



YellowBrickRoad

BOARD CHARTER

October 2020

1. Introduction

This charter applies to the Board of the listed entity Yellow Brick Road Holdings Limited ABN 44 119 436 083 (ASX Code 'YBR') (the "**Company**").

The Board is responsible for the corporate governance of the Company. The purpose of this charter is to promote high standards of corporate governance, clarify the role and responsibilities of the Board and enable the Board to provide strategic guidance for the Company and effective management oversight.

2. Board Structure

Board Composition & Independence

The number of directors on the Board shall be determined in accordance with the Company's Constitution and the requirements of the Corporations Act.

The Board shall be comprised of a mix of non-executive and executive Directors, as well as independent and non-independent Directors, to ensure the promotion of shareholder interests and good governance of the Company.

An independent non-executive Director is any person who is not a member of management and who is free of any business with, or other relationship to the Company, that could materially interfere with, or could reasonably be perceived to materially interfere with the independent exercise of that person's judgement. A Director is considered to be independent if he, or she;

- (a) is not a substantial shareholder of the Company (as defined in the *Corporations Act 2011 (Cth)*) or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold such employment;
- (c) within the last three years has not been a principal of a material professional adviser, or a material consultant to the Company, or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the Company, or any other group member, or an officer of, or otherwise associated directly, or indirectly, with a material supplier or customer;
- (e) has no material contractual relationship with the Company, or any other group member other than as a Director of the Company and;
- (f) is free from any interest in any 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.

The Board shall review, annually, the skills, knowledge, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix of those skills, knowledge, experience, expertise and diversity remains appropriate to achieve the Company's corporate objectives. The Board maintains a Skills Matrix for this purpose (refer to Appendix A). When appointing a director, the Board will have regard to the Skills Matrix.

The appointment of Non-Executive Directors is subject to and governed by the Company's Constitution, the Corporations Act and the ASX Listing Rules. Other than for Deeds of Access, Indemnity and Insurance entered into with Directors, there are no additional contracts of appointment for Non-Executive Directors.

Individual Non-Executive Directors have no authority to participate in the day-to-day management of the Company unless the Board, through resolution, delegates an authority.

Relationships and dialogue between the Directors, the Executive Chairman and Executives that focus on gaining a better understanding of the Company's business will be encouraged but will not alter the roles, accountabilities and delegations of authority in this Board charter.

Board Committees

The Board may from time to time establish and delegate any powers to a committee of the Board in accordance with the Company's Constitution. The Board is responsible for approving and reviewing the charter terms and membership of each committee established by the Board.

The Board has established an Audit & Risk Committee (ARC) to perform detailed analysis of important or sensitive matters before making recommendations for the Board to consider.

Committees may make recommendations to the Board but ultimately, the Board, not the committee, is accountable for all decisions.

Permanent committees shall have access to sufficient resources to carry out their activities effectively. This will include the provision of expert advice on matters being considered by a committee.

The rotation of the position of chair and membership of the Board committees shall be as determined by the Board.

3. Board Functions

Strategy

The Board is responsible for developing and overseeing the implementation of the strategic direction and related objectives for the Company.

Monitoring

The Board is responsible for monitoring the decisions and actions of the Executive Chairman and the performance of the Company to gain assurance that progress is being made towards the Company's corporate objectives. The Executive Chairman, the committee chairs and the Company Secretary shall strive collaboratively to ensure that effective systems are in place for the production and transmission of information and reports for effective monitoring of the Company.

Compliance

The Board is responsible for overseeing, reviewing and ensuring the integrity and effectiveness of the Company's compliance systems.

Policies

The Board is responsible for developing the Company's Code of Conduct, Continuous Disclosure Policy and other Company level policies to underpin the desired culture of the Company, and monitoring their effectiveness.

Risk Management and Internal Control

The Board is responsible for reviewing, approving and monitoring the Company's risk policy and risk management systems for both financial and non-financial risks, including internal compliance and control mechanisms and setting the risk appetite for the Company.

Executive Chairman Evaluation

The Board is responsible for appointing and removing the Executive Chairman and conducting an annual performance review of the Executive Chairman. The Board will ensure that performance requirements of the Executive Chairman are linked to the achievement of the Company's corporate objectives, and that systems of evaluation for the performance of the Executive Chairman are based on previously stated criteria and are transparent.

Remuneration

The Board will ensure that the Company has developed and implements coherent remuneration policies and practices to attract and retain executives and Directors who will create value for shareholders, and to fairly and responsibly reward Directors, executives and other employees having regard to the performance of the Company, their individual performance and the general and specific remuneration environment.

Delegation of Authority

The Board is responsible for the delegation of its authority. The Board must decide what matters are delegated to specific Directors, committees or senior executives and have controls in place to oversee the operation of these delegations.

Financial Reporting

The Board is responsible for approving the annual report and financial statements (including the directors' report and remuneration report) and any other published reporting, upon recommendation from the Audit and Risk Committee, and in accordance with the Constitution, Corporations Act, ASX Listing Rules and any other applicable regulations.

Auditors

The Board is responsible for overseeing the Company's accounting and corporate reporting systems and appointing, re-appointing or removing the Company's external auditors and approving the auditor's remuneration, upon recommendation from the Audit and Risk Committee.

Culture

The Board is responsible for setting and monitoring the culture, reputation and standards of conduct of the Company to promote ethical and socially responsible behaviour.

WHS

The Board is responsible for overseeing the effectiveness of risk management processes in respect of health, safety and wellbeing of employees of the Company and monitoring and assessing that appropriate frameworks, including policies where relevant, are in place to ensure the Company provides a safe workplace.

Decisions Made Outside of Board Meetings

Circulating Resolutions can be made by Directors outside of Board meetings in accordance with the requirements of the Company's Constitution.

The Company's 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.

4. Key Board Positions

Executive Chairman

The Board shall appoint (and where necessary, remove) an Executive Chairman.

The Executive Chairman is considered the 'lead' Director and utilizes their experience, skills and leadership abilities to facilitate the governance process for the Company and also as the senior executive officer.

The Executive Chairman's role within the Boardroom is to:

- lead the Board;
- establish the agenda for Board meetings in consultation with the Company Secretary;
- chair Board meetings;
- be clear on what the Board has to achieve, both in the long and short term;
- provide guidance to other Directors about what is expected of them;
- brief all Directors in relation to significant issues affecting the Company;
- ensure that the decisions of the Board are implemented properly;
- ensure that Directors act in accordance with the Code of Conduct;
- ensure the Board receives reports and access to management in a timely manner;
- initiate and oversee the annual review of Board performance;

The Executive Chairman's role outside the Boardroom is to:

- undertake appropriate public relations activities;
- be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;
- be kept fully informed of current events by executive officers on all matters which may be of interest to Directors;
- regularly review progress on important initiatives and significant issues facing the company;
- provide mentoring for executive officers; and
- initiate and oversee the annual evaluation process the executive officers.

The Executive Chairman shall be responsible for providing the Board and its committees with information in a form that is appropriate to enable the Board and committees to make assessments, conduct enquiries and to gain assurance that the decisions and actions of the Executive Chairman, and the performance of the company, are directed toward the corporate objectives and fall within the Executive Chairman's delegations and limits.

Company Secretary

Appointment and removal of the Company Secretary is subject to Board approval.

The Company Secretary is accountable to the Board, through the Executive Chairman, on all matters to do with the proper functioning of the Board. Each director has a right of access to the Company Secretary at all times.

5. Matters Reserved for the Board

In appointing the Board, shareholders vest the management and control of the business and the affairs of the Company in the Board. The Board has reserved the following matters for its decision, and save for those matters, has delegated its authority for all other matters to the Executive Chairman. The matters reserved for the Board for its decision are:

- delegation of powers and authorities;
- nomination, appointment, termination of, and changes to the terms of employment or appointment of Directors
- membership and role of Board committees;

- Board performance;
- director remuneration;
- appointment, remuneration and removal of the Company Secretary;
- Executive Chairman delegations and limits;
- approval of all decisions or expenditure outside of the Executive Chairman limits;
- approval of corporate strategy and annual budgets/business plan;
- balance sheet strategy, including acquiring, selling or otherwise disposal of material company assets and obtaining loans;
- capital management, including issues, calls on, forfeiture of shares, declaration of dividends and share buybacks;
- acquiring or selling patent rights, rights in registered trademarks, licenses or other intellectual property rights of the Company;
- significant mergers, acquisitions, restructures and divestments or initiating major changes to the company's business operations;
- approving or altering the annual business plan and approval of company policies;
- Director and executive succession planning;
- appointments to subsidiary company Boards;
- evaluation of the Executive Chairman;
- remuneration of Executive Chairman and direct reports; and
- all donations made by the Company.

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

6. Delegations to the Executive Chairman

Limits

Except for the matters reserved for the Board set out above, the Board delegates to the Executive Chairman overall authority to achieve the Company's corporate objectives and is accountable to the Board for the overall performance of the Company. In turn, the Executive Chairman may make delegations to other members of the executive. However, the Executive Chairman's decisions will be subject to following limits.

The Executive Chairman shall not:

- engage in, cause or permit any activity or behaviour that is in violation of commonly accepted standards of business practice and ethics;
- allow the culture of the Company to develop or subsist in a way that condones dishonest conduct, or lack of integrity, respect or dignity in relationships amongst those involved in or affected by the Company's activities;
- allow Company resources to be allocated without assessing the impact of the change in the portfolio of Company assets on the achievement of the corporate objectives;
- allow capital and operating expenditure, or financing decisions, to be made without addressing the impact on the financial condition of the Company and on the achievement of the corporate objectives;

- allow any capital or operating expenditure above the limits set out in the expenditure limits to be made by the Company;
- allow decisions or actions to be taken without assessing their health, safety and environmental consequences and the impact on the achievement of the corporate objectives;
- allow decisions or actions to be taken without assessing the effect on the reputation of the Company and the impact on the achievement of the corporate objectives;
- permit the Company to operate unless there is in place a system of control for identifying and managing the risks that are material to the achievement of the corporate objectives, strategy and plans. This may include internal financial controls and internal audits to protect the Company's assets and the application of the Company's resources; and
- cause or permit the Company to operate without appropriate policies, information systems, and procedures to ensure that all shareholders receive (through the appropriate channels) timely and accurate information concerning progress towards the corporate objectives, and the current activities and results of the Company.

7. Board Performance

The Board will conduct a performance evaluation of the Board as a whole, its committees and its individual Directors on an annual basis.

The performance of the Board shall be reviewed against appropriate measures. All evaluations will have regard to the collective nature of Board work, the operation of the governance processes established in this document and the attainment of any goals set by the Board.

The Board may engage external parties to assist with this assessment.

The Board considers the outcome of the review in a dedicated meeting. The Board does not endorse the re-appointment of a Director who is not satisfactorily performing the role.

8. Director Support & Review

Access to Professional Advice

Directors may, subject to approval by the Executive Chairman, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. In the case of a request made by the Executive Chairman, approval is required by the Chair of the Audit and Risk Committee. A copy of any advice so received will be made available to all Directors.

Director Induction

Each new Director is required to undertake the company's Director Induction Program. This will include detailed information on the company including its strategic direction, the industry in which it operates and details of all relevant legal requirements.

Professional Development

The company is committed to the continued professional development of its Directors and senior executives. Every Director is expected to participate in any professional development or training arranged for them.

Other Guidance

The Board may implement other guidance to support this Charter.

9. Ethical Standards and Legal Duties

Code of Conduct

Each director shall abide by the terms of the Company's Code of Conduct, and is expected to demonstrate leadership and uphold the ethical standards and corporate behaviour described in the Code of Conduct.

Duties

The Board will operate in a manner reflecting the values of the Company and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations.

Conflicts of interest

Each director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. All directors are required to comply with the Director Conflicts of Interest Policy.

Dealing in shares

Directors must ensure any dealings in shares are in strict compliance with the Company's Securities Trading Policy and otherwise in accordance with the values of honesty and integrity.

10. Confidentiality

All proceedings of the Board, including papers submitted and presentations made to the Board, shall be kept confidential and shall not be disclosed or released to any person other than Board members, except as required by law or as agreed by the Board.

11. Review of Charter

The Board will from time to time review this charter to ensure that it meets best practice standards, complies with regulatory guidelines and meets the needs of the Company and the Board.

Effective Date: 29 October 2020

Appendix A: Board Skills Matrix

When appointing and reviewing a director, the Board will have regard to the following skills;

Executive leadership and management

Sustainable success in business at a senior executive level in a successful career. Experience in evaluating performance of senior management and overseeing resourcing and change management.

Strategy

Track record of developing and implementing a successful strategy, including appropriate probing and challenging management on the delivery of agreed strategic planning objectives. In-depth understanding of the business strategy, markets, competitors, operational issues, technology and regulatory concerns.

M&A

Experience working with strategic identification of M&A opportunities and long-term investment horizons, including successful implementation.

Governance

Commitment to the highest standards of governance, including experience with a medium to large organisation that is subject to rigorous governance standards, and an ability to assess the effectiveness of senior management.

Risk & Compliance

Identification of key risks to the organisation related to each key area of operations and the ability to monitor risk and compliance and knowledge of legal and regulatory requirements.

Financial literacy

Senior executive or equivalent experience in financial markets, financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial and risk controls.

Innovation & technology

Senior executive or equivalent experience in systemic innovation and emerging technology solutions, business process engineering or improvement initiatives, including an ability to probe the adequacies of key strategic IT projects and infrastructure.

Industry experience

Senior executive experience in the mortgage and finance industry.

Strategic Marketing

Senior executive experience in sales and marketing.

Policy, Regulation and Stakeholder Management

Identification and management of diverse stakeholder groups including shareholders, clients, employees, financial markets, governments, regulators, partners and suppliers.

People & Culture

Experience in understanding and addressing key people issues and instilling an appropriate culture.
