

Policy – Director Independence



1. Purpose

This policy outlines the parameters used by DMTC Limited (“DMTC”, “The Company”) to assess the independence of its Directors. As described below, the Board will be the ultimate authority in determining if a Director is independent.

2. Policy scope/coverage

This policy is applicable to Directors and is subject to review by the Board of Directors.

This policy aims to comply with ASX principles and guidelines and in particular the ASX Board Policy and Guideline to relationships affecting independent status and also takes account DMTC’s business environment and Constitution.

3. Policy statement

3.1. Policy Overview

The Constitution requires that a majority of the Directors, including the Chair, must be independent. The independence of Directors will be assessed with reference to the definition of an independent director contained in the ASX Principles, namely:

“An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.”

3.2. Relationships to be Considered by the Board when Assessing Independence

In assessing independence, the Board will take into consideration those relationships that the ASX principles consider may affect the independent status of a Director. These are where a Director:

- a) is a substantial shareholder (Member) of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company (Member).
- b) is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board.
- c) is, or has within the last three years been, a partner, director or senior employee of a material professional advisor to the Company or another group member.
- d) is, or has been within the last three years, in a material business relationship with the Company or another group member, or an officer of, or otherwise associated with, someone with such a relationship.
- 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.

3.3. Materiality Threshold

The Board employs a materiality threshold in judging whether customer, supplier, consultant or professional adviser relationships affect the independence of directors, in the event that a relationship existed within the 3-year period noted in principle 3.2.

Consistent with ASX principles & guidelines, a relationship is presumed immaterial when it generates less than 5% of group revenue of DMTC Limited and presumed material when it generates more than 10% of group revenue of DMTC Limited during a 12-month period in the absence of evidence or convincing argument to the contrary. In considering such evidence or argument the Board takes into account the strategic value and other material but non-quantitative aspects of the relationship in question.

The threshold for the purpose of assessing the materiality of relationships between a non-executive director and DMTC Limited (other than as a director) is set according to the significance of that relationship to the director in the context of their activities as a whole.

Where the shareholder/member is a University or similar such institution, a non-remunerated professorship or similar such role is not considered a direct association, in 3.2(a) above.

3.4. Directors' Interests

Directors must advise the Chair and/or Company Secretary as soon as practical after they become aware of a change to, or a potential change to, any relevant outside interests. A register of interests is maintained by the Company Secretary. During Board considerations, where it is considered that a director has a real or perceived material potential conflict, this conflict is noted and where appropriate the relevant director absents him or herself from discussions, and/or decisions, as deemed appropriate by the Chair, for that specific item of business. The management of any conflict is minuted.

3.5. Tenure

The Board has not adopted a tenure policy.

The mere fact that a director has served on the Board for a substantial period of time does not mean that he or she has become too close to management to be considered independent. However, as part of its approach to best practice governance, the Board will regularly assess the independence of any director who has served as a director of DMTC Limited for more than 10 years to ensure that independence is maintained. This assessment will involve, each year:

- a periodic review of the director's interests in line with existing ASX policy and guidelines.
- a Board discussion about the director's independence without the director present.

3.6. Review

This policy is reviewed annually by the Board.