Identitii Limited
ACN 603 107 044
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Board Charter

Public

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1. Purpose

The Board is responsible for overseeing the good governance of the Company. The purpose of this charter is to specify how the Company is governed so as to promote confidence in the Company and to seek to protect the interests of shareholders. This charter sets out the roles and responsibilities of the Board and management, which responsibilities are delegated to committees of the Board or to management, as well as guidance relating to the membership and the operation of the Board.

2. Role and Responsibilities of the Board

2.1. The Board's Role

The role of the Board is to provide leadership, strategic guidance and oversight of management for the Company. The Board derives its authority to act from the Company's constitution.

The Board has reserved to itself the following specific responsibilities.

2.2. Responsibilities

The Board is responsible for:

(a) providing leadership and setting the strategic objectives of the Company;

(b) appointing the Chairman and any deputy Chairman;

(c) appointing, and if necessary replacing, the chief executive officer ("CEO");

(d) approving the appointment, and if necessary the replacement, of other senior executives;

(e) approving the appointment and if necessary the replacement of the company secretary;

(f) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(g) approving the strategic plan, business plan, operating budgets and major capital expenditure;

(h) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;

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(i) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
(j) reviewing the Company's risk management framework and setting the risk appetite within which the Board expects management to operate;
(k) approving the Company's remuneration framework;
(l) managing and reviewing the Company's compliance with its disclosure obligations and the Disclosure Policy, and considering whether any revisions to the Disclosure Policy are required;
(m) reviewing the Company's compliance with the Trading Policy and considering whether any revisions to the Trading Policy are required; and
(n) monitoring the effectiveness of the Company's governance practices

3. Role and Responsibilities of the Chairman and Company Secretary

3.1. Chairman

The Chairman is an independent and non-executive director appointed by the Board. The Chairman should not be the same person as the CEO. The Chairman is responsible for:

(a) chairing Board and shareholder meetings and setting the Board's agenda that allows adequate time for discussion of all agenda items, in particular strategic issues;
(b) briefing the directors on Board matters and leading the Board in reviewing and discussing Board matters;
(c) seeking to facilitate effective contribution by all directors and monitoring Board performance;
(d) seeking to promote constructive and respectful relations between Board members and between the Board and management;
(e) seeking to encourage independent directors to meet separately (eg. annually) to consider, among other things, senior executive performance;
(f) seeking to achieve the objective that membership of the Board is skilled and appropriate for the Company's needs; and
(g) monitoring the role of the company secretary.

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3.2. Company Secretary

The company secretary acts as secretary of the Board, attending meetings of the Board and its committees. The company secretary is accountable directly to the Board, through the Chairman, on matters to do with the proper functioning of the Board. In addition to responsibilities under the Corporations Act, the Company's constitution, and matters specifically delegated, the company secretary acts as chief administrative officer and as a point of contact between the Board and management. The company secretary's responsibilities include:

(a) advising the Board and its committees on governance matters;

(b) monitoring that policies and procedures of the Board and committees are followed;

(c) organising Board and committee meetings, director attendance, draft notices of meetings and resolutions for approval, and coordinating the dispatch of Board and Committee Meeting papers;

(d) capturing the business of Board and committee meetings in the minutes, and circulating minutes from committee meetings to the Board;

(e) helping to organise and facilitate the induction and professional development of directors so that they can develop and maintain the skills and knowledge needed to perform their role as directors effectively; and

(f) advising the Company on compliance with its requirements under the Corporations Act regarding its registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission.

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4. Delegations of Authority

4.1. Delegation to Committees

Under the Company's constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board. Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committees. There are currently 2 standing committees:

- Audit and Risk Committee; and
- Nomination and Remuneration Committee.

The Board may establish other committees from time to time to consider other matters of special importance.

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chairman of each committee will report on committee meetings to the Board at the next full Board meeting.

4.2. Delegation to the CEO and Management

The Board delegates to the CEO the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those reserved to the Board and its committees under their charters or under specific limitation or guidance from the Board through Board resolutions of any Delegation of Authority Policy approved by the Board.

The Board may impose further specific limits on CEO delegations. These delegations of authority will be maintained by the company secretary and will be reviewed by the Board as appropriate from time to time.

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The CEO has authority to delegate to the senior management team who are responsible for:

(a) implementing the strategic objectives of, and operating within the risk appetite set by, the Board and for all other aspects of the day-to-day running of the Company; and

(b) providing the Board with information to enable the Board to perform its responsibilities.

From time to time the Board may review the division of functions between the Board and management so that it continues to be appropriate to the needs of the Company.

5. Membership

5.1. Composition and Size

While corporate governance guidelines suggest that a Board should consist of a majority of non-executive, independent directors, in light of the Company's size and development stage, the Board considers that the current board structure is a cost effective and practical method of directing and managing the Company. The Company will disclose the names of the directors considered by the Board to be independent directors. The Chairman of the Board will be elected annually by the directors and should be an independent non-executive director and must be able to act with honesty and integrity and in the best interests of the Company.

The directors will determine the size of the Board, subject to the Company's constitution and applicable law, including the rules concerning board limits under the Corporations Act. The Company's constitution provides that there can be no less than 3 directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.

5.2. Board Skills Matrix

The Company seeks to have directors with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of and competence to deal with current and emerging issues of the business. It will have a Board skills matrix setting out the skills and diversity that the Board has or is looking for in order to identify any gaps in skills that the Board seeks. The Company's succession plans are designed to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board.

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5.3. Appointment and Re-election of Directors

The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Nomination and Remuneration Committee identifies candidates with appropriate skills, knowledge, experience, independence and expertise. Candidates with the skills, knowledge, experience, independence and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Company's constitution, but must stand for election by shareholders at the next annual general meeting.

Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Executive directors and other senior management will have their roles and responsibilities and the Company's expectations set out in a service contract. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chairman of the Board will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chairman) will conduct the review of the Chairman.

The Company must disclose the length of service of each director.

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5.4. Independence

All directors - whether independent or not - should bring an independent judgement to bear on all Board decisions.

A director is considered an independent director if they are free 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 Company and its security holders.

A director who:

(a) is, or has been, employed in an executive capacity by the Company or any group member and there has not been a period of at least 3 years between ceasing that employment and serving on the Board;

(b) is, or has within the last 3 years been, a partner, director or senior employee of a provider of material professional services to the Company or any group member;

(c) is, or has been within the last 3 years, in a material business relationship (eg. as a supplier or customer) with the Company or any group member, or an officer of, or otherwise associated with, someone with such a relationship;

(d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;

(e) has a material contractual relationship with the Company or another group member other than as a director;

(f) has close family ties with any person who falls within any of the categories described above; or

(g) has been a director of the Company for such a period that his or her independence may have been compromised

will not be independent, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of one (1) or more of these circumstances. In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

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The Nomination and Remuneration Committee will assess the independence of each non-executive director in light of interests disclosed by them at least annually at or around the time that the Nomination and Remuneration Committee considers candidates for election to the Board. Each non-executive director must provide the Board with all relevant information for this. If a non-executive director's interests, positions, associations or relationships change, the assessment should be made as soon as practicable after the Nomination and Remuneration Committee becomes aware of the change.

If the Board determines that a director's independent director status has changed, that determination will be disclosed to the market in a timely manner.

5.5. Conduct

(a) In giving effect to this charter, the Board will at all times act honestly, fairly, diligently and in accordance with the Company's Constitution and the law.
(b) Directors are required to comply with Board policies in relation to disclosing and managing conflicts of interest, dealing in the Company's securities and other rules applicable to Directors as adopted by the Board from time to time.
(c) Non-executive Directors are required to consult with the Chairman before accepting any new commitments which may impact on the time they have available to undertake their responsibilities as a Director of the Company.
(d) Each Director is expected to observe the highest standards of corporate governance and act in a manner consistent with the Company's Code of Conduct.

6. Board Process

6.1. Meetings

All Board meetings will be conducted in accordance with the Company's constitution and the Corporations Act. Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

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Directors are expected to prepare adequately for, attend and participate in Board meetings. Directors should consider the sufficiency of the contents of the board papers that they have been provided for consideration. The Board should assess the information that it receives and the timing of its distribution to allow the Board to have sufficient time to examine the material provided to it for approval.

Non-executive directors will periodically meet without executive directors or management present.

The Board may request or invite management or external consultants to attend Board meetings if necessary or desirable.

The Board may conduct meetings by telephone, video conference or other electronic means.

6.2. Independent Professional Advice

Following consultation with the Chairman, directors may seek independent professional advice at the Company's expense. Generally, this advice will be available to all directors if the Chairman considers the advice relevant for them to discharge their responsibilities as directors.

6.3. Access to Management

The directors have complete and open access to management following consultation with the Chairman and CEO.

7. Board's Performance Evaluation

The Board recognizes the importance of regular reviews of its effectiveness and performance. Periodically the Board will review and evaluate:

(a) its own performance, including against the requirements of this charter;
(b) the performance of its committees;
(c) the performance of individual Directors; and
(d) the performance of its senior executives

against both measurable and qualitative indicators. The Company will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

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8. Review and Publication of Charter

The Board is responsible for reviewing this charter and the division of functions and responsibilities in the Company to determine its appropriateness to the needs of the Company from time to time. The charter may be amended by resolution of the Board.

This charter is available on the Company's website and the key features may be published in the Company's annual Corporate Governance Statement, which is also published on the Company's website.

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