

## BOARD CHARTER

### Nightingale Intelligent Systems, Inc (Company)

---

#### 1. Role of the Board

This Board Charter sets out the principles for the operation of the board of directors of the Company (**Board**) and describes the functions of the Board.

The Board is accountable to shareholders for the performance of the Company. The Board must at all times act honestly, conscientiously and fairly in all respects in accordance with the law applicable to the Company and must act in the best interests of the Company's shareholders and other stakeholders.

The reference to "**shareholder**" in this Policy includes holders of shares and other securities of the Company.

The Board's role includes guiding the Company's strategic direction, driving its performance and overseeing the activities of management and the operation of the Company.

This Board Charter and the charters adopted by the Board for the committees established by the Board have been adopted on the basis that good corporate governance adds to the performance of the Company and creates shareholder value and engenders the confidence of the investment market.

---

#### 2. Responsibilities of the Board

The Board is responsible for managing the affairs of the Company, including to:

##### 2.1 Leadership, strategic direction and financial performance

- 2.1.1 provide leadership and develop and approve the Company's corporate strategy, investment and performance objectives;
- 2.1.2 evaluate, approve and monitor the Company's strategic, investment and financial plans and objectives;
- 2.1.3 evaluate, approve and monitor the annual budgets and business plans;
- 2.1.4 determine the Company's dividend policy (if any), dividend re-investment plan (if any) and the amount and timing of all dividends;
- 2.1.5 evaluate, approve and monitor major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company;
- 2.1.6 approve all accounting policies, financial reports and material reporting and external communications by the Company;
- 2.1.7 assess the solvency and performance of the Company;
- 2.1.8 appoint the Chair of the Board and, where appropriate, any deputy chair or senior independent director;



- 2.1.9 approve the Company's statement of values and code of conduct having regard to the desired culture within the Company;
- 2.1.10 regularly review the division of functions between the Board and senior management to ensure that it continues to be appropriate for the needs of the Company; and
- 2.1.11 challenge management and holding it to account, whenever required.

## **2.2 Executive management**

- 2.2.1 appoint, monitor and manage the performance of the Company's executive directors;
- 2.2.2 manage succession planning for the Company's executive directors and any other key management positions as identified from time to time, including reviewing any succession plans recommended by the Remuneration and Nomination Committee;
- 2.2.3 appoint and, where appropriate, remove any Chief Executive Officer;
- 2.2.4 ratify the appointment and, where appropriate, the removal of senior management of the Company and any subsidiaries;
- 2.2.5 with the advice and assistance of the Remuneration and Nomination Committee, review and approve the performance of individual Board members and senior executives as well as any policies concerned with the remuneration of any employee;
- 2.2.6 with the advice and assistance of the Remuneration and Nomination Committee, review and approve the remuneration of individual Board members and senior executives, having regard to their performance;
- 2.2.7 satisfy itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- 2.2.8 ensure appropriate resources are available to senior executives;
- 2.2.9 advise senior management of its obligation to provide to the Board all information required by it to discharge its responsibilities, including any information specifically requested by the Board; and
- 2.2.10 oversee senior management's implementation of the Company's strategic objectives, instilling and reinforcing of the Company's values and performance generally.

## **2.3 Audit and risk management**

- 2.3.1 with the recommendation of the Audit and Risk Management Committee, appoint the external auditor and determine its remuneration and terms of appointment;
- 2.3.2 ensure effective audit, risk management and regulatory compliance programs are in place to protect the Company's assets and shareholder value;
- 2.3.3 evaluate, establish, approve and monitor the risk appetite within which the Board expects management of the Company to operate;
- 2.3.4 approve and monitor the Company's risk and audit framework, including (but not limited to) systems of risk management and internal compliance and control;



- 2.3.5 approve and, with the assistance and advice of the Audit and Risk Management Committee, monitor compliance with the Company's Risk Management Policy;
- 2.3.6 monitor the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements;
- 2.3.7 review and monitor compliance with the Code of Conduct, Whistleblower Policy, Anti-Bribery and Corruption Policy, noting the Board is to be informed of any material incidents or breaches reported to it under those policies; and
- 2.3.8 approve and oversee the integrity of the accounting, financial and other corporate reporting systems and monitor the operation of these systems.

## **2.4 Strategic planning**

- 2.4.1 engage in strategic planning including establish goals for management of the Company and monitor the achievement of those goals;
- 2.4.2 ensure strategic planning is based on the identification of opportunities and the full range of business risks that will determine which of those opportunities are most worth pursuing; and
- 2.4.3 on an ongoing basis, review how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted.

## **2.5 Corporate governance and disclosure**

- 2.5.1 oversee the affairs of the Company, including its control and accountability systems;
- 2.5.2 evaluate the overall effectiveness of the Board, its committees and its corporate governance practices;
- 2.5.3 at least once each year review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amending those policies and procedures or adopting new policies or procedures;
- 2.5.4 review and approve all disclosures related to any departures from the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council;
- 2.5.5 review the Company's annual corporate governance disclosure statements prepared for the purposes of the ASX Listing Rules;
- 2.5.6 review and approve the public disclosure of any Company policy or procedure;
- 2.5.7 supervise the public disclosure of all matters that the law and the ASX Listing Rules require to be publicly disclosed in a manner consistent with the Continuous Disclosure Policy;
- 2.5.8 develop and review an appropriate communications policy to promote effective communication with shareholders and participation at general meetings;
- 2.5.9 approve the appointment of directors to committees established by the Board and oversee the conduct of each committee;
- 2.5.10 approve and monitor delegations of authority; and



- 2.5.11 with the assistance of the Remuneration and Nomination Committee, identify any specific responsibilities of individual Board members, including the Chair.

## **2.6 Performance evaluation**

- 2.6.1 at least once per year, with the advice and assistance of the Remuneration and Nomination Committee, review and evaluate the performance of the Board, each board committee, and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives;
- 2.6.2 following each review and evaluation, consider how to improve performance;
- 2.6.3 agree and set the goals and objectives for the Board and its committees each year, and if necessary, amending the relevant charters, committees, policies or goals and objectives; and
- 2.6.4 with the advice and assistance of the Remuneration and Nomination Committee, review and approve the remuneration of the Company's executive and non-executive directors.

## **2.7 Code of Conduct**

- 2.7.1 adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business; and
- 2.7.2 monitor compliance with the Company's Code of Conduct.

---

## **3. Structure of the Board**

The Board shall comprise at least three directors and it is intended that the Board should, to the extent practicable given the size and composition of the Board from time to time, be comprised of a majority of independent directors. The Company notes that the Board is not comprised of a majority of independent directors as at the date of this Charter in accordance with the ASX Corporate Governance Council's Principles and Recommendations. The Board aims to comprise directors with a broad range of skills, expertise, and experience from a diverse range of backgrounds that is appropriate to the Company and its strategy.

---

## **4. Independent Director**

Where this Charter or the charter of a board committee requires one or more "independent" directors, the following criteria are to be applied.

An "independent" director is a non-executive director who:

- 4.1 is not a substantial shareholder (as defined in the *Corporations Act 2001* (Cth)) of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
- 4.2 within the last three years, has not been employed in an executive capacity by the Company or any of its subsidiaries, or been a director after ceasing to hold any such employment;
- 4.3 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 any of its subsidiaries or to a substantial holder of the Company;



- 4.4 within the last three years has not been in a material business relationship (e.g. a material supplier or customer) with the Company or any of its subsidiaries, or an officer of, or otherwise associated with, someone with such a relationship;
- 4.5 has no material contractual relationship with the Company or any of its subsidiaries other than as a director of the Company;
- 4.6 do not have close family ties with any person who falls within any of the categories described above;
- 4.7 does not receive performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- 4.8 has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's capacity to bring an independent judgement to bear on issues before the Board and the director's ability to act in the best interests of the Company and its shareholders generally; and
- 4.9 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 capacity to bring an independent judgement to bear on issues before the Board and the director's ability to act in the best interests of the Company and its shareholders generally.

Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence and should be disclosed by directors to the Board.

The Board should regularly assess at least annually whether each non-executive director is independent. Each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independent status changes, this should be disclosed and explained to the market in a timely manner.

---

## 5. Directors' Responsibilities

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

- 5.1 Code of Conduct;
- 5.2 Securities Trading Policy;
- 5.3 Continuous Disclosure Policy;
- 5.4 Diversity Policy;
- 5.5 Shareholder Communications Policy;
- 5.6 Risk Management Policy;
- 5.7 Whistleblower Policy;
- 5.8 Anti-Bribery and Corruption Policy;
- 5.9 Audit and Risk Management Committee Charter; and
- 5.10 Remuneration and Nomination Committee Charter.



The directors of the Company must:

- 5.11 conduct their duties at the highest level of honesty and integrity;
- 5.12 observe the rule and the spirit of the laws to which the Company is bound and comply with any relevant ethical and technical standards;
- 5.13 maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board or is required by law or by the ASX Listing Rules;
- 5.14 observe the principles of independence, accuracy and integrity in dealings with the Board, board committees, internal and external auditors, senior management and employees within the Company;
- 5.15 act in accordance with this Board Charter and disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes is material, in that it may or may be perceived to influence his vote or compromise the reputation or performance of the Company; and
- 5.16 set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of director.

---

## 6. Role of the Chair

The Company recognises that it is important that the Chair has a defined role in the organisation and operates in accordance with clear functional lines.

The role of Chair requires a significant time commitment. The Chair's other positions should not be such that they are likely to hinder effective performance in the role.

---

## 7. Specific Duties of the Chair

The Chair will:

- 7.1 chair board meetings;
- 7.2 establish the agenda for Board meetings, in consultation with the directors and the Company Secretary (or another person nominated by the Company to perform the role of company secretary) and ensure that adequate time is available for discussion of all agenda items, including strategic issues; and
- 7.3 chair meetings of shareholders, including the Annual General Meeting of the Company.

Where practicable, the roles of Chair and Chief Executive Officer (if any) will be exercised by two separate individuals and will be an independent Director.

The Chair will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

The Chair is responsible for:



- 7.4 leadership of the Board and for the efficient organisation and conduct of the Board's functions;
- 7.5 promoting a constructive governance culture and applying appropriate governance principles among directors and with management; and
- 7.6 facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between Board and management.

---

## **8. Specific Duties of the Chief Executive Officer**

The Board will delegate to the Chief Executive Officer the authority and power to manage the Company and its business within levels of authority specified by the Board from time to time. The Chief Executive Officer may delegate aspects of his or her authority and power to other senior executives but remains accountable to the Board for the day to day management of the Company. The Chief Executive Officer's role includes:

- 8.1 responsibility for the effective leadership of the management team;
- 8.2 the development of strategic objectives for the business;
- 8.3 the day to day management of the Company;
- 8.4 responsibility for inculcating, continually referencing and reinforcing the Company's values across the organisation which includes:
  - (a) ensuring that all employees of the Company receive appropriate training on the Company's values; and
  - (b) taking appropriate and proportionate disciplinary action against those who breach the Code of Conduct.

---

## **9. Confidential Information and External Communication**

The Board has established the following principles to apply in respect of information of the Company:

- 9.1 generally, the Chair will speak for the Company. Individual Board members are expected not to communicate on behalf of the Board or the Company without prior consultation with the Chair;
- 9.2 any disclosure of information to a shareholder which is not disclosed to the market must be approved under the Continuous Disclosure Policy and must comply with the ASX Listing Rules; and
- 9.3 all directors are required to keep all information provided to them in their capacity as a director confidential, unless it is otherwise required by law or by the ASX Listing Rules.

---

## **10. Conflicts of Interest**

The directors of the Company 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.



If a director considers that they might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company, on the one hand, and the interests of the Company or their duties to the Company, on the other hand, the director must:

- 10.1 fully and frankly inform the Board about the circumstances giving rise to the possible or actual conflict;
- 10.2 if reasonably requested by the Board, within seven days or such further period as may be permitted by the Board, take such steps necessary and reasonable to remove any conflict of interest; and
- 10.3 abstain from voting on any motion relating to the matter and absent themselves from board deliberations relating to the matter as appropriate, including receipt of Board papers bearing on the matter.

If a director believes that they may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair (or, in the case of the Chair, the Chair should immediately consult with the other non-executive directors).

---

## 11. Related Party Transactions

The Board has delegated to the Audit and Risk Management Committee responsibility for reviewing and monitoring related party transactions and investments involving the Company and its directors.

---

## 12. Meetings

The Board will meet regularly on such number of occasions each year as the Board deems appropriate.

A meeting of the Board will usually be convened by the Chair.

All directors are expected to diligently prepare for, attend and participate in all Board meetings. A quorum of directors for a directors meeting under the Company's Constitution is two directors. Meetings of the Board may be held or participated in by conference call or similar means. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Company's Constitution.

The Chair should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of the Company's executive management responsible for a matter included as an agenda item at the relevant meeting.

---

## 13. Agenda

An agenda will be prepared for each Board and Board committee meeting. The agenda will be prepared by the Company Secretary (or another person nominated by the Company to perform the role of company secretary).

The following items will be standing items on the agenda unless otherwise determined by the Chair:

- 13.1 approval of minutes of previous Board meeting;





- 13.2 items requiring Board approval;
- 13.3 consideration of any continuous disclosure matters;
- 13.4 directors' declarations; and
- 13.5 matters arising from minutes of previous Board meeting (Note: directors are expected to review the minutes carefully and raise any concerns, requested amendments or seek clarification in the following Board meeting).

---

## 14. Board Committees

In order to fulfil its duties, the Board has established the following committees:

- 14.1 the Audit and Risk Management Committee, which is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures; and
- 14.2 the Remuneration and Nomination Committee, which is responsible for establishing the policies and practices of the Company regarding the remuneration of directors and other senior executives and reviewing all components of the remuneration framework, advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual directors, ensuring the proper succession plans are in place and advising the Board in respect of the effectiveness of its corporate governance policies and developments in corporate governance.

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

The composition of the membership, including the Chair, of each of these committees will be as determined by the Board from time to time, subject to the following restrictions:

- 14.3 the Audit and Risk Management Committee must comprise, where practicable, at least three non-executive directors the majority of whom will be independent. The Company notes that the Audit and Risk Management Committee is not comprised of a majority of independent directors as at the date of this Charter; and
- 14.4 the Remuneration and Nomination Committee must comprise, where practicable, at least three members the majority of whom will be independent directors. The Company notes that the Remuneration and Nomination Committee is not comprised of a majority of independent directors at the date of this Charter.

The Board will consider and approve the charters of the various committees. These Charters will identify the areas in which the Board will be assisted by each committee. Each committee will report regularly to the Board in accordance with their respective charters.

The Board may establish other committees as and when required.

---

## 15. Company Secretary

The Company will nominate a Company Secretary or an another appropriate person to fulfil the role of Company Secretary of the Company from time to time. This person is directly accountable to the Board through the Chair. This role is to:



- 15.1 advise the Board and its committees on governance matters;
- 15.2 monitoring that Board and committee policy and procedures are followed;
- 15.3 coordinate all Board business including:
  - 15.3.1 prepare agendas;
  - 15.3.2 coordinate the timely completion and despatch of Board and committee papers;
  - 15.3.3 ensure the business at Board and committee meetings is accurately captured in the minutes;
  - 15.3.4 lodge communications and filings with the ASX;
  - 15.3.5 monitor compliance with Board and committee policy and procedures; and
  - 15.3.6 help to organise and facilitate the induction and professional development of directors.

The Board will appoint a person to fulfil the role of company secretary of the Company. Appointment and removal of a company secretary, or a person appointed to fulfil this role, will be subject to Board approval.

All directors will have direct access to the person nominated to fulfil the company secretary role and vice versa.

---

## **16. Independent Advice**

A director of the Company is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities as a director of the Company, in accordance with the procedures and subject to the conditions set out below:

- 16.1 a director must seek the prior approval of the Chair;
- 16.2 in seeking the prior approval of the Chair, the director must provide the Chair with details of the nature of the independent professional advice, the likely cost of the advice and details of the adviser he or she proposes to instruct;
- 16.3 the Chair may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining the advice;
- 16.4 all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the director in their professional capacity. However, 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; and
- 16.5 the Chair may determine that any advice received by an individual director will be circulated to the remainder of the Board.



All directors are entitled to the benefit of the Company's standard Deed of Indemnity which provides ongoing access to Board Papers and, at the Company's expense, Directors and Officers insurance.

---

**17. Remuneration**

The level of director remuneration will be approved by the Board or by shareholders as the Company's Constitution may require.

---

**18. Annual Review**

The Board will review and prepare annually:

- 18.1 a self-evaluation of its performance against this Charter;
  - 18.2 recommended goals and objectives for the coming year; and
  - 18.3 recommended changes or improvements to this Charter if necessary.
- 

**19. Revisions of this Charter**

This Board Charter and any amendments to it must be duly approved by the Board of directors of the Company.

Each director is responsible for review of the effectiveness of this Charter and the operations of the Board and to make recommendations to the Board of any amendments to this Board Charter.