



MOUNTAIN BIKE AUSTRALIA

**Mountain Bike Australia Limited
(MTBA Limited)
ACN 616 027 153**

**Code of Conduct
(Directors)**

Distribution

MTBA Board

MTBA Chief Executive Officer

All MTBA Members (available via MTBA website)

Adopted by the Board 21 January 2017

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1. Purpose

The purpose of the Code of Conduct is to describe the type of behaviour that MTBA Ltd requires from its Board of Directors while involved in any activity relating to MTBA Ltd.

MTBA Ltd aims to deliver long-term shareholder (“member”) value and benefits, taking proper account of employees, members and others with whom we do business as well as the communities and environments in which MTBA Ltd operates.

In striving to achieve this, we should never compromise our ethics or principles. This Code of Conduct sets ethical standards for the Directors of MTBA Ltd.

Directors will pursue the highest standards of ethical conduct in carrying out their duties and responsibilities. MTBA Ltd has an Employee Code of Conduct that further supports these standards.

2. When does the code apply?

The Code applies to Directors whenever they are acting in their capacity as an MTBA Ltd Director.

How should breaches be reported?

Any breaches of this Code should be reported to the Chair of the Board, Chair of the Audit and Risk Management Committee or Company Secretary.

3. General principles

- A Director must act honestly, in good faith and in the best interests of the Company as a whole.
- A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A Director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- A Director must recognise that the primary responsibility is to the Company's members as a whole but should, where appropriate, have regard for the interests of all members of the Company.
- A Director must not make improper use of information acquired as a Director.
- A Director must not take improper advantage of the position of Director.
- A Director must not allow personal interests, or the interests of any associated person or company, to conflict with the interests of the Company.
- A Director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- Confidential information received by a Director in the course of the exercise of Directorial duties remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- A Director should not engage in conduct likely to bring discredit upon the Company.
- A Director has an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this code.
- A person shall not be eligible for election or appointment as a member of the Board of Directors or any sub committee, who has been found guilty of, or confessed to taking, supplying or promoting the use of performance enhancing drugs or has failed to observe and comply with

the Anti Doping Rules set out in the recognised Union Cycliste Internationale's National Federation for Cycling in Australia's Doping Policy and/or the Mountain Bike Australia Ltd Doping Policy.

- The Directors must sign a statutory declaration that they have never used or promoted performance enhancing drugs as defined by WADA.

4. Guidelines for the interpretation of the principles

The following guidelines are intended to assist Directors in complying with the core principles of the Code. They are not meant to be exhaustive and may be added to over time to address issues of importance as they arise.

5. Duties to the company

Each Director should endeavour to ensure that the functions of the Board have been specified clearly, are properly understood and are competently discharged in the interests of the Company.

A Director should endeavour to ensure that the management of the Company is competent and is devoting its best endeavours in the interests of the Company.

In evaluating the interests of the Company, a Director should take into account the interests of the shareholders as a whole, but where appropriate and/or required by law should take into account the interests of creditors and other stakeholders.

6. Duties to members

Each Director should endeavour to ensure that the Company is financially viable, properly managed and constantly improved so as to protect and enhance the interests of the members.

A Director should seek to ensure that all members or categories of members are treated fairly according to their rights as between each other.

A Director should consider whether any benefit to be received by the Director or an associated person is of sufficient magnitude that the approval of shareholders should be sought, even though not required by law.

7. Duties to creditors

Whilst the obligations of a Director are primarily owed to the company (that is the members as a whole), there are situations in which it is necessary to evaluate the interests of parties such as creditors. In cases of doubt, a Director should, with some urgency, seek professional advice.

8. Duties to other stakeholders

The company and its Directors must comply with the legal framework governing the Company's operations and must be conscious of the impact of the Company's business on society. Without limiting in any way the nature of the issues with which the Director must be concerned in the running of the company's business, particular attention should be paid to the environment, questions of occupational health and safety, industrial relations, equal opportunities for employees, the impact of competition and consumer protection rules, and other legislative initiatives that may arise from time to time. Although the Director owes a primary duty to members of the Company as a whole, the responsibilities imposed on the Company and the Director under various acts of parliament clearly demand that the Director evaluates actions in a broader social context.

9. Due diligence

Where attendance at a Board meeting is not possible, a Director should take appropriate steps to obtain leave of absence in accordance with the MTBA Ltd Constitution.

A Director must acquire knowledge about the business of the Company, the statutory and regulatory requirements affecting Directors in the discharge of their duties to the Company, and be aware of the physical, political and social environment in which it operates.

In order to be fully effective, a Director must insist upon access to all relevant information in sufficient time to be considered by the Board. This information should be made available in sufficient time to allow proper consideration of all relevant issues. In the extreme circumstances where information is not provided the Director should make an appropriate protest about the failure on the part of the Company to provide the information and if necessary abstain from voting on the particular matter on the basis that there has not been the time necessary and/or the information provided to consider the matter properly. Any abstention and the reasons for it should be included in the minutes. It may also be appropriate to vote against the motion or move for deferment until proper information is available.

A Director should endeavour to ensure that systems are established within the Company to provide the Board, on a regular and timely basis, with necessary data to enable it to make a reasoned judgment and so discharge its duties of care and diligence. An internal audit of systems supporting the Board should be conducted regularly.

A Director should endeavour to ensure that relations between the Board and the auditors are open, unimpeded and constructive. Similarly, the auditors should have direct and unimpeded access to the Director. A Director should be satisfied that the scope of the audit is adequate and that it is carried out thoroughly and with the full cooperation of management and the internal auditors.

A Director should endeavour to ensure that any company on whose board(s) they sit complies with the law and strives for the highest standards of business and ethical conduct.

A Director shall endeavour to ensure that the Company complies with the rules of the Australian Securities and Investment Commission (ASIC) and in particular those rules relating to any benefits that may be received by a Director or an associated person from the Company.

A Director from time to time may need expert advice (whether it be legal, financial or some other professional advice and whether it relates to fiduciary or other duties) in order to discharge duties properly. The Director should ensure, to the extent possible, that any advice obtained is independent of the Company. In that regard wherever necessary the services of advisers external to those advising the Company may need to be sought. In any case of doubt the Directors on matters that may impact on their position vis-à-vis the Company should always seek separate independent advice. The costs of obtaining independent advice will, where pre-authorised by the Chairman be at the Company's expense, otherwise the costs must be borne by the Director.

10. Conflicts of interest

A Director must not take improper advantage of the position as Director to gain, directly or indirectly, a personal advantage or an advantage for any associated person. The management of conflicts of interest is in accordance with the requirements of the Act and the Constitution.

11. Communication and use of information

A Director must not make improper use of information acquired by virtue of the position as a Director. This prohibition applies irrespective of whether the Director would gain, directly or indirectly, a personal advantage or an advantage for any associated person or might cause detriment to the Company.

- Channel all communication between Board and staff on business matters through the Chairperson and the CEO.
- Not disclose official information or documents acquired through membership of the Board, other than as required by law or where agreed by decision of the Board

A Director must not engage in conduct, or make any public statement, likely to prejudice the company's business or likely to harm, defame or otherwise bring discredit upon or denigrate the company or any of the Directors or employees of the company.

- Support, adhere to and not contradict the formal decisions of the Board made in its meetings.
- Respect the confidentiality and privacy of all information as it pertains to individuals.

A Director who takes the serious step of resignation on a point of principle should consider whether the reasons for resignation should be disclosed to members. In deciding whether or not to make public the reasons for resigning and composing any resignation statement, a Director should have regard to the following:

- The duty to not disclose confidential information so as to damage the Company
- The duty to act bona fide in the interests of the Company

A Director must respect the Company's obligation to provide absolute confidentiality regarding customer's affairs.

12. Professional integrity

As a Director one must be prepared, if necessary, to express disagreement with colleagues. However, in the absence of a need to express disagreement, one should be prepared to implement the decisions of the board and the instructions of the Board as a loyal member of the Board.

If there is any doubt about whether a proposed course of action is inconsistent with a Director's fiduciary duties then the course of action should not be supported. Independent advice should be sought as soon as possible to clarify the issue.

When a Director feels so strongly as to be unable to acquiesce in a decision of the Board, some or all of the following steps should be considered:

- Making the extent of the dissent and its possible consequences clear to the Board as a means of seeking to influence the decisions.
- Asking for additional legal, accounting or other professional advice.
- Asking that the decision be postponed to the next meeting to allow time for further consideration and informal discussion.

- Tabling a statement of dissent and asking that it be minuted.
- Writing to the Chairman, or all members of the Board, and asking that the letter be filed with the minutes.
- If necessary, resign, and advise the appropriate regulator.

All Directors are required, as a condition of nominating for a position on the Board of Directors, to declare that they will abide by this code of conduct. Their nomination will be deemed invalid if their nomination does not declare that they will abide by this code of conduct.

MTBA Ltd Management and Company Secretary hold copies of all current Directors Code of Conduct declarations. Declarations are retained by MTBA for a period of 8 years from when the person ceases to be an MTBA Committee or Sub-Committee member.

A Director must not be discourteous towards fellow Directors or staff or make personal attacks on a fellow Director or a member of staff, whether in Board of Directors, Sub-Committee or other internal MTBA meetings or in discussion with others or in public statements.

A Director must not engage in conduct, including by way of threats of court action against another Director or other Directors personally, which is calculated or intended to intimidate those other Directors from supporting or seeking to further a policy, proposal or other matter which those other Directors may support or are supporting in discharge of their duty to act in what they honestly believe to be the best interests of the company as a whole.

The Board of Directors operates in an environment that is free from harassment. Harassment is defined as any action directed at an individual or group that creates a hostile, intimidating or offensive environment. (Refer to Australian Sports Commission's Guidelines for Harassment-Free Sport).

The Board of Directors operates in a non-discriminatory environment. Respect the right, dignity and worth of every human being - within the context of the activity, treat everyone equally regardless of gender, ethnic origin or religion.

The members of the Board of Directors do not perform actions that bring the sport of mountain biking into disrepute.

END

Director’s Declaration:

I understand that the code of conduct sets out the standards expected of me as a member of the Board of Directors.

I agree that my declaration is a public document and will be maintained by MTBA Limited during my tenure as a Director and for 8 years following my ceasing to be a Director.

I acknowledge that I have read, understood and agree to abide by the MTBA Limited Code of Conduct.

I declare that I have not at any time used, attempted to use or administered to another person any Prohibited Substance or a Prohibited Method (within the definition of these terms in the World Anti-Doping Code 2009), and that I have not otherwise engaged in any conduct which would constitute a breach of the World Anti-Doping Code (as in force at all relevant times).

I agree that if during my term on the MTBA Board of Directors I am found guilty of, or confess to the use, attempted use, or administration to another person of any Prohibited Substance or a Prohibited Method (within the definition of these terms in the World Anti-Doping Code 2009 and which shall include mechanical doping), or engaging in any conduct which would constitute a breach of the World Anti-Doping Code (as in force at all relevant times) or I fail to observe and comply with the Anti Doping Rules set out in the recognised Union Cycliste Internationale’s National Federation for Cycling in Australia’s Doping Policy and/or the Mountain Bike Australia Limited Doping Policy, I will be immediately dismissed from the MTBA Board of Directors.

If the Board of Directors, acting reasonably and in good faith and achieving a decision by a two-thirds majority of all Directors, finds me to have breached this code of conduct policy I hereby agree that my position on the Board of Directors is no longer tenable and that I will submit my written resignation immediately.

Signed: _____

Name: _____

Witness: _____

Witness Name: _____

Date: _____