Nomination & Remuneration Committee Charter

1 Introduction

1.1 The Nomination and Remuneration Committee is a committee of the board of directors (Board) of DGL Group Limited ACN 002 802 646 (Company).

1.2 The Board established the Nomination and Remuneration Committee under the Company's constitution.

1.3 This charter sets out the scope of the Nomination and Remuneration Committee's responsibilities in relation to the Company and its related bodies corporate (Group).

1.4 The role of the Nomination and Remuneration Committee is not an executive role.

2 Objective

The objective of the Nomination and Remuneration Committee is to help the Board achieve its objective to ensure the Company:

2.1 Has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties, having regard to the Board skills matrix;

2.2 Has coherent remuneration policies and practices to attract and retain executives and directors who can reasonably be expected to create value for shareholders;

2.3 Observes those remuneration policies and practices; and

2.4 Fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general external pay environment.

3 Nominations - Responsibilities

The Nomination and Remuneration Committee is responsible for:

3.1 Assisting the Board by developing a board skills matrix setting out the necessary and desirable competencies and characteristics for Board membership using the Board skills matrix and regularly assessing the extent to which those competencies and characteristics are represented on the Board;

3.2 Identifying and recommending to the Board, nominees for membership of the Board including the chief executive officer, having regard to the Board skills matrix;

3.3 Establishing processes for identifying suitable candidates for appointment to the Board to ensure an appropriate mix of expertise, experience and succession;

3.4 Conducting appropriate checks before a candidate is appointed to the board or as an executive, including checks as to the candidate's character, experience, education, criminal record and bankruptcy history;

3.5 Preparing, reviewing and updating on a regular basis director’s education and skills enhancement program;

3.6 Ensuring succession plans for Board and executives are in place. A report on these plans is to be prepared and submitted to the Board at least once per year; and

3.7 Reviewing director tenure and performance and recommending to the Board succession, re-election, non-endorsement or other lawful action (the removal of a director being a matter for shareholders).

4 Performance of Directors - Responsibilities

4.1 The Nomination and Remuneration Committee is responsible for:

(a) leading the annual review of the CEO’s performance and recommends an assessment and remuneration outcome to the Board, which makes the final decision without the CEO present;

(b) establishing processes for evaluating the performance of the Board, both collectively and individually;

(c) annually evaluating the performance of the Board, both collectively and individually and considering if the directors as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues;
(d) regularly reviewing the time required from non-executive directors to perform their functions and assessing whether they are satisfying time requirements;
(e) identifying whether there is a need for existing directors to undertake professional development to perform their role as directors effectively and providing such professional development opportunities to existing directors; and
(f) ensuring all new directors are offered induction training which will allow new directors to perform their role as directors effectively.

4.2 A member of the Nomination and Remuneration Committee must not participate in any review or assessment of their own performance.

5 Remuneration Policies & Practices

5.1 Executive remuneration and incentive policies and practices must be performance based and aligned with the Group's vision, values and overall business objectives.

5.2 Executive remuneration and incentive policies and practices must be designed to:
(a) motivate the directors and management to pursue the Group's long term growth and success;
(b) demonstrate a clear relationship between the Group's overall performance and the performance of executives; and
(c) comply with all relevant legal and regulatory provisions.

6 Remuneration - Responsibilities

6.1 In performing its responsibilities in relation to remuneration, the Nomination and Remuneration Committee must give appropriate consideration to the Company's performance and objectives, employment conditions and remuneration relativities.

6.2 The Nomination and Remuneration Committee is responsible for:

Executive Remuneration & Incentive Policies

(a) reviewing, approving and recommending to the Board for adoption executive remuneration and incentive policies and practices;

Executive Directors & Senior Executives

(b) annually considering, approving and recommending to the Board each executive director's total remuneration (including base pay, incentive awards, equity awards, retirement rights, termination payment and terms of engagement) having regard to executive remuneration and incentive policies;
(c) determining if shareholder approval is needed for any change to remuneration of directors or executives;
(d) reviewing and approving, on the recommendation of the chief executive officer:
(i) the total remuneration (including incentive awards, equity awards and retirement and termination payments);
(ii) the terms of engagement; and
(iii) any changes to the total remuneration and terms of employment, of direct reports of the chief executive officer;
(e) recommending to the Board for approval changes to the remuneration or terms of engagement of executive directors before implementation; and

(f) preparing for approval by the Board any report on executive remuneration that may be:
(i) required by the ASX Listing Rules or the Corporations Act 2001 (Cth); or
(ii) proposed for inclusion in the annual report,
and reporting regularly to the Board on those matters;

Executive Incentive Plans

(g) reviewing, approving and recommending to the Board for adoption the design of any executive incentive plan;
(h) reviewing, approving and recommending to the Board for adoption the total proposed payments from any executive incentive plan;
(i) reviewing, approving and recommending to the Board for adoption the design of any equity based plan;
(j) reviewing any plan for legislative, regulatory and market developments;
(k) reviewing, approving and recommending to the Board for approval the total proposed awards under any equity based plan;
(l) reviewing, approving and recommending to the Board for approval the proposed award to each executive under the rules of any plan or as approved by the Nomination and Remuneration Committee;
(m) reviewing, approving, recommending to the Board for adoption and keeping under review the performance hurdles for any equity based plan;

Non-Executive Directors

(n) reviewing the remuneration of non-executive directors for serving on the Board and any committee (both individually and in total);
(o) recommending to the Board the remuneration, retirement and termination policies for non-executive directors having regard to market trends and shareholder interests; and

Insurance & Indemnities

(p) reviewing any insurance premiums or indemnities for the benefit of directors and officers.

7 Other Responsibilities

The Nomination and Remuneration Committee is responsible for doing anything the Board considers appropriate in the context of this charter.

8 Nomination & Remuneration Committee Composition

8.1 Subject to section 8.2, the Nomination and Remuneration Committee should comprise:
(a) at least three directors;
(b) all non-executive directors; and
(c) a majority of independent directors.

8.2 While the Company will aim to have a Nomination and Remuneration Committee of at least the size and composition outlined in section 8.1 above, this may not always be practicable given the size of the Board and the circumstances of the Group, including the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Nomination and Remuneration Committee from time to time.

8.3 The Board appoints an independent chair and the members of the committee.

8.4 A Nomination and Remuneration Committee member may act by their alternate.

9 Nomination & Remuneration Committee Meetings

9.1 The Nomination and Remuneration Committee will meet as often as it considers necessary.

9.2 The quorum for a Nomination and Remuneration Committee meeting is two members of the Committee.

9.3 Nomination and Remuneration Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.

9.4 A notice of each meeting confirming the date, time and venue and agenda shall be forwarded to each member of the committee, generally no later than one week prior to the date of the meeting. The notice will include relevant supporting papers for the agenda items to be discussed.

9.5 The Nomination and Remuneration Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in the Company's constitution or equivalent.

9.6 The Nomination and Remuneration Committee may invite anyone it considers appropriate to attend Nomination and Remuneration Committee meetings.

9.7 The Nomination and Remuneration Committee must keep minutes of its meetings and shall report these regularly to the Board.

10 Diversity

The Board under the Company's Diversity Policy has delegated to the Nomination and Remuneration Committee the responsibility to set measurable objectives for achieving gender diversity in the composition of the board, senior executives and workforce generally.

11 Access to information and independent advice

11.1 The Nomination and Remuneration Committee may seek any information it considers necessary to fulfil its responsibilities.

11.2 The Nomination and Remuneration Committee has access to management to seek explanations and information from management, at the Company's cost.

11.3 The Nomination and Remuneration Committee may seek professional advice from employees of the Group and from appropriate external advisers, at the Company's cost. The Nomination and Remuneration Committee may meet with external advisers without management being present.

12 Review

We review this charter periodically to ensure they remain appropriate for our operations and applicable legal requirements.