over the day to day management of the Company and includes responsibility for:

- (a) management of the investment portfolio of the Company;
- (b) investigation of, negotiation for, acquisition of, or disposal of the Company's investments;
- (c) selling, realising or dealing with all or any of the Company's investments or varying, converting, exchanging or adding other investments in lieu of those investments;
- (d) if any investments in the Company's investment portfolio are redeemed or the capital paid on the investment is wholly or partly repaid by the entity by which that investment was created or issued, to convert that investment into a new investment or accept repayment of the capital paid or advanced on the investment and any other monies payable in connection with that redemption or repayment and invest such monies in other investments;
- (e) retaining or selling any shares, debentures or other property received by the Company by way of bonus, or in lieu of, or in satisfaction of, a dividend in respect of any investments or from the amalgamation or reconstruction of any company;
- (f) selling all or some of the rights to subscribe for new securities in the Company's investments, using all or part of the proceeds of such sale for the subscription of new securities or to subscribe for securities pursuant to those rights;
- (g) maintenance of the corporate, tax and statutory records of the Company;
- (h) liaison with the share registry;
- (i) preparation of a draft of the Company's monthly net tangible asset backing reports and arranging for the lodgement of such reports in a timely manner to enable the Company to comply with its reporting requirements under the Listing Rules;
- (j) preparation of a draft of the Company's quarterly reports, half-year reports and annual reports, and arranging for the printing and distribution of such reports;
- (k) the provision of information necessary for the maintenance of financial accounts of the Company to be completed.
- (l) notifying the Board of continuous disclosure matters; and

- (m) ensuring the Board is provided with adequate information to make fully informed decisions.

## **12 Committees**

- 12.1 The Board may establish (and delegate powers to) committees to assist the Board to carry out its functions effectively and efficiently. The Board will adopt a charter for each committee setting the scope of its responsibility and relevant administrative and procedural arrangements.
- 12.2 The committees established at the date of this document are:
  - (a) Audit and Risk Committee; and
  - (b) Nomination and Remuneration Committee.
- 12.3 The Board will review and evaluate the performance of its committees (and the relevant members) in accordance with the review process stated in the relevant committee charter.

## **13 Business risks**

- 13.1 The risks of the Company's business should be a standing item on the agenda for each regular meeting of the Board. Once a risk is identified, an action plan should be proposed by the Manager for submission to the Board. That plan may also be submitted to the Audit and Risk Committee for review.
- 13.2 Corrective action should be taken as soon as reasonably practicable after adoption of an action plan.
- 13.3 Company policies and procedures should contain risk management procedures that aim to address risk management issues including professional indemnity claims.
- 13.4 The Board should record in its minutes as and when the Manager reports on the effectiveness of the Company's management of its material business risks.

## **14 Communication with shareholders**

- 14.1 The Company's continuous disclosure obligations should be a standing item on the agenda for each regular Board meeting.
- 14.2 Directors must promptly provide details of any matter within their knowledge that might require disclosure to the market under the continuous disclosure obligations.
- 14.3 The annual report must be distributed to all shareholders in accordance with the requirements of the Corporations Act and the Listing Rules.
- 14.4 The annual report should include relevant information about the operations of the Company during the year, the conduct of its Board committees, changes in the state of affairs of the Company, and details of future developments in addition to the other disclosures required by the Corporations Act, Listing Rules and ASX Principles.

- 14.5 Shareholders at an annual general meeting (**AGM**) should be asked to vote on:
- (a) proposed major changes in the Company which may impact on share ownership rights; and
  - (b) the removal and appointment of Directors.
- 14.6 If resolutions are required to be put to shareholders before the next AGM, a general meeting will be convened as specified in the Constitution.
- 14.7 The Board should encourage the full participation of shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Company's strategy and goals.
- 14.8 The half-yearly report should contain summarised financial information and a review of the operations of the Company during the period. The report should be lodged with and is available from ASX and the Australian Securities and Investments Commission. It should also be sent to any shareholder who requests it from the Company.
- 14.9 Company announcements must be made in a factual, timely, clear, and objective manner, and include any information material to decisions of shareholders and potential investors in the Company.
- 14.10 Information about the Company, including copies of announcements made through ASX and the annual report and half-yearly report, should be made available to shareholders and prospective investors in the Company on the Company's website.
- 14.11 The Company has a continuing commitment to electronic communication with shareholders and stakeholders generally, including through its website.

## **15 Disclosure of Board selection process**

- 15.1 The Board undertakes to promote transparency about the Board selection process and to report to Shareholders on this process in the Company's annual report and may include information about:
- (a) details about the use by the Company of a board skills matrix to identify any gaps in the skills, qualifications, diversity and experience of the Directors on the Board;
  - (b) the process by which candidates are identified and selected including whether professional intermediaries are used to identify and assess candidates;
  - (c) the steps taken to ensure a diverse range of candidates is considered; and
  - (d) the factors taken into account in the selection process.

## **16 Recognition of interests of stakeholders**

- 16.1 The Company must function within, and operate with a sense of responsibility to, the wider community as well as to shareholders. This sense of responsibility to stakeholders generally is an important part of the Company's role within the broad community and represents not only sound ethics but also good business sense and commercial practice.

- 16.2 Constructive feedback on the Company's contribution to and role within the community will be sought (and welcomed) at AGMs and through the Company's website.

## **17 The Company's budget**

- 17.1 An annual budget must be prepared by the Manager and approved by the Board prior to the commencement of each financial year.
- 17.2 Actual results, including both profit and loss statement and cashflow statement, must be reported by the Manager on a monthly basis against budget, and revised forecasts for the year are prepared regularly.

## **18 Disclosure to market**

- 18.1 Price sensitive information and other information reasonably required by an investor to make an informed assessment of the Company and the Company's activities and results must be reported to ASX in accordance with continuous disclosure requirements.

## **19 Authority**

This charter was adopted on 25 September 2014 under delegation of authority from the Board of Directors.