

# Board Charter

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**TINYBEANS GROUP LTD**

**ACN 168 481 614**

February 2017

## 1 ROLE AND RESPONSIBILITIES

The board of directors (**Board**) of Tinybeans Group Ltd (**Company**) has adopted this charter (**Board Charter**) to outline the manner in which its powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Board Charter and the charters adopted by the Board have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market. To accomplish this, the Board:

- (a) considers and approves the strategy of the Company and its related companies (**Group**);
- (b) adopts an annual budget and monitors financial performance including approving the annual and half year financial statements and reports;
- (c) approves major investments and monitors the return on those investments;
- (d) monitors the adequacy, appropriateness and operation of internal controls including reviewing and approving the Group's compliance systems and corporate governance principles;
- (e) provides continuous disclosure of information to the investment community, and makes available information shareholders can reasonably require to make informed assessments of the Group's prospects;
- (f) reviews and monitors significant business risks and oversights how they are managed;
- (g) monitors the conduct of the relationship with key regulators to meet the Group's obligations;
- (h) determines delegations to committees, subsidiary boards and management and approves transactions in excess of delegated levels;
- (i) appoints and reviews the performance of the chief executive officer (**CEO**) of the Company and from time to time any portfolio companies of the Group, including overseeing the remuneration, development and succession planning for the chief executive officers and management, while overseeing the operation of appropriate human resource management systems including remuneration;
- (j) assesses its own performance and that of individual Directors;
- (k) selects and appoints new Directors;
- (l) considers, proves and endorses major policies of the organisation including a code of conduct which promotes ethical behaviour and social responsibility;
- (m) oversees the implementation of appropriate work health and safety systems; and
- (n) protects and oversees the enhancement of the reputation of the Company.

The Company's constitution (**Constitution**) ultimately governs matters relating to the Board and its functions. This Board Charter explains and interprets the Constitution. The Constitution prevails to the extent of any inconsistency between this Board Charter and the Constitution.

## 2 COMPOSITION

### 2.1 Board composition and size

The Board will initially have three (3) members. The Board will review the size and composition of the Board with a view to having an appropriate mix of skills.

The Board will comprise a majority of non-executive Directors. The independence of Directors will be regularly reviewed.

The Chairman will represent the Board to shareholders.

The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment (which may include the matters listed in Schedule 1).

### **3 MEETINGS**

The Board will meet (either in person or via teleconference), a minimum of six (6) times a year, with additional meetings as required. Any Director may at any time, and the Company Secretary must on request from a Director, convene a board meeting.

The Company Secretary is appointed by and responsible to the Board of Directors through the Chairman. The Chairman will co-ordinate the Board agenda.

The Chairman will be responsible for coordinating all Board meetings, including the distribution of board papers and preparing minutes of Board meetings. Board papers should normally be distributed at least a week prior to each Board meeting.

The Company Secretary is responsible for communication with regulatory bodies and Australian Securities Exchange (**ASX**), and all statutory and other filings.

In addition to the above meetings, the non-executive Directors meet at least once per year in the absence of executive Directors and management, and at such other times as they may determine. The non-executive Directors may also meet on their own as they determine.

Where deemed appropriate by Directors, meetings and subsequent approvals and recommendations may occur by written resolution or conference call or other electronic means of audio or audio-visual communication.

### **4 COMMITTEES**

The Board may delegate any of their powers to a committee or committees of the Company.

In addition, the Board may also delegate specific functions to ad hoc committees. The Board will, at least once each year, review the membership and charter of each committee.

### **5 RELATIONSHIP WITH MANAGEMENT**

The Board has delegated specific authorities to the Chairman. Subject to these delegated matters, the Chairman is authorised to exercise all the powers of the Directors, except with respect to the following:

- (a) approval of major elements of strategy including any significant change in the direction of that strategy;
- (b) approvals above delegated levels of credit limits, country risk exposures, equity risk limits, market risk limits, loans and encumbrances, equity investments and underwriting risk;
- (c) capital expenditure in excess of delegated levels or expenditure outside the ordinary course of business;
- (d) certain remuneration matters including material changes to remuneration policies;
- (e) adoption of the Company's annual budget;
- (f) approval of the interim and final accounts and related reports to the ASX;

- (g) specific matters in relation to Continuous Disclosure as defined in the Continuous Disclosure Policy; and
- (h) other matters as the Board may determine from time to time.

## **6 EDUCATION, DEVELOPMENT AND PERFORMANCE EVALUATION**

Each new Director will, upon appointment, participate in an induction programme. This will include 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.

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.

The performance of the Board as a group and of individual Directors is to be assessed each year. In particular, all Directors seeking re-election at an annual general meeting may be subject to a formal performance appraisal to determine whether the Board (with their absenting themselves) recommend their re-election to shareholders.

## **7 CONFLICT OF INTERESTS**

The Board will agree, and Board members will abide by the following:

- (a) declaring their interests as required under the Corporations Act, ASX Listing Rules and general law requirements;
- (b) unless the Directors (without a relevant personal interest) agree otherwise, where any Director has a material personal interest in a matter, the Director will not be permitted to:
  - (i) receive any papers;
  - (ii) take part in any discussion concerning the matter; or
  - (iii) vote on the matter,at a Director's meeting where that matter is being considered; and
- (c) Directors must not:
  - (i) allow personal interests to conflict with the interests of the Company; or
  - (ii) disclose confidential information, unless the disclosure has been authorised by the Company or is required by law.

All Directors will abide by the terms of the Securities Trading Policy.

In addition to these requirements, Nominee Directors representing the major shareholder must act in accordance with the relationship protocols for addressing conflicts.

## **8 ACCESS**

The Company's external auditors will allow all issues to be raised directly with the Board.

Board members are not to be constrained or impeded from disclosing information to the external auditors in accordance with statutory and regulatory requirements and must be available to meet with the external auditors on request after notification to the Chairman.

Each Director shall have the ability to consult independent experts where that Director considers it necessary to carry out their duties and responsibilities. Any costs incurred as a result of the Director consulting an independent expert will be borne by the Company, subject to the estimated costs being approved by the Chairman in advance as being reasonable.

## **9 REVIEW OF CHARTER**

The Board will, at least once in each year, review this Board Charter to determine its ongoing appropriateness.

## **SCHEDULE 1 - GUIDELINES OF THE BOARD OF DIRECTORS – INDEPENDENCE OF DIRECTORS**

Section 2.1 of the Board Charter refers to the ‘independence’ of Directors.

Without limiting the Board’s discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors.

In general, Directors will be considered to be ‘independent’ if they are not members of management (i.e., a non-executive Director) and they:

- are not material shareholders of the Company, or officers of, or otherwise associated directly or indirectly with, material shareholders of the Company;
- have not within the last three years been employed in an executive capacity by the Company or another group member;
- were not appointed as a Director of the Company within three years of ceasing to be employed in an executive capacity by the Company, unless appointed by the Chairman;
- have not within the last three years been a principal or employee of a material professional adviser or a material consultant to the Company or another group member;
- are not a material supplier to or customer of the Company or other group member or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- have no material contractual relationship with the Company or another group member, other than as a Director of the Company; and
- are free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director’s ability to act in the best interests of the Company.

### **Materiality thresholds**

The Board will consider thresholds of materiality for the purposes of determining ‘independence’ on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board’s discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (e.g. revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider a holding of 5% or more of the Company’s shares to be material.
- In general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular Director should be reviewed by the Board.
- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director’s interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director’s ability to act in the best interests of the Company.