



Corporate Governance Statement

Bicycle Victoria Incorporated (Bicycle Network) is not required but elects to report on the eight core principles of the ASX Corporate Governance Council's (ASXCGC) guidelines (2nd edition with amendments issued 30 June 2010).

Principle 1: Lay solid foundations for management and oversight

The Bicycle Network Constitution states that the Board is responsible for the governance and management of the association (clause 35.1); that it delegates management of the association to the Chief Executive Officer (CEO) (clause 35.2); and that it provides financial management of the association (clause 55.3).

Formally declared regulations including a *Board Charter*, *Board - CEO Interrelationship Policy* and a *Delegation of Authority* specify the respective roles and responsibilities of Board and Management.

The Board monitors the CEO's performance through an annual performance review based on strategy, financial performance and operations. Staff performance reviews are conducted against job descriptions and key performance indicators and are the responsibility of the Leadership Team.

In summary, the Board on behalf of all stakeholders of Bicycle Network, especially its Members, is responsible for the stewardship and future wellbeing of Bicycle Network, and delegates to the CEO responsibility for implementation of its strategic direction.

Principle 2: Structure the Board to add value

Board Members are non-executive and are elected for three year terms. Each Board Member is a Member of Bicycle Network and is therefore bound by the Constitution. Board Members sign a comprehensive declaration concerning their conduct, including a provision for conflict of interest.

The President is the Board's Chair and is considered to be independent (see the ASXCGC's definition of an independent director). The President is responsible for leading the Board in the discharge of its duties. The Board has established the Audit and Risk Committee which operates under terms of reference and is chaired by a Board Member who is not the same person as the Chair of the Board. The Board establishes working groups to consider specific matters when required. Committees and working groups are entitled to obtain legal or other independent professional advice as appropriate

Incoming Board Members attend Board Induction Training as well as Leadership Victoria training for not-for-profit board members. The Board periodically reviews governance and its performance.



Principle 3: Promote ethical and responsible decision making

The Board is committed to complying with all federal, state and local government laws and regulations, as well as common law obligations. The *Board Code of Ethics* is detailed within the *Board Charter* and *Board - CEO Interrelationship Policies*.

The Board may confer without management present.

The association is a non-listed, not-for-profit entity under the Associations Incorporation Reform Act 2012 (Victoria) and as such, there is no trading in company securities.

Principle 4: Safeguard integrity in financial reporting

The Audit and Risk Committee assists the Board in the discharge of its responsibilities by overseeing all aspects of financial and non-financial reporting, control and audit functions and organisational risk. The William Buck Audit Group are the external auditors of Bicycle Network. The performance of the external auditor is reviewed annually by the Audit and Risk Committee.

Principle 5: Make timely and balanced disclosure

The association is not a listed company and is not subject to ASX listing rule disclosure requirements. Bicycle Network, reports to its Members in the form required by the Associations Incorporation Reform Act 2012 (Victoria) and discloses significant information on a continuous basis as detailed in Principle 6 below.

Principle 6: Respect the rights of shareholders

Bicycle Network has Members not shareholders. Bicycle Network communicates with Members and others in a regular and timely manner so that Members have sufficient information to make informed decisions on the association's operations and results. Communication channels include the website www.bicyclenetwork.com.au, the bi-monthly magazine *Ride On*, and the fortnightly e-newsletter *In the Loop*. The full financial report is available to all Members prior to the Annual General Meeting.

The Board encourages full participation of Members at the Annual General Meeting to ensure a high level of accountability and understanding of Bicycle Network's strategy and goals. The Auditor attends the Annual General Meeting and is available to answer questions about the conduct of the audit and the preparation of the content of the auditors' report.

Principle 7: Recognise and manage risk

The Board is responsible for the oversight of Bicycle Network's risk management and control framework. Bicycle Network's business-risk profile includes operational, reputation, regulatory, contractual, financial,



BICYCLE NETWORK

informational and strategic risk. Through the Audit and Risk Committee, the Board receives and reviews quarterly reports describing risk and compliance.

Bicycle Network has a risk identification and management policy framework incorporating the maintenance of comprehensive policies, procedures, guidelines and regular risk reports. Responsibility for control and risk management is delegated, the CEO having ultimate responsibility to the Board for the risk management and control framework. The CEO reports in writing to both the Board and the external auditors that financial reporting is founded on a sound system of risk management, internal compliance and control.

The Bicycle Network constitution provides an indemnity for Board Members for conduct in good faith while acting in the capacity of Board Members. Bicycle Network insures Board Members against liabilities for costs and expenses incurred by them in defending any legal proceedings arising from their duties, other than those arising from conduct involving a wilful breach of duty.

Principle 8: Remunerate fairly and responsibly

Board Members do not receive remuneration nor is there a retirement scheme. Executives are paid market rates benchmarked against similar organisations. Implementation of policies concerning the remuneration of staff other than the CEO are the responsibility of the Chief Executive Officer and Leadership Team.