

DGO Gold Limited

# Remuneration and Nomination Committee Charter

November 2019

## **Introduction**

The Board of DGO Gold Limited (“DGO Gold” or the “Company”) has established a Remuneration and Nomination Committee (“The Committee”). The following Remuneration and Nomination Committee Charter (“the Charter”) sets out the role, responsibilities, powers, authority and membership requirements of the Committee.

## **The Committee Composition**

The Committee will consist of at least three Non-Executive Directors with a majority of its members being Non-Executive Directors. The Committee may invite members of the management to attend the meetings.

The Chairman of the Committee shall be a Non-Executive Director and shall be appointed by the Board. Membership of the Committee may include persons other than Board members and will be disclosed in the Annual Report.

## **Purpose**

The purpose of the Committee is to support and advise the Board in fulfilling their responsibilities in ensuring that:

- the Board comprises individuals best able to discharge the responsibilities of Directors having regard to the law and the highest standards of governance;
- the Company has remuneration policies and practices which enable it to attract and retain Directors and Executives who will best contribute towards achieving positive outcomes for shareholders;
- the Company fairly and responsibly rewards Executives having regard to the performance of the Company, the performance of the Executive and the general pay environment; and
- the policies and practices referred to above comply with the ASX Listing Rules, the Corporations Act 2001 and Corporate Governance Principles and Recommendations.

## **Definition and Objectives of the Committee**

The Committee is responsible for assisting the Board in relation to the Board succession planning, appointment of members of the Board, its Management and for the review of the performance of such persons. The majority of the Non-Executive Directors must agree to the appointment of a new Director to the Board.

The Committee shall discharge its nomination responsibilities by:

- developing criteria for assessing the necessary and desirable skill sets of the Board members including experience, expertise, skills and performance of the Board and its Committees;
- assessing the skills required to discharge competently the Board’s duties having regard to the Company’s performance, financial position and strategic direction;
- considering such factors as independence, complexity and size of operations assessing the skills represented on the Board by the Non-Executive Directors and determines whether those skills meet the skills identified as required;

- having regard to the skills required and the skills already represented on the Board, the Committee will identify suitable candidates for appointment to the Board or Senior Management positions;
- reviewing appropriate applications for positions on the Board and recommending individuals for consideration by the Board including appointment and re-election of Directors;
- reviewing the process for identifying suitable candidates which may include a search undertaken by an appropriately qualified independent third party acting on a brief prepared by the Committee which identifies the skills sought;
- conducting an annual review of the composition of the Committees; and
- making recommendations to undertake a review of the performance of the Board.

The Committee shall discharge its responsibilities in relation to the remuneration of the Board and Senior Executive by making recommendations to the Board on:

- Executive remuneration and Incentive Plans
  - (i) including, but not limited to, pension rights and compensation payments and any amendments to that policy proposed from time to time by Management;
  - (ii) review of the on-going appropriateness and relevance of the Executive Remuneration Policy and other Executive benefit programs;
  - (iii) consideration of whether to seek shareholder approval of the Executive Remuneration Policy;
  - (iv) overseeing the implementation of the Remuneration Policy; and
  - (v) review and approval of the total proposed payments from each Executive Incentive Plan. In respect of such Executive remuneration, review the competitiveness of the Company's Executive compensation programs to ensure,
    - the programmes are attractive, with a view to ensuring the retention of corporate officers;
    - the motivation of corporate officers to achieve the Company's business objectives; and
    - the alignment of the interest of key leadership with the long term interests of the Company's shareholders.
- Remuneration packages for Management, Directors and the Managing Director (if any)
  - (i) consider and make recommendations to the Board on the entire specific remuneration for each individual of Management (including fixed pay incentive payments, equity awards, retirement rights, service contracts) having regard to the Executive Remuneration Policy; and
  - (ii) consider whether shareholder approval will be required.

- Non-Executive Director Remuneration
  - (i) in developing the structure, consider the Corporate Governance Principles and Recommendations:
    - Non-Executive Directors should normally be remunerated by way of fees (in the form of cash, superannuation contributions, non-cash benefits in lieu of fees or equity);
    - Non-Executive Directors should not participate in schemes designed for the remuneration of Executives; and
    - Non-Executive Directors should not receive retirement benefits other than statutory superannuation.
  - (ii) Ensure that the fees for Non-Executive Directors of the Board are within the aggregate amount approved by the shareholders;
  - (iii) provide, in the Corporate Governance Statement of the Annual Report, any departures from Recommendation 8.2 if necessary.
- Review of Company's recruitment, retention and termination policies and procedures for Senior Management
- Review Incentive Plans and Share Allocation Schemes
- Review of Superannuation arrangements
- Review of Remuneration of Members of the Committees of the Board

In determining the remuneration of the Chief Executive Officer, Senior Management and any Executives Directors, the Committee members are required to:

- review the Executive Remuneration Policy contained in the Annual Report at least annually;
- consider the remuneration and other conditions of service of the Chief Executive Officer, Senior Management and Executive Directors, if any;
- review the performance of Executive Team Management team;
- make decisions on the remuneration of Non-Executive Directors within the aggregate approved by shareholders in General Meetings from time to time;
- at its discretion, consult appropriately qualified consultants for advise on remuneration and other conditions of service;
- fairly and responsibly reward Executives and other Directors having regard to the performance of the Company, the performance of the Executive and the general pay environment.
- ensure compliance with the provisions of the ASX Listing Rules, the Corporations Act 2001 and Corporate Governance Principles and Recommendations.

## **Remuneration Policies**

The Committee should design the Remuneration Policy in such a way that it motivates Directors and Management to pursue the long-term growth and success of the Company within an appropriate control framework and demonstrates a clear relationship between Key Executive performance and remuneration.

In performing its role, the Chairman is required to ensure that the remuneration offered is in accordance with prevailing market conditions, and that exceptional circumstances are taken into consideration, contract provisions reflect market practice and targets and incentives are based on realistic performance criteria.

## **Recommendations by the Committee**

The Committee must review and make following recommendations to the Board for approval:

- any changes to the remuneration or contract terms of Executive Directors and direct reports to the Managing Director;
- the design of new, or amendments to current Equity Plans or Executive Cash-based Incentive Plans;
- the total level of awards proposed from Equity Plans or Executive Cash-based Incentive Plans; and
- termination payments to Executive Directors of direct reports to the Managing Director, including consideration of early termination, except for removal for misconduct, termination payments to other departing Executive within pre-agreed parameters which should be reported to the Committee as soon as practicable.

## **Access**

The Committee shall have unlimited access to the external and internal auditors, and to the Senior Management of the Company and any of its subsidiary entities.

The Committee shall also have the ability and authority to seek any information it requires to carry out its duties from any officer or an employee of the Company and such officers or employees shall be instructed by the Board to co-operate fully in provision of such information.

The Committee will also have the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## **Reporting to the Board**

The Committee, through its Chairperson, shall report to the Board at the next Board Meeting following each Committee Meeting. The report should include but is not limited to:

- any formal resolutions and recommendations;
- procedures for the selection and appointment of proposed Board and Senior Management representatives and for the monitoring of the performance of Board and Senior Managers;

- recommendation for the appointment or removal of a Board Member or Senior Manager;
- any determination by the Committee relating to the independence of a proposed Board Members;
- assessment of the performance of any Board member or Senior Manager;
- any matters that in the opinion of the Committee should be brought to the attention of the Board and any recommendations requiring the Board approval and/or action;
- at least annually, a review of the formal written Charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the Charter;
- any assessment of:
  - Executive remuneration and Incentive Plans;
  - Remuneration packages for Senior Management, Directors and the Managing Director (if any);
  - Non-Executive Director Remuneration;
  - the Company's recruitment and retention and termination policies and procedures for Senior Management;
  - Incentive Plans and Share Allocation Schemes;
  - Superannuation arrangements; and
  - Remunerations of members of other Committees of the Board.
- recommendations for setting remuneration levels for Directors, Senior Management and Committees.

### **Meetings of the Committee**

The Committee shall meet often as required but at least once a year.

Other Directors (Executive and Non-Executive) have a right of attendance at meetings. However, no Director is entitled to attend that part of a meeting at which an act or omission of that Director of a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director is being investigated or discussed.

If in the opinion of the Committee, that their investigation or discussion will be assisted by hearing from the interested Director, the Committee may invite that Director to address the Committee. The Committee will allow fair consideration to that address. The Director, will not, however, be invited to take part in the deliberations following that address.

### **Minutes of Committee Meeting**

The Minutes of proceedings and resolutions of the Committee shall be kept with the Company Secretary and signed by the Chairman of the Committee.

### **Review of the Policy**

The Board will review the Remuneration and Nomination Committee Charter annually to ensure it remains consistent with the regulations.

A copy of the Charter is available on the Company's website [www.dgogold.com.au](http://www.dgogold.com.au).