



IT and Innovation Committee Charter

Smartgroup Corporation Limited (ACN 126 266 831) (**Company**)

Last amended on 29 April 2020

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IT and Innovation Committee Charter

1 Purpose and authority

1.1 Purpose

The purpose of this IT and Innovation Committee Charter is to specify the authority delegated to the IT and Innovation Committee (**Committee**) by the board of directors of the Company (**Board**) and to set out the role, responsibilities, membership and operation of the Committee.

1.2 Authority

The Committee is a committee of the Board and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter or granted to it under any separate resolutions of the Board from time to time.

2 Role of the Committee

2.1 Information Technology

The Committee assists and advises the Board by:

- (a) reviewing, assessing and recommending the IT strategy of the Company group, and reviewing its implementation;
- (b) reviewing and recommending major new IT investments;
- (c) improving the efficiency of the Board by taking responsibility for technology tasks delegated to the Committee where such tasks can be discussed in sufficient depth; and
- (d) assisting the Audit and Risk Committee of the Board (**ARC**) by identifying, analysing and advising the ARC on particular risks relating to the Company's technology program.

2.2 Innovation

The Committee:

- (a) reviews emerging technology innovations, advances and trends which could apply in the Company group and which are consistent with the Board's approved risk appetite statements; and
- (b) is a forum for discussion about managing the business in new or innovative ways.

A focus of the Committee will include considering in depth key technology issues.

3 ITIC responsibilities

The Committee is responsible for:

- (a) reviewing and monitoring strategies and plans for developing and acquiring new technology and systems consistent with the Board's approved risk appetite statements;
- (b) reviewing major new IT investments and projects;
- (c) monitoring and reviewing the post-implementation results of all key technology projects;
- (d) reviewing the delivery of technology services to the Company; and
- (e) identifying, analysing and providing advice to the ARC on particular risks associated with the Company's technology program (including risks relating to data storage and security, risks relating to the security of IT systems more generally, and risks of business disruption caused by failure of IT systems), for further consideration by the ARC.

Broadly, the Committee is responsible for all issues of analysis, review, action and implementation related to IT. The ARC is responsible for considering the risks to the Company group that the IT function may present. The Chair of the Committee will consult regularly with the Chair of the ARC so as to ensure that the two committees do not consider the same matters.

4 Delegation

The Committee may delegate any of its powers and responsibilities as the Committee thinks appropriate in respect of the matters listed in clause 3, to senior management.

5 Membership

5.1 Composition and size

The Committee will consist of at least three members, a majority of whom are independent, non-executive directors. The chairperson of the Board will be an ex-officio member of the Committee with the same rights to attend Committee meetings and participate in decision making as other members of the Committee.

Each member must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonably be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the Committee.

Each member is expected to possess adequate IT and industry knowledge to carry out his or her responsibilities as a member of the Committee.

The term of service of Committee members other than the chairperson of the Board will be reviewed by the chairperson of the Committee at least annually, with a view to rotating members periodically, but without losing the continuity of experience and knowledge gained by the members of the Committee.

5.2 Chairperson

The chairperson of the Committee must be an independent non-executive director. The chairperson of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairperson for the meeting.

5.3 Secretary

The company secretary is the secretary of the Committee.

6 Committee meetings and process

6.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions in the Company's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

Committee members may attend meetings in person or by electronic means.

6.2 Frequency and calling of meetings

The Committee will meet as frequently as required to perform its functions. The chairperson must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the chairperson of the Board.

6.3 Quorum

Two directors constitute a quorum for meetings of the Committee.

6.4 Attendance by management and advisers

Subject to applicable law, directors who are not members the Committee may attend the meeting. The Committee chairperson may invite the CEO, chief financial officer, other senior executives, and external advisers to attend meetings of the Committee.

6.5 Conflicts

Any person with a material personal interest in a matter being considered at a meeting must not be present for consideration of that matter.

6.6 Agenda and documents

Unless otherwise agreed by Committee members or considered necessary by the chairperson, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and any related documentation, will be circulated by the secretary to each Committee member (and director) and any other individual invited to attend, in sufficient time before each proposed meeting to fairly enable the Committee member and other attendees, as necessary, to review the relevant documents and otherwise prepare for the proposed meeting. Distribution of the papers 5 working days prior to the meeting would constitute sufficient time (unless otherwise agreed by Committee members or considered necessary by the chairperson).

6.7 Minutes

The secretary will keep minute books to record the proceedings and resolutions of Committee meetings. Minutes of meetings of the Committee will be distributed to members for confirmation and comments as soon as practicable after each meeting.

The chairperson of the Committee, or delegate, will report to the Board to the extent necessary after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

6.8 Access to information and advisers

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities, including engaging counsel, accountants or other experts as it considers appropriate.

The Committee also has the authority to conduct or direct any investigation required to fulfill its responsibilities.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

6.9 Committee decisions

Decisions of the Committee may be made at a duly called and constituted meeting or otherwise as agreed by all Committee members.

7 Committee's performance evaluation

The Committee will review its performance at least annually, or earlier if circumstances dictate, and whenever there are major changes to the management structure of the Company.

The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this charter.

Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or prudential standards.

8 Review and publication of the charter

The Committee will review its charter from time to time to ensure it remains current and consistent with the Committee's authority, objectives and responsibilities and report to the Board any changes it considers should be made. The charter may be amended by resolution of the Board.

This charter will be available on the Company's website and the key features will be published in the corporate governance statement.