



## **BOARD CHARTER**

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**DGR GLOBAL LIMITED**

*ACN 052 354 837*

## 1. Introduction

The Board of DGR Global Limited (“DGR Global” or “the Company”) is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. The Board of DGR Global (“Board”) is dedicated to fulfilling the duties and responsibilities in a lawful and professional manner and actively pursues good practice in its governance processes.

This Board Charter outlines the role and responsibilities of the Board and remains a living document which will be regularly reviewed and updated to reflect changes in the commercial and legal environment, together with any amendments and developments in Board policies and procedures.

The Company Secretary will ensure the Board Charter is kept current in accordance with the Board’s decisions and regulatory changes.

## 2. Roles and Responsibilities of the Board

Generally, the roles and responsibilities of the Board are governed by the *Corporations Act* and the general law. The Board drives and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable; ensure compliance with all of its contractual, statutory and any other legal obligations by any regulatory body.

The Board expressly considers itself responsible for the following:

- Ensuring compliance with the *Corporations Act*, ASX Listing Rules (where appropriate) and all relevant laws;
- Developing, implementing and monitoring operational and financial targets for the Company;
- Appointment of appropriate staff, consultants and experts to assist in the Company's operations, including the selection and monitoring of a Chief Executive Officer;
- Ensuring appropriate financial and risk management controls are implemented;
- Approving and monitoring financial and other reporting;
- Setting, monitoring and ensuring appropriate accountability for directors' and executive officers' remuneration;
- Establishing and maintaining communications and relations between the Company and third parties, including its shareholders and ASX;
- Implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;
- Oversight of the Company including its framework of control and accountability systems to enable risk to be assessed and managed;
- Ratifying the appointment and, where appropriate, removal of the Chief Financial Officer and the Company Secretary;
- Input into and final approval of the management's development of corporate strategy and performance objectives;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Monitoring senior management's performance, implementation of strategy and ensuring appropriate resources are available;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approval of the annual budget;
- Monitoring the financial performance of the Company;
- Liaising with the Company's external auditors;
- Monitoring, and ensuring compliance with, all of the Company's legal obligations;
- Approving and monitoring financial and other reporting;
- Appointing and overseeing Committees where appropriate to assist in the above functions and powers.

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

The Board shall determine the number of Directors that shall be required from time to time. Independent Non-Executive Directors will comprise the majority of Directors. The Chair of the Board shall be an independent Non-Executive Director.

All Directors should bring specific skills and experience that add value to DGR Global. The Board, rather than a Remuneration & Nomination Committee (which has not established yet due to the current size and structure of the Company), will regularly review the balance of skills and experience of the Board.

### **4. Delegations**

The Board has constituted an Audit and Risk Committee, but not a Remuneration & Nomination Committee due to the current size and structure of the Company. In the absence of a formally constituted Remuneration & Nomination Committee, the entire Board is responsible for the proper oversight of the Board, and senior management.

#### Remuneration & Nomination Committee

The Board has not established Remuneration & Nomination Committee, and these functions are handled by the Board as a whole.

#### Audit & Risk Committee

The Board has established an Audit and Risk Committee which assists in fulfilling corporate governance responsibilities in regard to:

- The reliability and integrity of financial information for inclusion in the Company's financial statements;
- Audit, accounting and financial reporting obligations;
- The adequacy of the Company's audit arrangements; and
- The Company's internal control systems and risk management framework.

#### Senior Management

The Board delegates to senior management the responsibility for the day-to-day activities leading toward achievement of the Company's strategic direction, provided those matters do not exceed the Materiality Threshold as defined in Appendix A. Those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance are considered to be part of senior management.

#### Chief Executive Officer/Managing Director

The Board has delegated to the Chief Executive Officer/Managing Director the responsibility for running the affairs of the Company and to implement the policies and strategy set by the Board. In carrying out their responsibilities the Chief Executive Officer/Managing Director must report to the Board in a timely manner on those matters included in the Company's risk profile, all relevant operational matters and any other matter that is likely to exceed the Materiality Threshold. All reports to the Board must present a true and fair view of the Company's financial condition and operational results.

The Chief Executive Officer/Managing Director is also responsible for appointing and, where appropriate, removing senior executives, including the Chief Financial Officer, with the approval of the Board. The Chief Executive Officer/Managing Director is responsible for evaluating the performance of senior executives.

### **5. Access to Information and Advice**

#### Chair of the Board

The Chair of the Board should be an independent Director and is responsible for leadership of the Board and ensuring that the principles and processes of the Board are maintained. The Chair is also responsible for shareholder communications and overseeing the arrangements for the Board and, as appropriate, individual director performance evaluations.

The Chair should facilitate the effective contribution of all directors and promote constructive and respectful relations between Directors and between Board and senior management.

Any other position which the Chair may hold either inside or outside the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Board.

#### Lead Independent Director

Where the Chair is not an independent Director, a lead independent Director will be appointed. The lead independent Director will take on the role of the Chair when the Chair is unable to act in that capacity as a result of their lack of independence.

#### Non-Executive and/or Independent Directors

The Board recognises the importance of the appropriate balance between independent and non-independent representation on the Board. The independence of the Non-Executive Directors is reviewed on a regular basis in accordance with *Assessing the Independence of Directors Policy*. In assessing the independence of Directors, the Company adhere to *Assessing the Independent Directors Policy*, which is in accordance with the 3<sup>rd</sup> edition ASX corporate governance Council's *Corporate Governance Principles and Recommendations*.

The independent Directors may meet without other Directors present, if appropriate.

The Non-Executive Directors may meet without senior management present from time to time. Such meetings may be facilitated by the Chair or the lead independent Director, as appropriate.

### **6. Appointment**

#### Appointment Letter

Upon appointment, a new Director will be given a formal letter of appointment from the Chairman and/or Company Secretary setting out the key terms, conditions and responsibilities of their position.

#### Induction Program

Upon appointment, the Company Secretary is responsible for arranging for the new Director to undertake an induction program to enable them to gain an understanding of:

- The Company's operations and the industry sectors in which it operates;
- The culture and values of the Company;
- The Company's financial, strategic, operational and risk management position;
- Their rights, duties and responsibilities; and
- Any other relevant information.

### **7. Administration**

#### Meetings

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. It is usual practice for the Board to meet 10 times each calendar year. However, additional meetings are held as required to address specific issues.

All minutes of Board meetings are signed by the Chair as a true and correct record and are then kept by the Company Secretary and open for inspection by any director. Senior management may be invited to attend Board meetings (or part thereof) from time to time where the Board considers their involvement of assistance to the consideration of items of business.

Directors are encouraged to request information from senior executives where they consider such information necessary to make informed decisions.

#### Quorum and Voting

Unless otherwise determined by the Board, two Directors comprise a quorum. Each member will have one vote. In the event of an equality of votes the Chair will have a second or casting vote except where there are only two Directors present or competent to vote on the questions.

#### Company Secretary

The Board will appoint at least one Company Secretary and his or her appointment and removal is a matter for the Board as a whole. The Company Secretary or their delegate attends meetings and acts as secretary to the Board.

## **Appendix A - Materiality Threshold**

The Board has agreed on the following guidelines for assessing the materiality of matters:

### **Materiality – Quantitative**

#### ▪ **Balance sheet items**

Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.

#### ▪ **Profit and loss items**

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

### **Materiality – Qualitative**

Items are also material if:

- a) They impact on the reputation of the Company;
- b) They involve a breach of legislation;
- c) They are outside the ordinary course of business;
- d) They could affect the Company's rights to its assets;
- e) If accumulated they would trigger the quantitative tests;
- f) They involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or
- g) They will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

### **Material Contracts**

Contracts will be considered material if:

- a) They are outside the ordinary course of business;
- b) They contain exceptionally onerous provisions in the opinion of the Board;
- c) They impact on income or distribution in excess of the quantitative tests;
- d) There is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests;
- e) They are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;
- f) They contain or trigger change of control provisions;
- g) They are between or for the benefit of related parties; or
- h) They otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which exceeds the materiality threshold ("**Materiality Threshold**").