

POLICY 1 BOARD CHARTER

1 PREAMBLE

An effective Board is one that facilitates the effective discharge of the duties imposed by law on the Directors and adds value in a way that is appropriate to the Company.

The Board is ultimately responsible for all matters relating to the running of the Company, however the Board's role is to govern the Company, rather than to manage it.

It is the role of the executive management to manage the Company in accordance with the direction and delegation of the Board and it is the responsibility of the Board to oversee the activities of the executive management in the carrying out of the delegated duties.

In carrying out the responsibilities and powers set out in this Charter, the Board of Digital CC Limited (**Company**):

- 1.1 recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the corporation as a whole and all shareholders equally ; and
- 1.2 recognises its duties and responsibilities to its employees, customers and the community.

2 POLICY

2.1 THE SPECIFIC MATTERS RESERVED FOR THE BOARD

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- 2.1.1 oversight of the Company, including its control and accountability systems;
- 2.1.2 appointing, monitoring, managing the performance of, and if necessary terminating (the employment of) the Chief Executive Officer;
- 2.1.3 ratifying the appointment and, if necessary, terminating (the employment) of the Chief Financial Officer and the Company Secretary;
- 2.1.4 input, assessment, appraisal and final approval of management's development of corporate strategy and performance objectives;
- 2.1.5 reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
- 2.1.6 monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available to undertake those strategies;
- 2.1.7 approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- 2.1.8 approving and monitoring financial and other reporting (including audit matters);

POLICY 1 BOARD CHARTER

- 2.1.9 recruitment, remuneration, performance review and succession plans for the Company board;
- 2.1.10 approving significant changes to the organisational structure;
- 2.1.11 approving the issue of any shares, options, equity instruments or other securities in the Company, including a Company Share Purchase Plan (if any);
- 2.1.12 ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making, including maintaining an appropriately documented and disseminated Corporate Code of Conduct;
- 2.1.13 recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- 2.1.14 meeting with the external auditor, at their request, without management

2.2 COMPOSITION OF THE BOARD

- 2.2.1 The majority of the Board will be independent Directors. (An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the Australian Stock Exchange Limited (ASX) Corporate Governance Guidelines as explained in Annexure A).
- 2.2.2 The Board will be structured in such a way that it:
 - (a) Has a proper understanding of, and competence to deal with, the current and emerging issues of the business;
 - (b) exercises independent judgement;
 - (c) encourages enhance performance of the Company;
 - (d) can effectively review and challenge the performance of management;and the composition of the Board will be reviewed regularly to ensure the appropriate mix of skills and expertise is present in reference to the above.
- 2.2.3 Ultimately the Directors are elected by the shareholders, however the Board and its delegates play a crucial role in the selection of candidates for shareholder vote.
- 2.2.4 In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary

POLICY 1 BOARD CHARTER

time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

- 2.2.5 Directors must disclose their interests. The independence of the Directors will be regularly assessed by the Board in light of the interests disclosed by them.
- 2.2.6 All Directors are expected to bring their independent views and judgement to bear on Board decisions. To facilitate this the Board has in place an agreed procedure whereby, in appropriate circumstances, Directors have access to professional advice at the Company's expense.
- 2.2.7 Each Director must immediately declare to the Board any potential or active conflicts of interest.
- 2.2.8 Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- 2.2.9 No member of the Board other than the CEO/Managing Director may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without retiring and being re-elected by the shareholders.
- 2.2.10 Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination Committee (if so formed) to ensure that they continue to contribute effectively to the Board.
- 2.2.11 The Board will as much as is practical comprise of Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

2.3 THE ROLE OF THE CHAIRMAN

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Boards' functioning.

- 2.3.1 The Chairman will be a non-executive Director and should be independent. If the Chairman ceases to be an independent Director then the Board will appoint a lead independent Director.
- 2.3.2 The Chief Executive Officer will not be the Chairman of the Company during his term as Chief Executive Officer and the Chief Executive Officer shall not go on to become Chairman of the Company.
- 2.3.3 The Chairman must be able to commit the time to discharge the role effectively, in this context the number of other positions and time commitments associated with them will be taken into account.
- 2.3.4 The Chairman is responsible for setting the agenda of the Board and of Board meetings, for conduct of Board meetings and conducting shareholder meetings.

POLICY 1 BOARD CHARTER

2.3.5 The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.

2.3.6 In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman, who if practical will be an independent Director, for that meeting.

2.4 BOARD COMMITTEES

2.4.1 To assist the Board in fulfilling its duties, the Board has established an Audit and Risk Committee, and will establish the following committees when it considers appropriate, each with written terms of reference:

2.4.1.1 Remuneration Committee;

2.4.1.2 Nomination Committee; and

2.4.1.3 Special purpose committees as deemed appropriate from time to time for specific purposes.

2.4.2 The charter of the Committees will be approved by the Board and reviewed following any applicable regulatory changes.

2.4.3 The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.

2.4.4 Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.

2.4.5 The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

2.5 BOARD MEETINGS

2.5.1 There must be three Directors present either in person, via telephone or via video conferencing in a meeting to constitute a quorum.

2.5.2 The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.

2.5.3 Non-executive Directors may confer from time to time without management being present, including at scheduled sessions. These sessions should be facilitated by the Chairman or lead independent Director, if any.

2.5.4 At times it may be appropriate for the independent Directors to meet without other Directors present – such discussions can be facilitated by the lead independent Director, if any.

2.5.5 The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors within ten business days after each meeting, unless impractical.

POLICY 1 BOARD CHARTER

- 2.5.6 The Chief Executive Officer with the assistance of the Company Secretary is responsible for the preparation of Board papers for Board meetings.
- 2.5.7 The Company Secretary shall distribute the Board papers for each meeting of the Board at least three business days in advance of the meeting, unless impractical.
- 2.5.8 Minutes of meetings must be approved at the next Board meeting.
- 2.5.9 The place and time of the next scheduled Board meeting must be agreed at the conclusion of each Board meeting.

2.6 COMPANY SECRETARY

- 2.6.1 When requested by the Board, the Company Secretary will facilitate the flow of information between the Board and its Committees and between senior executives of the Company and non-executive Directors.
- 2.6.2 There will be a formal induction of each new Director; the Company Secretary is responsible for facilitating each induction.
- 2.6.3 The Company Secretary is to facilitate the implementation of Board policies and procedures and monitor the adherence by the Board to them.
- 2.6.4 The Company Secretary is entitled to attend any meeting of Directors and is entitled to be heard on any matter dealt with at any of the meetings of Directors.
- 2.6.5 The Company Secretary is to provide advice to the Board on corporate governance matters and law.
- 2.6.6 All Directors have access to the advice and services provided by the Company Secretary.
- 2.6.7 The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.
- 2.6.8 The Company Secretary shall in consultation with the Chairman set and maintain a 12 month rolling timetable for Board Meetings
- 2.6.9 The Company Secretary is accountable to the board on all governance matters, through the Chairman.

POLICY 1 BOARD CHARTER

2.7 ACCESS TO ADVICE

- 2.7.1 All Directors have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests.
- 2.7.2 All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- 2.7.3 The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman, in relation to the discharge of their respective duties as Directors of the Company. A copy of any such advice received is to be made available to all members of the Board.

2.8 THE BOARD'S RELATIONSHIP WITH MANAGEMENT

- 2.8.1 The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer.
- 2.8.2 In addition to formal reporting structures, members of the Board are encouraged to have direct communications with the Executive Management and other employees within the Company to enhance the carrying out of their duties as Directors.

2.9 PERFORMANCE REVIEW

When formed, the Nomination Committee shall conduct an annual performance review of the Board that:

- 2.9.1 compares the performance of the Board with the requirements of its Charter;
- 2.9.2 critically reviews the mix of the Board; and
- 2.9.3 suggests any amendments to the Charter as are deemed necessary or appropriate.

2.10 DISCLOSURE POLICY

The Board shall ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of the Company.