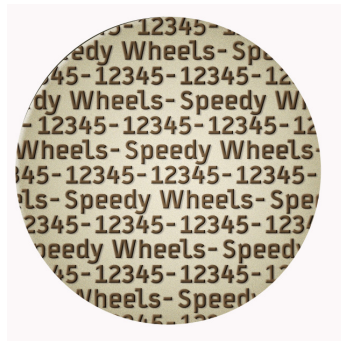




# Board Charter



**DataDot Technology Ltd**

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# DATADOT TECHNOLOGY LIMITED

## BOARD CHARTER

### 1 PURPOSE OF CHARTER

This Board Charter sets out the authority, responsibilities, membership and operation of the Board of Directors of DataDot Technology Limited (“DDT”).

### 2 AUTHORITY

#### 2.1 Authority to Act

The Board derives its authority to act from the *Corporations Act* and the Constitution of DDT.

Note: A copy of the Constitution of DDT is available at the Investor section of the DDT Group website at [www.datadotdna.com](http://www.datadotdna.com).

#### 2.2 Role of the Board

The role of the Board is to provide strategic guidance for DDT and its controlled entities (“the Group”) and effective oversight of management. The major elements of that role are:

- Oversight of the business and affairs of DDT.
- Approving and monitoring major capital expenditure, capital management, acquisitions and divestments.
- Establishing with management the Group’s strategies and financial objectives and reviewing and monitoring the implementation of those objectives and strategies.
- Monitoring the performance of management in accordance with DDT’s business plan and Code of Conduct.
- Appointing, supporting, evaluating and rewarding the Chief Executive Officer and having in place an executive management succession plan.
- Ensuring a diverse and effective Board with appropriate operating standards and procedures.
- Ensuring that the principal business risks have been identified and the implementation and monitoring by management of a framework to manage those risks.

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- Ensuring the integrity of internal controls, financial and management information systems.
- Ensuring the company acts legally and responsibly on all matters.
- Ensuring that appropriate ethical standards are maintained.
- Ensuring proper and timely financial and governance reporting to shareholders on the Board's stewardship.
- Ensuring that the corporate governance of DDT is undertaken with due regard to:
  - all of DDT's stakeholders including its shareholders, financiers, customers, staff and suppliers;
  - regulatory bodies relevant to DDT's activities;
  - its role in the community; and
  - its legal obligations.

### **2.3 Board Committees**

Board Standing Committees are:

- Audit & Risk Management Committee
- Remuneration & Nomination Committee

Each Standing Committee is constituted by its own Charter.

### **2.4 Delegation to Management**

Under the constitution the Board may confer upon a Managing Director any of the powers exercisable by them on such terms and conditions and with such restrictions as they think fit.

The Board delegates to the Chief Executive Officer the authority and power to manage the operations and administration of DDT in accordance with the Strategic Business Plan and supporting budget.

The Chief Executive Officer is authorised to delegate his authority and power to manage the business affairs of DDT to managers, subject to limits prescribed in the company's Authorisation policy and within individual managers' written job descriptions.

### **2.5 Reporting to Board**

The Chief Executive Officer will regularly report to the Board in accordance with the following Board Reporting Guidelines, including reports relating to:

- Strategic direction, vision and values, objectives and forecasts.
- Allocation of resources for achievement of the strategic plan and objectives.

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- Corporate policy and compliance with key policies.
- Monitoring of achievement of the strategic business plan and objectives.
- Operational performance against plans and targets.
- Capital expenditure in excess of budget or delegated authorities.
- Remuneration of senior executives.
- Decisions beyond management delegations.
- Risk profile and the control framework.
- Issues affecting the organizations external environment and corporate reputation.
- Governance issues including significant potential or actual litigation or non-compliance with legislation or company policies.
- Senior management succession planning.
- Acquisitions.
- Investments.
- Equity issues.
- Debt raising.
- New business or product lines.
- Organisational structure.
- Delegation of authorities.
- Committee reports.

### **2.6 Access to Independent Professional Advice**

Each Director may take independent professional advice on matters pertaining to their roles and responsibilities as a director of DDT. DDT will pay the reasonable costs incurred by a director in doing so, provided that the approval of the Chairman is sought before obtaining such advice.

## **3 BOARD COMPOSITION**

The DDT Constitution provides for a minimum of 3 and a maximum of 10 Directors.

The Board should comprise Directors with a broad range of expertise, skills and experience from a diverse range of backgrounds.

#### 4 INDEPENDENCE OF DIRECTORS

- 1) A Director is considered to be independent if he/she is a non-executive Director and:
  - a) is not a substantial shareholder of the company 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 DDT Group or Group member;
  - c) within the last three years has been a principal provider or officer of a professional adviser, consultant or other material service provider to the DDT Group;
  - d) is not a material supplier or customer of DDT or 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 DDT or another Group member other than as a director of DDT;
  - f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of DDT;
  - g) is free from any interest and 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 DDT;
  - h) does not have close family ties with any person who falls within any of the categories above; and
  - i) has not been a director of the entity for such a period that his or her independence may have been compromised.
- 2) These standards reflect appropriate independence requirements under applicable laws, rules and regulations, including the *ASX Corporate Governance Principles and Recommendations*.
- 3) Directors are required to bring forward to the Board all relevant information that may affect their classification as being independent.
- 4) Loss or gain of independence of a director of DDT shall be disclosed to the market immediately.
- 5) "Substantial Shareholder" means a person or entity with a "substantial holding" as defined in Section 9 of the *Corporations Act 2001*.

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- 6) A relationship is identified as being material when it generates 5% or more of revenue over a period of one-year. Non-quantitative factors may also be taken into account in determining levels of materiality.
- 7) Materiality for the purpose of assessing the materiality of relationships between a non-executive director and DDT (other than as a director) will be judged according to the significance of the relationship to the director in the context of their activities as a whole.

## 5 CHAIRMAN

The Chairman will be an independent, non-executive Director.

Should the Chairman be absent from a meeting, the members of the Board present at the meeting have authority to choose one of their number to chair that particular meeting.

The Chairman has a major role as the head of the DDT Board in providing leadership to the Board and leadership in the strategic direction of the company, in particular:

- Leading and facilitating the Board and its deliberations.
- Ensuring the Directors' focus is on enhancing shareholder value.
- Maintaining a professional working relationship with the Chief Executive Officer.
- Acting as spokesman, where appropriate, and communicating and consulting with shareholders and relevant stakeholders on significant issues, as appropriate.
- Ensuring that each director appropriately contributes to the Board's decision-making processes.
- Ensuring availability of the required director skills and experience.
- Ensuring the Board has a performance evaluation process.
- Setting the agenda for Board meetings.
- Maintaining ethical standards based on DDT's Code of Conduct and corporate best practice.

## 6 BOARD RESPONSIBILITIES

Specifically, the responsibilities of the Board are as follows:

### 6.1 Strategy

- 1) Establish a comprehensive understanding of each substantial segment of the Group's business.

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- 2) Approve and monitor the progress of business objectives, ensuring there are adequate resources available to meet objectives.
- 3) Establish, monitor and modify DDT's corporate strategies; review the Group's long-term strategic plans and the major issues that it expects the Group to face in the future.
- 4) Approve major capital expenditure, monitor return on investments, approve and monitor capital management strategies, approve and monitor strategic commitments and approve acquisitions and divestments.
- 5) Monitor finances, and financial performance including approval of the annual and half year financial statements, targets, policies and reports.
- 6) Make decisions concerning DDT's capital structure and dividend policy.
- 7) Consider and, if appropriate, approve major contracts in accordance with Delegated Authorities policy.

### **6.2 Shareholder Interests**

- 1) Ensure that DDT provides continuous disclosure of information in accordance with its policies on continuous disclosure and its legal and statutory obligations.
- 2) Establish and review corporate governance principles and monitor compliance with policies.
- 3) Serve the interests of the shareholders, and other stakeholders including customers and staff.
- 4) Enhance and protect the reputation of DDT.
- 5) Establish and maintain standards of ethical behaviour and a culture of corporate and social responsibility.
- 6) Regularly review the company's compliance with the Continuous Disclosure Compliance Policy.

### **6.3 Executive Appointments and Remuneration**

- 1) Approve key executive appointments, including the Chief Executive Officer and the Chief Financial Officer.
- 2) Approve Executive Service Agreements for all senior appointments.



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- 3) Oversee succession plans for the Chief Executive Officer, and senior executive team.
- 4) Oversee remuneration for the Chief Executive Officer, Directors, and senior executive team.
- 5) Develop induction procedures to allow new senior executives to participate fully and actively in management decision-making at the earliest opportunity.

### **6.4 Performance Review**

- 1) Oversee and review the performance of DDT's business in order to evaluate whether the business is being properly managed.
- 2) Review objectives and plans, and implement any forms of corrective actions or processes where necessary.
- 3) Monitor Board composition, Director selection, Board processes and ensure that the Board is and remains appropriately skilled to meet the changing needs of the company.
- 4) Review the performance of the Chief Executive Officer and senior management.
- 5) Annually review and evaluate the performance of the Board and individual Directors against the Board's key areas of responsibility. This review encompasses the Board's operation as a whole and highlights the areas in which the Board and management can be improved.

### **6.5 Risk Management and Compliance**

- 1) Ensure that appropriate risk management systems, internal control and reporting systems are established and reports on performance are regularly reviewed.
- 2) Implement and monitor codes of conduct and legal compliance policies.

### **6.6 Integrity of External Reporting**

- 1) Oversee and review the processes, controls and procedures that are in place to maintain the integrity of the Group's accounting and financial records and statements.
- 2) Monitor and receive reports relating to internal controls and reports from internal and external auditors.
- 3) Monitor and review reporting to shareholders.

### **6.7 Other**

- 1) Review the adequacy of this Board Charter from time to time.
- 2) Ensure Directors' duties are discharged effectively and efficiently.
- 3) Provide training and development for Board members.

## **7 BOARDS OF SUBSIDIARIES**

The DDT Group comprises a number of companies, both wholly-owned and partly-owned subsidiaries of DDT.

All appointments to the Boards of subsidiaries are to be approved by the Board of DDT.

In relation to wholly-owned subsidiaries, and subject to the laws governing them:

- The policies of DDT will be the policies of the subsidiary.
- The governance standards adopted by DDT will be the governance standards of the subsidiary.
- The authority of subsidiary Boards will be limited in relation to:
  - capital raising and capital movements;
  - significant financial transactions;
  - approval of capital expenditure;
  - major project prioritization;
  - ability to initiate litigation;
  - appointment, remuneration and conditions, and termination of Chief Executive Officer;
  - power to dispose of business and major assets;
  - remuneration of Directors; and
  - any other matter that significantly affects the rights of DDT as sole shareholder.
- Any limitations to the authority of directors of wholly-owned subsidiaries may be absolute, or by referral to the Board of DDT or Chief Executive Officer of DDT in line with Group policy.
- Application of these principles may differ among subsidiaries.

In relation to partly-owned subsidiaries, the same objectives and policies will apply, subject always to:

- the rights of other shareholders; and
- the terms of applicable Shareholder Agreements.

## **8 BOARD MEETINGS**

- 1) Directors are expected to prepare for, attend at and participate in Board meetings.
- 3) Materials on matters to be discussed should be provided in advance of the meeting date, and Board members kept informed of any major developments between Board meetings.
- 4) The agendas for Board meetings are structured in such a way that all significant responsibilities of the Board shall in due time be addressed.
- 5) Directors shall receive from senior management appropriate financial, operational and performance reporting throughout the year.
- 6) Board members shall have access to members of management following consultation with the Chief Executive Officer.
- 7) Proceedings of all meetings are minuted and signed by the Chairman or chairperson of the meeting.
- 8) Minutes of all Board meetings are circulated to directors and approved by the Board at the following Board meeting.

## **9 COMPANY SECRETARY**

- 1) The Company Secretary will be Secretary to the Board.
- 2) All Directors shall have direct access to the Company Secretary.
- 3) The Board may appoint 2 or more persons to occupy the position of Joint Company Secretary.
- 4) The Company Secretary is accountable directly to the Board, through the Chair for:
  - supporting the Chairman and Directors in the proper functioning of the Board;
  - maintaining and updating, in consultation with the Board, the Company's Corporate Governance policies, disclosures and materials;
  - providing or obtaining advice on Governance related matters;
  - preparing the annual Corporate Governance Statement and submitting it to the Board for approval;
  - publishing the Corporate Governance Statement and Appendix 4G; and
  - managing Board and Committee meetings and General Meetings, including timetables, agendas, papers and Minutes.

## **10 CODE OF CONDUCT**

The Group's Code of Conduct applies to Directors. The Code of Conduct requires the observance of strict guidelines with a focus on the promotion of professionalism and ethical behaviour.

Note: A copy of the Code of Conduct is available at the Investor section of the DDT Group website at [www.datadotdna.com](http://www.datadotdna.com).

## **11 OTHER MATTERS**

The appointment and re-election of Directors, indemnification of directors, vacation of office, filling casual vacancies, Alternate Directors and a range of other matters related to the Board are not reproduced here because they are specifically covered in the Constitution of DDT.