



## DIGITAL & TRANSFORMATION COMMITTEE TERMS OF REFERENCE

### OBJECTIVES

1. The digital and transformation committee ("**committee**") is established by the Capricorn Society Limited ("**company**") board of directors ("**board**"). The purpose of the committee is to give the board additional assurance and to assist the board in connection with the oversight of and input into the company's digital (including e-commerce), data, technology, and technology – related innovation strategies. This committee oversight also includes monitoring the mitigation and management of risks associated with the above activities.
2. The committee provides a forum for committee members to question and explore relevant matters in more depth than it could at a board meeting.

### DUTIES AND RESPONSIBILITIES

3. The committee reports to the board on an exception basis except where it explicitly states that the decision rights lie with the whole board and are marked (BOARD REFERRAL). The role of the committee is to:
  - 3.1. Provide input into the strategic direction of the company's technology, research and digital product & services development programs, by reviewing, monitoring and providing guidance, as appropriate, on matters relating to the company's:
    - a. Technology, digital, data and innovation strategies and programs to ensure their alignment with the group's overall strategy and objectives and that they are at the appropriate pace and remain strategically fit-for-purpose;
    - b. Business models (internal operating model, acquisitions and/or partnerships) to support the success of the digital transformation, e-commerce, innovation and other digitally-driven programs; and
    - c. Innovation, digital and data culture.
  - 3.2. Review current and emerging future trends in technology, digitisation, data and digital business models that may affect the company.
  - 3.3. Monitor management's delivery performance as it relates to developing and/or implementing the company's digitally-driven innovation strategies. This includes:
    - a. Oversee and challenge the robustness of the structure and governance, progress against business case and delivery plan of significant individual digital programmes/projects of strategic importance to Capricorn as identified by the Capricorn board.
    - b. Ensure appropriate action is taken in the event of significant underperformance or adverse trends.
    - c. In accordance with delegated authority given by the board and the innovation strategy governance framework, determine whether initiatives overseen by the committee should proceed beyond certain stage gates.
  - 3.4. Monitor the control environment management has in place for information technology and for cyber security:
    - a. Review and endorse the group cyber security strategy, and the implementation plans;
    - b. Review risks relating to information technology and cyber security and plans for mitigation or treatment; and
    - c. Review and endorse the organisation and IT operating model in place for

cyber security, and subsequently consider its ongoing suitability.

- 3.5. In relation to the items above (items 3.1 to 3.4) report to the board following each meeting, for approval or awareness, as appropriate (BOARD REFERRAL).

## **COMPOSITION**

4. The board must reconsider the composition of the committee annually.
5. The committee should comprise at a minimum three directors. The initial committee will have four members. The committee will elect a committee chair ("**chair**").
6. The committee must be always made up exclusively of non-executive directors.

## **TERM OF MEMBERSHIP**

7. Subject to section 4, the board will appoint members of the committee for one year.

## **ATTENDEES**

8. Consultants or their representatives of an advisory firm may be appointed to assist the committee in fulfilling its duties, if deemed necessary.

## **INVITEES**

9. The Group CEO, GM of innovation and corporate development and CIO should be invited to attend committee meetings.
10. The committee may require any other director, member of staff or person external to the company (e.g. consultants or their representatives) to attend part or whole of a committee meeting from time to time if their attendance is deemed necessary.

## **MEETINGS**

11. The committee will meet as and when the chair decides a meeting is necessary. The chair must call a meeting of the committee if requested to do so by any committee member or the CSL chair or the Group CEO.
12. The chair has the authority to convene a meeting from time to time without a management representative present.
13. Management must provide the services of a secretary to the committee who will be responsible for keeping the minutes of meetings of the committee and circulating them to committee members and other members of the board.
14. The secretary to the committee is also responsible, in conjunction with the chair and Group CEO for drawing up the agenda and circulating it, supported by explanatory documentation to committee members, and other members of the board prior to each meeting.
15. A quorum will be two committee members, provided both are directors. It should be noted that in calculating a quorum, in the instance where an appointed committee member is unable to attend a committee meeting, the board can replace that committee member with another director from the board (a "substitute director") and the substitute director will be included in the calculation of the quorum.

16. Decisions will be determined by a majority vote, but the chair will report the fact of any dissenting vote to the board when reporting the decision to the board.

## **ACCESS**

17. The committee will have unfettered access to the company management of the company, the ability to consult independent experts and access to any other resources reasonably required for performance of its duties, after consultation with the board and the Group CEO, where the committee considers it necessary to carry out its duties.
18. The committee must exercise its right of access to management under this clause only after notifying the Group CEO. Access will not be unreasonably refused.