

## **1 Definitions**

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In this document:

<b>Board</b>	means the board of Datetix.
<b>Chair</b>	means the Director of Datetix appointed as the chair of the Board from time to time.
<b>Managing Director/CEO</b>	means the managing director (or if there is no managing director, the CEO) or equivalent officer (by whatever title known) of Datetix.
<b>CFO</b>	means the chief financial officer or equivalent officer (by whatever title known) of Datetix.
<b>Code of Conduct</b>	means the code of conduct of Datetix.
<b>Committee</b>	means a committee of the Board.
<b>Company Secretary</b>	means the person appointed company secretary of Datetix.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of Datetix.
<b>Datetix</b>	means Datetix Ltd ACN 009 027 178.
<b>Group</b>	means Datetix and its controlled entities.
<b>Senior Executives</b>	means the senior management team (excluding Board members), being those who have the opportunity to materially influence the integrity, strategy and operation of Datetix, and its financial performance.

## **2 Standing rules**

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The standing rules for Committees (as set out below) apply to the Audit and Risk Management Committee.

### **2.1 Application**

These rules apply to, and are deemed incorporated into the charter of each Committee, except to the extent of any conflict with any of its terms.

### **2.2 Composition**

- (a) Due to the size and nature of activities each Committee will be undertaken by the full Board.
- (b) The Board will appoint one member of any Committee to act as its Chair.

### **2.3 Proceedings**

- (a) Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.
- (b) The quorum for a Committee meeting is any two members.

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- (c) A Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- (d) The procedural provisions of this paragraph 2.3 apply in relation to any sub-committee of a Committee.

### **2.4 Company Secretary**

The Company Secretary has responsibility for coordinating the completion and despatch of Committee agenda and briefing materials, as well as draft minutes of meetings of each Committee for approval at the next meeting.

### **2.5 Performance review and evaluation**

- (a) The same procedures apply as for the Board (see Corporate Governance Statement) subject only to the role of the Chair being taken by the Chair of the Committee and any other necessary changes.
- (b) Review and evaluation are conducted against the Board Charter and any criteria the Chair decides.

## **3 Purpose of Audit and Risk Management Committee**

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- 3.1 The Audit and Risk Management Committee's role is to:
  - (a) establish and maintain of a framework of internal controls for the Group's management; and
  - (b) assist with policy on the quality and reliability of financial information prepared for use by the Board.
- 3.2 The Audit and Risk Management Committee will review Datetix's risk management framework and policies and monitor their implementation.

## **4 Scope of responsibility**

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- 4.1 The Audit and Risk Management Committee is responsible for:
  - (a) establishing an appropriate internal control framework, including information systems, and its operation and considering enhancements;
  - (b) assessing corporate risk and compliance with internal controls;
  - (c) overseeing business continuity planning and risk mitigation arrangements;
  - (d) assessing the objectivity and performance of the internal audit function and considering enhancements;
  - (e) reviewing reports on any material misappropriation, frauds and thefts from the Group;
  - (f) reviewing reports on the adequacy of insurance coverage;
  - (g) monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Company Secretary in relation to those requirements;
  - (h) reviewing material transactions which are not a normal part of the Group's business;
  - (i) reviewing the nomination, performance and independence of the external auditors, including recommendations for the appointment or removal of any external auditor;

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- (j) liaising with the external auditors and monitoring the conduct of the annual audit;
- (k) reviewing management processes supporting external reporting;
- (l) reviewing financial statements and other financial information distributed externally;
- (m) preparing the corporate governance statement for inclusion in the annual report or any other public document;
- (n) reviewing external audit reports and monitoring, where major deficiencies or breakdowns in controls or procedures have been identified, remedial action taken by management; and
- (o) reviewing and monitoring compliance with the Code of Conduct.

### **5 Powers**

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- 5.1 The Audit and Risk Management Committee has unrestricted access to management and to internal audit personnel as well as to the external auditors to carry out its function.

### **6 Selection of auditors**

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- 6.1 External auditors are selected according to criteria set by the Audit and Risk Management Committee which include:
- (a) the lack of any current or past relationship with Datetix or with any Senior Executive that could impair, or risk impairing, the independent external view they are required to take in relation to Datetix and the Group;
  - (b) their general reputation for independence, probity and professional standing within the business community; and
  - (c) their knowledge of the industry in which Datetix and the Group operate.
- 6.2 Employees of the external audit partner (including the partner or other principal with overall responsibility for the engagement), should be rotated periodically (at least every five years) to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to Datetix and the Group.

### **7 Audit planning**

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- 7.1 The Audit and Risk Management Committee reviews the performance of the external auditors throughout the year.
- 7.2 During each year, the Audit and Risk Management Committee should meet with the external auditor to:
- (a) discuss the external audit plan;
  - (b) discuss any potential significant problems;
  - (c) discuss the impact of proposed changes in accounting policies on the financial statements;
  - (d) review the nature and impact of any changes in accounting policies adopted by the Group during the year; and
  - (e) review the proposed audit fees.

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- 7.3 Before the announcement of Datetix's results, the Audit and Risk Management Committee should meet with the external auditor to:
- (a) review the pro-forma half-yearly and pro-forma preliminary final report before lodgement of those documents with the, and any significant adjustments required as a result of the audit;
  - (b) review the results and findings of the audit, the adequacy of accounting, financial and operating controls, and monitor the implementation of any recommendations made; and
  - (c) review the draft financial report and the audit report.

### **8 Proceedings**

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- 8.1 Meetings are held at least three times during each year and more often as required.
- 8.2 The external auditor, the Managing Director/CEO and the CFO should be invited to attend meetings, or specific parts of meetings, at the discretion of the Audit and Risk Management Committee.

### **9 Miscellaneous**

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#### **9.1 Review of document**

- (a) External reviews of this document may be undertaken at the request of the Board.
- (b) A copy of this document (or a summary of it) may be made available on Datetix's website and to ASX to the extent necessary.

#### **9.2 Endorsement**

- (a) Datetix is committed to this document.
- (b) This document was adopted by the Board on 10 October 2014.