



BOARD CHARTER

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1 OVERVIEW

Datetix Group Ltd, ACN 009 027 178, (**Company**) is a public company listed on Australian Securities Exchange (**ASX**).

The board of directors (**Board**) is responsible for the corporate governance of the Company and its controlled entities and to ensure the creation and protection of shareholder value.

The purpose of this charter is to:

- (i) promote high standards of corporate governance;
- (ii) clarify the role and responsibilities of the Board; and
- (iii) enable the Board to provide strategic guidance for the Company and effective oversight of the management of the company.

To the extent that there is inconsistency between this charter and the Company's constitution, the constitution will prevail to the extent of that inconsistency.

2 COMPLIANCE AND GOVERNING MATERIALS

2.1 Constitution

The Company's Constitution is the Company's key governance document. The Board must ensure that it and the Company comply with the provisions of the Constitution at all times.

2.2 Compliance with Laws

As a public company listed on ASX, the Company must comply with the Corporations Act 2001 (Cth) (**Act**), the ASX Listing Rules (**Listing Rules**) as well as all other applicable laws and regulations. Examples of applicable areas of regulation include:

- (i) environmental protection legislation;
- (ii) occupational health & safety legislation;
- (iii) employment related laws; and
- (iv) anti-discrimination legislation.

As a company operating from time to time in jurisdictions outside Australia, the Company must ensure that it is aware of, and complies with, all applicable laws and regulations in those jurisdictions.

3 BOARD COMPOSITION

3.1 Number of Directors

In accordance with the Act and the Constitution, the Board must at all times comprise of at least three directors.

3.2 Independence

The Board will aim to comprise a majority of independent non-executive directors.

An 'independent non-executive director' is one who:

- (i) within the last three years, has not been employed in an executive capacity by the Company;

- (ii) within the last three years, has not been a partner, director or senior employee of a provider of material professional services to the Company, or an employee materially associated with the service provided;
- (iii) within the last three years, has not been in a material business relationship (e.g. as a supplier or customer) with the Company, or been an officer of, or otherwise associated with, someone with such a relationship;
- (iv) is not a substantial security holder of the Company, or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (v) has no material contractual relationship with the Company other than as a director;
- (vi) has no close family ties with any person who falls within any of the categories described above;
- (vii) has not served on the Board for such a period that his or her independence may have been compromised; and
- (viii) is free from any interest 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 interest of the Company.

The Board will regularly assess the independence of each non-executive director and each non-executive director must provide to the Board all information relevant to his or her assessment in this regard.

3.3 Appointment and Removal of Directors

- (a) Directors will be appointed and removed in accordance with the Act and the Constitution.

In selecting new directors, the Board must ensure that the candidate has the appropriate range of skills, experience and expertise that will best complement Board effectiveness. Further, checks should be conducted regarding the potential new director's character, experience, education, criminal record and bankruptcy history.

In addition, any candidate must provide details of any other material directorships currently held and confirm that they have the necessary time to devote to their the Company position.

In the case of a candidate standing for election as a director for the first time, the candidate must:

- (i) disclose the details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally; and
- (ii) if the Board considers that the candidate will, if elected, qualify as an independent director, provide a statement to that effect.

3.4 Nomination and Rotation of Directors

Nomination and rotation of directors will be governed by the Act, the Listing Rules and the Constitution.

4 GENERAL RESPONSIBILITIES OF THE BOARD

The Board acts in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company.

The Board is responsible for:

- (i) providing strategic guidance to the Group including contributing to the development of and approving the corporate strategy;
- (ii) reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- (iii) overseeing and monitoring:
- (iv) organisational performance and the achievement of the Group's strategic goals and objectives;
- (v) compliance with Datetix's Corporate Code of Conduct; and
- (vi) progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments;
- (vii) monitoring financial performance including approval of the annual and half year financial reports and liaison with the Group's auditors;
- (viii) appointment, performance assessment and, if necessary, removal of key executives;
- (ix) ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the CFO and the Company Secretary;
- (x) ensuring there are effective management processes in place and approving major corporate initiatives;
- (xi) enhancing and protecting the reputation of the organisation;
- (xii) overseeing the operation of the Group's system for compliance and risk management reporting to Shareholders; and
- (xiii) ensuring appropriate resources are available to senior management.
- (xiv) appointing and when necessary removing the:
 - the chairperson of the Board (**Chair**);
 - the chief executive officer of the Company (**CEO**) and approving or ratifying the appointment of other senior executives (**Senior Executives**); and
 - the company secretary (**Company Secretary**);

5 DIRECTORS' RESPONSIBILITIES

Each director of the Company is bound by all the Company's charters, policies and codes of conduct, including:

- (i) the Code of Conduct;
- (ii) the Remuneration Policy;
- (iii) the Continuous Disclosure Policy;
- (iv) the Diversity Policy; and
- (v) the Securities Trading Policy.

Each director of the Company must also:

- (vi) conduct their duties at the highest level of honesty and integrity;
- (vii) observe the rule and spirit of the laws and regulations with which the Company is bound to comply;
- (viii) exercise care and diligence in carrying out their duties;
- (ix) act in good faith in the best interests of the Company;
- (x) avoid misusing their position, or information obtained as a result of their position, to gain a benefit for themselves, someone else or to cause harm to the Company;
- (xi) maintain the confidentiality of all information acquired in the course of conducting their role; and
- (xii) commit the time necessary to discharge effectively their role as a director.

6 NOMINATION RESPONSIBILITIES

In relation to its nomination function, the Board is required to:

assess the competencies required to discharge competently the Board's duties having regard to the Company's performance, financial position and strategic direction;

develop and disclose to shareholders a Board skills matrix setting out the mix of competencies, experience and diversity that the Board currently has or is looking to achieve in its membership;

establish a process for identifying suitable candidates for appointment to the Board, including the Chief Executive Officer (CEO), having regard to the competencies required and the competencies already represented on the Board;

undertake appropriate checks before a candidate is appointed or put forward to shareholders for election as a director;

ensure that all information necessary to make an informed decision is provided to shareholders in relation to a proposed candidate for election as a director;

develop and implement an induction program for all new directors and committee members which contains all such information and advice that may be considered necessary or desirable, including information regarding:

the Company's operations and the industry sectors in which it operates;

the Company's financial, strategic, operational and risk management position;

governance matters, policies and procedures; and

the director or committee member's rights, duties and responsibilities;

ensure that the Company provides each director and senior executive with a written agreement setting out the terms of his or her employment;

regularly assess the independence of directors and report its findings to the Board;

review the time commitments required from non-executive directors and whether the existing non-executive directors are meeting that requirement;

plan for Board succession generally; and

implement plans regarding the succession of the CEO, executive directors and other senior management of the Company, including in regard to maintaining the required mix of competencies, experience and diversity.

7 CORPORATE GOVERNANCE

The Board is required to:

- (i) review developments in corporate governance best practice and where necessary, take action in relation to any matters that are relevant to the Company, or to the expectations of the Company's shareholders and other stakeholders;
- (ii) review its policies, practices and procedures and that of its committees in light of the corporate governance requirements set down by regulators, including the Australian Securities and Investments Commission (**ASIC**) and the Australian Stock Exchange (**ASX**);
- (iii) review on an annual basis the adequacy of the Company's corporate governance policies, practices and procedures and take action in respect of any necessary or desirable changes; and
- (iv) review on an annual basis the Company's compliance with its corporate governance policies.

The Company's Annual Report will include a Corporate Governance Statement, which will contain all necessary content required by the *ASX Corporate Governance Principles and Recommendations* (as well as explanations of any departures from the *ASX Corporate Governance Principles and Recommendations*).

As part of an effective communications strategy, the Company will establish and keep current a dedicated section of its website where all relevant corporate governance information can be accessed by the public.

8 AUDIT AND RISK MANAGEMENT RESPONSIBILITIES

The Board's responsibilities with respect to financial reporting are:

- (i) to proactively oversee the Company's financial reporting and disclosure processes;
- to assess the appropriateness of accounting policies and principles adopted by Management in relation to financial reporting;
- to review the Company's financial reports and review whether they present a true and fair view of the Company's financial position and performance;
- to assist the Chief Executive Officer or Chief Financial Officer in their duty under section 295A of the *Corporations Act 2001* (Cth) to provide declarations about the Company's financial reports;
- to oversee the appointment and removal of the external auditor and the rotation of the audit engagement partner, as well as monitoring the auditor's independence and performance;
- to review the scope and adequacy of the external audit;
- to review information received from the external auditor and review any matters that may affect the quality of the Company's financial reports; and

to maintain a free and open communication forum between the directors, external auditors and Management.

The Board should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Board's responsibilities with respect to risk management and internal control are:

(ii) to ensure that the Company has implemented a sound risk management framework and appropriate internal control systems;

to review at least annually the effectiveness of the Company's risk management and internal control systems and disclose in relation to each reporting period, whether such a review has taken place;

to monitor compliance with regulatory requirements under the ASX Listing Rules, the *Corporations Act 2001* (Cth) and any other relevant guidelines;

to monitor the Company's exposure to economic, environmental and social sustainability risks, and make recommendations to the Board as to how those risks should be managed; and

to review the suitability of the Company's insurance program, having regard to the Company's business and the insurable risks associated with it.

The Board is also responsible for evaluating and continually improving the effectiveness of its risk management and internal control processes.

9 REMUNERATION RESPONSIBILITIES

(b) The Board is responsible for reviewing and making recommendations in relation to:

(i) the Company's remuneration framework for directors, including the process by which any pool of directors' fees approved by shareholders is allocated to directors;

(ii) the remuneration packages to be awarded to senior executives;

(iii) incentive compensation, including any equity-based remuneration plans;

(iv) superannuation arrangements for directors and senior executives;

(v) whether there is any gender or inappropriate bias in remuneration for directors and senior executives; and

(vi) whether the Company is in compliance with relevant provisions of the ASX Listing Rules and Australian corporations law.

(c) The Board will ensure that the Company satisfies its remuneration related report obligations under the *Corporations Act 2001* (Cth) and remains compliant with any other applicable governance, accounting and legal requirements regarding disclosure of remuneration.

10 BOARD COMMITTEES

The Board may from time to time establish committees to assist it in carrying out its responsibilities and to consider certain issues and functions in detail.

Although the Board may delegate powers and responsibilities to any such committees, the Board retains ultimate accountability for discharging its duties.

The Board will consider and approve charters for the various committees. These charters will identify the areas in which the Board will be assisted by each committee, as well as setting out matters relevant to their composition, responsibilities and administration.

BOARD AND COMMITTEE PERFORMANCE

The Board is required to:

develop and implement a process for periodically evaluating the skills, performance, and effectiveness of the CEO and other senior executives, the Board, its committees (as established from time to time) and its individual members; and

ensure that continuing professional development opportunities are available for directors and committee members to develop and maintain the appropriate skills and knowledge required to perform their roles effectively.

11 THE CHAIR

The Chair will be an independent non-executive director, selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

The role of the Chair and the CEO will be exercised by two separate individuals.

The Chair is responsible for:

- (i) leadership of the Board;
- (ii) overseeing the Board in the effective discharge of its supervisory role;
- (iii) the efficient organisation and conduct of the Board's function and meetings;
- (iv) promoting constructive and respectful relations between directors and between the Board and the Company's managers (**Management**);
- (v) communicating the Board's position to shareholders and the public;
- (vi) facilitating the effective contribution and ongoing development of all directors;
- (vii) briefing all directors in relation to issues arising at meetings;
- (viii) chairing general meetings;
- (ix) monitoring and facilitating reviews of the performance of the Board;
- (x) ensuring the Board regularly meets to consider the Company performance and key issues facing it; and
- (xi) committing the time necessary to discharge effectively his/her role as Chair.

12 CEO AND SENIOR EXECUTIVES

Responsibility for day to day management and administration of the Company is delegated by the Board to the CEO and the Company's other Senior Executives.

The CEO manages the Company in accordance with the strategy, plans and policies approved by the Board.

The responsibilities of the CEO include:

- (xii) developing and recommending to the Board strategies, business plans and annual budgets for the Company;
- (xiii) implementing the strategies, business plans and budgets adopted by the Board;
- (xiv) providing effective leadership, direction and supervision of the Senior Executive team to achieve the strategies, business plans and budgets adopted by the Board;
- (xv) managing resources within budgets approved by the Board;
- (xvi) ensuring compliance with applicable laws and regulations; and
- (xvii) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance.

The Board has in place procedures to assess the performance of the CEO and Senior Executives.

13 COMPANY SECRETARY

The role of the Company Secretary includes:

- (i) advising the Board and its committees (as established from time to time) on governance matters;
- (ii) monitoring that Board and committee policy and procedures are followed;
- (iii) coordinating the timely completion and despatch of board and committee papers;
- (iv) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- (v) helping to organise and facilitate the induction and professional development of directors.

Each director should be able to communicate directly with the Company Secretary and vice versa.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

14 MEETINGS

The Board will meet not less than ten times per annum and as frequently as may otherwise be required to deal with urgent matters.

A meeting of the directors may be called in accordance with the requirements of the Company's constitution.

In advance of each Board meeting, the Company Secretary will prepare an agenda, which is to be approved by the Chair and circulated to the directors.

Directors are expected to diligently prepare for, attend and participate in all Board meetings.

As necessary or desirable, the Board may invite any Senior Executives, Management, auditors, external advisors, or other persons to attend and contribute to meetings.

15 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

16.1 Written Agreement

Upon appointment, each director and Senior Executive will be provided with a written agreement setting out the key terms of his or her employment.

16.2 Induction Program

Upon appointment, each director will undertake the induction program developed by the Board.

16.3 Ongoing Information

The Chair, CEO, Company Secretary and any other Senior Executives must ensure that updated information is provided to the Board in a timely fashion to enable the directors to effectively discharge their duties.

16.4 Requested Information

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making.

In discharging its role, the Board shall have unrestricted access to:

- (i) all books and records of the Company; and
- (ii) all staff, including the Company's managers to seek information and explanations from them; and
- (iii) the Company's auditors, both internal and external, to seek explanations and information from them without Management being present.

16.5 Independent Advice

- (b) Subject to obtaining the Chair's consent, a director of the Company is entitled to seek independent professional advice (including but not limited to legal, financial or accounting advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities.

The Chair must not unreasonably withhold or delay consent.

The Chair may determine that any advice received by an individual director will be circulated to the remainder of the Board.

The right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director and the Company.

All directors are entitled to the benefit of the Company's standard Deed of Access, Indemnity and Insurance, which provides ongoing access to Board papers and, at the Company's expense, directors and officers insurance.

16 DIRECTOR SHARE TRADING

The Company's Securities Trading Policy imposes restrictions on the trading of financial products by directors and others persons in possession of undisclosed price sensitive information. All directors must follow that policy.

17 CONFLICTS

Directors are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest.

Directors must:

- (i) disclose to the Board any actual or potential conflict of interest or duty, or matter that might reasonably be thought to exist as soon as the situation arises;
- (ii) take all necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
- (iii) comply with all applicable law and the Constitution in relation to disclosing material personal interests and restrictions on voting.

If a conflict exists, it is expected that any director to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates.

Directors are expected to inform the Chair of any proposed appointment to the board or executive of another company as soon as practicable.

No director will participate in the determination of their own remuneration.

No director will participate in the review of their own performance.

No director will be present for discussions at a Board meeting on, or vote on a matter regarding, his or her election, re-election, or removal.

18 ANNUAL REVIEW

At the end of each annual reporting period, the Board will:

- (i) conduct a self-evaluation of its performance against this Charter;
- (ii) review this Charter and recommend any changes or improvements if necessary; and
- (iii) disclose in the Company's annual report:
 - (A) the details and results of any performance evaluations that were undertaken by the Board during the period, including:
 - (1) any insights gained from those evaluations; and
 - (2) any resulting governance changes that will be implemented;
 - (B) the length of service of each director;
 - (C) the names of the directors considered by the Board to be independent directors; and
 - (D) if a director has an interest, position, association or relationship of a type which might be perceived as impacting upon their independence, but the Board is of the opinion that it does not compromise the independence of the director:
 - (1) the nature of the interest position association or relationship in question; and
 - (2) an explanation of why the Board is of that opinion.

This Charter may be amended from time to time by resolution of the Board.

19 APPROVED AND ADOPTED

This Charter was approved and adopted by the Board on 18 August 2015