



# **NOMINATION AND GOVERNANCE COMMITTEE CHARTER**

## **CORPORATE GOVERNANCE**

***DRA Global Limited***

**ABN 75 622 581 935**

**DRA-00-CG-CH-005**

**Revision: 01**

**APPROVAL**

Name	Title	Signature	Date
Peter Mansell	Chairman of the Board DRA Global Limited		Approved by the Board on 13 October 2020

**REVISION RECORD**

Revision	Description	Date
0	Approved by the Board	8 June 2020
1	Approved by the Board	13 October 2020

## ABBREVIATIONS

Terms	Definition
Committee	Nomination & Governance Committee
Board	DRA Global Limited Board
Company	DRA Global Limited
Group	DRA Global Limited and its subsidiaries
ASX	Australian Stock Exchange
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
IPO	Initial Public Offering

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## 1 PURPOSE AND ROLE

The Nominations & Governance Committee (**Committee**) is a committee of the Board. The Committee's role is to:

**Assist the Board to fulfil its responsibilities in relation to:**

- the composition of the Board and the appointment, retirement, re-election and performance of Directors;
- the appointment of the Managing Director, and performance review of the Managing Director at least annually;
- succession planning, renewal and evaluation for the Board with a view to maintaining an appropriate balance of skills, experience, tenure and diversity of the Board;
- induction and development programs for Directors;
- adopting the most appropriate corporate governance framework and practices that encourage an alignment of purpose, vision and strategy among shareholders, Directors and Management; and
- making decisions in respect of the Company's continuous disclosure obligations pursuant to relevant listing rules of the ASX and the *Corporations Act 2001 (Cth)*;
- managing governance relations; and
- assist the Board to undertake, or where necessary, to undertake:
  - the management of potential, real or perceived conflicts of interest;
  - the management of transactions or other dealings involving Directors, material shareholders or related parties; and
- formal and informal delegation of Board powers and responsibilities (including in relation to the above matters).

This Charter details, to the maximum extent permitted by law, the functions and the manner in which the Committee will operate. In making decisions and recommendations, the Committee may take into account:

- these terms of reference;
- legal requirements, including the provisions and recommendations in applicable listing rules and standards of corporate governance applicable in each of the jurisdictions in which the Company is listed;
- key market trends and the broader external environment, in particular, the existing and developing corporate governance and regulatory environment;
- the activities of the Board's other committees and where appropriate, coordinate with and consider information arising out of those committees that affect the Company's Directors, stakeholders, corporate governance and continuous disclosure obligations; and
- any other factors it deems relevant.

## 2 KEY RESPONSIBILITIES OF THE COMMITTEE

Specifically, the duties and responsibilities of the Committee are to review and report to, and where appropriate, recommend for approval by the Board on the following matters.

The Committee's responsibilities are to:

### 2.1 Composition of the Board and Committees

- Monitor, review and make recommendations on matters relating to the size, composition and structure of the Board and Board committees.

- Assess the appropriate balance of skills, knowledge, experience and diversity required on the Board and its committees and the extent to which balance is achieved.
- Review the Board skills matrix and make recommendations on any changes that should be made.

## **2.2 Selection, Appointment and Re-election of Directors, Independence, Induction and Development**

- Establish a formal process for the nomination, selection, appointment and re-election of Non-Executive Directors.
- Establish a formal process to appoint and terminate the Chief Executive Officer/Managing Director.
- Consider and make recommendations to the Board regarding the appointment of the Managing Director and associated terms of engagement.
- Identify and evaluate Board candidates and recommend individuals for appointment to the Board.
- Make recommendations as to whether the Board should support the re-election, by shareholders, of individual Non-Executive Directors retiring by rotation.
- Monitor and review the process for the induction of new Directors, and any professional development program for existing Directors.
- Assess and make recommendations on the independence of each Director on appointment and then annually and as soon as practicable whenever any new interests or relationships are disclosed by a Director.

## **2.3 Performance Evaluation**

- Develop and oversee the annual performance evaluation process of individual Directors, the Board as a whole and the operation of Board Committees.

## **2.4 Succession Planning**

- Make recommendations regarding Board succession of the Chair.

## **2.5 Corporate Governance**

- Provide advice to the Board on the most appropriate corporate governance framework, policies and practices that are, or are likely to be, in the best interests of the Company.
- Review the effectiveness of the Company's corporate governance framework, policies and practices, including advising the Board of any significant developments in the law and practice of corporate governance.
- Develop oversight standards to clarify the delegation of powers to the Chief Executive Officer and clearly prescribe the scope of management's responsibilities.
- Review and make recommendations regarding to reports provided by management to ensure they provide the Board with the information it needs, at the appropriate level of detail, in the format the Board requires and in a timely fashion.
- Review and consider the Company's compliance with ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and other applicable corporate governance requirements in the jurisdictions in which the Company is listed.
- Review and consider the appropriateness of the Company's investor relations processes, procedures and controls to meet the expectations of private and public market investors (as applicable).
- Review and recommend for approval the Company's annual Corporate Governance Statement.

## 2.6 Conflict management

- Manage potential, real or perceived conflicts of interest and related party proposals involving Directors, material shareholders or related parties.
- Initiate, conduct, participate in or defend legal proceedings by or against the Company or any of its subsidiaries in which Directors, material shareholders or related parties are involved, and to settle or resolve any such proceedings.

## 2.7 Continuous Disclosure

- Recommend to the Board for approval the Company's Market Disclosure and Communication Policy and provide oversight on how the policy is being implemented.
- Liaise with the Chief Executive Officer/Managing Director, Chief Financial Officer, Company Secretary and General Counsel in relation to the disclosure of potentially significant market sensitive information, and the referral of information to the Board.
- Review and oversee the verification of all significant market sensitive announcements, including financial forecasts, IPO and capital raising documents.
- Oversee the training of Directors and Executives on the Company's continuous disclosure obligations.

The Board has delegated to the Committee the authority to make decisions with respect to all potential market sensitive announcements. However, where the Committee determines that a decision concerns a matter of high importance requiring full Board approval prior to the announcement, it shall determine whether to request a trading halt and refer the matter to the Board.

## 2.8 Government Relations

- Ensure the appropriate levels of understanding the Government regulations and processes is being communicated through to the Directors and Executives.

## 2.9 IPO Readiness

- Develop and oversee the key information and forecasts in preparation for IPO Readiness.

## 3 PROCESS FOR SELECTION AND APPOINTMENT OF NEW DIRECTORS

Factors to be considered when reviewing a potential candidate for Board appointment include:

- the expertise, skills, experience, perspectives and personal qualities and attributes that will best ensure Board effectiveness;
- the diversity of Board composition;
- the capability of the candidate to devote the necessary time and commitment to the role; and
- potential conflicts of interest and independence.

The Board has determined and established Fit and Proper Person Guidelines (as set out in Annexure B in the Board Charter) for assessing potential Director candidates, to ensure candidates have the appropriate fitness and propriety to properly discharge their prudential responsibilities on appointment and during the course of their appointment. The guideline provides that detailed background information (including relevant good standing checks) in relation to a potential candidate must be provided to all Directors.

The identification of potential Director candidates may be assisted by the use of external recruitment consultants, as appropriate.

An offer of a Board appointment must be made by the Chairman only after having consulted all Directors, with any recommendations from the Committee having been circulated to all Directors.

All new Board appointments must be confirmed by a letter of appointment.

**Nominee Directors Nominated by Significant Shareholders**

Where the Company receives a written notice from a significant shareholder nominating a person to fill a casual vacancy on the Board or as an addition to the Board, the Committee of the Board will consider the nominee and recommend to the Board the appointment of the nominee, unless there are reasonable grounds for not approving the nominee and such grounds have been notified to the Board and, as and when appropriate, the nominating shareholder.

**4 PROCESS FOR MANAGING CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS****4.1 Conflicts of Interest Matters**

At the direction of the Chairman of the Company, the Committee will review and manage any conflict or potential conflict of interest matters that arise in respect of any Director.

The Committee will manage any conflict of interest matter having regard to the conflict of interest protocols set out in Annexure C to the Board Charter and the Company's Conflict of Interest Group Standard.

The Committee will conduct a conflict assessment. The Director the subject of the conflict assessment must provide the Committee with such information as is reasonably required to assist the Committee in determining whether the Director has a conflict of interest in respect of the relevant matter.

**4.2 Related Party Transactions**

As soon as the Committee becomes aware of any related party proposal, it will convene a meeting and establish appropriate processes and protocols and will undertake an assessment of the related party proposal.

The Committee is authorised to obtain any independent professional advice and instruct those advisers to liaise with the management and to assist the Committee with the assessment of the related party proposal.

The Committee is authorised to appoint an independent expert to report in respect of a related party proposal requiring prior shareholder approval.

The Committee will report to the Board (or any sub-committee of the Board) as, and to the extent that, it considers appropriate, subject to any processes and protocols developed by the Committee to manage related party proposals.

The Committee will not recommend to the Board (excluding any Director/s who are conflicted) a related party proposal unless it is satisfied that the relevant proposal is in the best interests of the Company. Alternatively, the Committee may recommend to the Board that it (or a specified sub-committee) be delegated powers to manage and respond to any such proposal.

**4.3 Conflicted Litigation Matters**

In relation to any actual or potential claim or proceeding by or against the Company or any of its subsidiaries of which the Company or any Director becomes aware:

- in relation to which any Director has an actual or perceived conflict of interest;
- involving a related party of the Company; or
- involving a material shareholder of the Company;

the Committee will convene a meeting and establish appropriate processes and protocols for the management of the assessment and resolution of that actual or potential claim. Any Director who has an actual or perceived conflict of interest in relation to that actual or potential claim or proceeding:

1. is disqualified from participation in meetings of the Committee in relation to the matter;
2. must not be notified of the convening of any meeting;



3. must not receive papers in relation to that meeting, including minutes of meetings of the Committee in relation to that matter;
4. if and to the extent they become aware of any meeting or the subject matter of any meeting, must not communicate any information in relation to that matter to any other person whether within, or outside, the Company, other than the Chairman.

The Committee is authorised to obtain any necessary or expedient independent professional or expert advice for the purpose of assessing, undertaking, defending or resolving that actual or potential claim.

The Committee is authorised in the name of the Company to initiate, conduct, participate in or defend legal proceedings, in an appropriate forum, in any relevant jurisdiction, to protect the interests of the Company and its subsidiaries, after having regard to the advice obtained by the Committee and the members eligible to participate having satisfied themselves that it is in the best interests of the Company (or relevant subsidiary) to undertake the conduct or defence of such proceedings, and to cause the Company to resolve such proceedings on terms it considers appropriate.

For that purpose, the Committee is authorised to cause the expenditure of such monies as are reasonably necessary, and to expose the Company to the risk of adverse costs or other orders.

## **5 AUTHORITY, ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

Except in relation to its functions:

- under section 4; and
- in relation to continuous disclosure as set out in section 2.7.

the Committee is a review and advice Committee and has no decision-making authority and (unless resolved by the Board to the contrary) holds no delegated authority from the Board.

The Committee shall have unrestricted access to management, internal or external auditors, and any information to enable it to fulfil its functions appropriately.

The Committee is authorised to obtain any independent legal advice or other professional advice that it considers necessary to perform its role. This includes seeking assistance from appropriately qualified recruitment consultants and conducting appropriate checks on candidates for a Board role.

## **6 MEMBERSHIP**

The Committee shall comprise of a minimum of three Non-executive Directors. The members will be appointed by the Board.

Each member on the Committee will be a Non-Executive Director of the Board.

The Chairman of the Company will be chair of the Committee.

Committee members should possess the appropriate skills and experience and have an appropriate understanding of the industries in which the Company operates to enable the Committee to fulfil its functions appropriately. At least one member of the Committee should have experience in corporate governance practice and previously held a directorship in a public listed company.

The Committee may delegate all or part of its functions and powers to a sub-committee (comprising at least of two of its members) in relation to a specific matter, which sub-committee is to have the role, responsibilities of the Committee as set out in this document.

## **7 MEETINGS**

The Committee shall meet as often as required to undertake its role effectively, but as a minimum four times per annum. Any Committee member may call a meeting of the Committee.

The Chair of the Committee may call a meeting independent of management.

The quorum necessary for the meeting will be two members. In the absence of the Chairperson, the Committee members will elect a member who is an Independent Non-Executive Director to act as chairperson for that meeting.

The Committee may invite management and any other external advisers to attend its meetings.

The Committee may delegate to subcommittees of the Committee.

Subject to section 4 or where the Committee forms a view that a conflict of interest may arise, all Directors have a standing invitation to attend Committee meetings, receive copies of Committee meeting minutes and have access to Committee papers.

The Company Secretary (or nominee) will be the secretary of the Committee.

The proceedings of all meetings shall have minutes recorded by the Company Secretary (or nominee).

## **8 REPORTING**

The Committee Chairperson, or his/her nominee, will report to the Board at the next Board meeting on any material matters arising out of the Committee meeting and make recommendations to the Board for decision.

The minutes of the Committee meeting will be included in the Board papers for the subsequent Board meeting.

All Directors will be permitted, within the Board meeting, to request information of the Committee Chairperson or members of the Committee, but the provision of such information will be subject to the provisions in this document.

An annual plan will be developed for the Committee activities and reporting on progress against the annual plan will be provided to the Board.

The Company Secretary will have a separate direct reporting relationship with the Chair of the Committee. This will involve regular one-on-one meetings, as required.

## **9 REVIEWS**

The overall performance of the Committee is to be reviewed at least every two years by:

- obtaining feedback from the Board, Chief Executive Officer/Managing Director, Chief Financial Officer, the Group General Counsel and Company Secretary, and internal and external advisers to the Committee; and
- the Chairman of the Board assessing the contribution and performance of individual Committee members.

The Committee's Charter will be reviewed at least every two years and any amendments are to be approved by the Board.